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To the General Meeting of
EUROHOTEL SA, Geneva

Zurich, 21 April 2017

Report of the statutory auditor on the limited statutory examination

As statutory auditor, we have examined the financial statements (balance sheet, profit and loss account and notes) of EUROHOTEL SA for the year ended 31 March 2017.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the limited statutory examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

Furthermore, we draw attention to the fact that EUROHOTEL SA is over-indebted as per article 725 paragraph 2 CO. Due to the fact that the company's creditors subordinated their claims amounting to CHF 1'117'365 (thereof CHF 16'000 granted subsequent to the balance sheet date), the Board of Directors has refrained from notifying the court.

Ernst & Young Ltd



Christian Krämer
Licensed audit expert
(Auditor in charge)



Marc Rügsegger
Licensed audit expert

Enclosures

- Financial statements (balance sheet, profit and loss account and notes)

EUROHOTEL SA, GENEVA
BALANCE SHEET AS AT MARCH 31, 2017

	31.03.2017		31.03.2016	
	CHF	INR Lacs	CHF	INR Lacs
ASSETS				
Current Assets				
Cash and cash equivalents	5'074	3	8'796	6
Other accounts receivables third parties	4	0	4	0
Prepaid expenses	2	0	2	0
Total Current Assets	<u>5'080</u>	<u>3</u>	<u>8'802</u>	<u>6</u>
TOTAL ASSETS	<u>5'080</u>	<u>3</u>	<u>8'802</u>	<u>6</u>
EQUITY AND LIABILITIES				
Liabilities				
Accruals	5'797	4	5'800	4
Current non-interest-bearing liabilities - Participants (subordinated)	1'101'365	712	1'091'365	745
Total Liabilities	<u>1'107'162</u>	<u>716</u>	<u>1'097'165</u>	<u>749</u>
Equity				
Share capital	100'000	65	100'000	68
Cumulative losses				0
Loss carried forward from previous year	- 1'188'363	- 769	- 1'124'107	- 768
Loss for the period	- 13'719	- 9	- 64'256	- 43
Cumulative losses	<u>- 1'202'082</u>	<u>- 778</u>	<u>- 1'188'363</u>	<u>- 811</u>
Total equity	<u>- 1'102'082</u>	<u>- 713</u>	<u>- 1'088'363</u>	<u>- 743</u>
TOTAL EQUITY AND LIABILITIES	<u>5'080</u>	<u>3</u>	<u>8'802</u>	<u>6</u>

Initialed for purpose of
identification
April 21, 2017
EY Ernst & Young Ltd
Zurich, Switzerland

EUROHOTEL SA, GENEVA
PROFIT AND LOSS ACCOUNT 2016/17

	01.04.2016 - 31.03.2017		01.04.2015 - 31.03.2016	
	CHF	INR Lacs	CHF	INR Lacs
EXPENSES				
Material costs	2'708	2	57'240	39
Administration expenses	10'461	7	5'978	4
Other operating expenses	445	0	508	0
Expenses before financial expenses and taxes	<u>13'614</u>	<u>9</u>	<u>63'726</u>	<u>43</u>
Profit before interest and taxes (EBIT)	<u>- 13'614</u>	<u>- 9</u>	<u>- 63'726</u>	<u>- 43</u>
Financial expenses	- 105	0	- 530	0
Financial loss, net	<u>- 105</u>	<u>0</u>	<u>- 530</u>	<u>0</u>
LOSS FOR THE PERIOD	<u>- 13'719</u>	<u>- 9</u>	<u>- 64'256</u>	<u>- 43</u>

<p>Initialed for purpose of identification</p> <p style="color: blue; font-size: 1.2em;">April 21, 2017</p> <p>EY Ernst & Young Ltd Zurich, Switzerland</p>
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EUROHOTEL SA, GENEVA

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2017

Applicable accounting law

These financial statements have been prepared in accordance with the provisions on commercial accounting laid down in articles 957 – 963b Swiss Code of Obligations.

Number of full-time equivalents on annual average

In current year (as well as in previous year), the number of full-time equivalents on annual average is zero.

Subordination

For the current non-interest-bearing liabilities from participants a subordination agreement was signed.

The subordination amounts to CHF 1'117'365 (INR Lacs 723) as per 05.04.2017. The subordination Prior Year was CHF 1'101'365 (INR Lacs 753) as per 14.04.2016.

INR-figures

The conversion to the INR-figures (balance sheet, profit and loss account and notes) was performed with the following foreign exchange rate:

CHF/INR: 64.71 (prior year 68.36).

All INR-figures are for informational purpose only.

