Lexon Hotel Ventures Limited

Financial Statements

For the year ended 31 March 2019

INDEX

Corporate data

		Appointed
Directors:	Sharmil Shah	24 April 2007
	Dhanun Ujoodha	24 April 2007
	Amritesh Jatia	09 July 2010
	Ajay Kumar Kedia	29 June 2015

Company Secretary:

Rogers Capital Corporate Services Limited
3rd Floor, Rogers House
No 5 President John Kennedy Street
Port-Louis
Mauritius

Registered Office:

3rd Floor, Rogers House
No 5 President John Kennedy Street
Port-Louis
Mauritius

Auditors:

Gynch Shaw
Chartered Certified Accountants
1st Floor, Cyber Tower 1
Cybercity
Ebène
Mauritius

Bankers:

Barclays Bank Mauritius Limited
1st Floor, Barclays House
68-68A Cybercity
Ebène
Mauritius

Lexon Hotel Ventures Limited
Directors' report

The Directors have pleasure in submitting their report to the shareholder together with the audited financial statements for the year ended 31 March 2019.

Principal activity

The main business activities of the Company are to engage in international trading, provide consulting and sourcing services, set up real estate and hospitality projects and acts as an investment holding company.

Results

The statement of profit or loss and other comprehensive income for the year is set out on page 9.

Dividends

The directors do not recommend the payment of dividend for the year under review (2018 : Nil).

Directors

The directors of the Company at 31 March 2019, all of whom served on the Board throughout the year and up to the date of this report, except where indicated otherwise, are contained in the corporate data page.

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Gynch Shaw, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting.

By Order of the Board

Director
Date: 17 MAY 2019

Rogers Capital

CORPORATE · TECHNOLOGY · FINANCIAL

Lexon Hotel Ventures Limited

Secretary's certificate under Section 166 (d) of the Mauritius Companies Act 2001

For the year ended 31 March 2019

We certify that we have filed with the Registrar all such returns, for the year ended 31 March 2019, as are required of the Company under the Companies Act 2001.

Adamessa

For and on behalf of **ROGERS CAPITAL CORPORATE SERVICES LIMITED**

Company Secretary

Date: 17 MAY 2019

Rogers Capital Corporate Services Ltd. BRN No. C08011019
Rogers House, 5 President John Kennedy Street, Port Louis, Mauritius.
T : (230) 203 1100 F : (230) 203 1150 W : www.rogerscapital.mu

GYNCH SHAW
CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITORS
LONDON - MAURITIUS

Independent Auditors' Report To the Shareholders of Lexon Hotel Ventures Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lexon Hotel Ventures Limited ("the Company") set out on pages 8 to 21, which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act for Companies holding Category 1 Global Business Licence and comply with the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business licensed Companies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors and the Certificate from the Secretary as required by the Companies Act 2001, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report
To the Shareholders of
Lexon Hotel Ventures Limited (Continued)

Report on the Audit of the Financial Statements (Continued)

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional 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.

GYNCH SHAW
CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITORS
LONDON · MAURITIUS

Independent Auditors' Report
To the Shareholders of
Lexon Hotel Ventures Limited (Continued)

Report on the Audit of the Financial Statements (Continued)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director'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.

Other matter

This report is made solely for the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body for our audit work, for this report, or for the opinions we have formed.

Independent Auditors' Report
To the Shareholders of
Lexon Hotel Ventures Limited (Continued)

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those record

Gynch Shaw
Gynch Shaw
Chartered Certified Accountants

Mr Raj Annauth FCCA, MBA
Signing partner
Licensed by FRC

Date 17 MAY 2019

CHARTERED CERTIFIED ACCOUNTANTS
GYNCH SHAW
REGISTERED AUDITORS

1st Floor, Cyber Tower 1
Cyber City
Ebene, Mauritius
Tel : + 230 467 6565 Email : gynchshaw@intnet.mu

Lexon Hotel Ventures Limited
Statement of financial position
At 31 March 2019

	Notes	2019 USD	2018 USD
Assets			
Non-current assets			
Investment in subsidiary	6	20,502,655	20,502,655
Current assets			
Accounts receivable	7	17,719	19,469
Cash and cash equivalents		2,813	94,822
		20,532	114,291
Total assets		20,523,187	20,616,946
Financed by:			
Equity and liabilities			
Equity			
Stated capital	8	1,650	1,650
Share premium	9	19,356,408	19,356,408
Accumulated losses		(168,099)	6,965
Total equity		19,189,959	19,365,023
Non-current liabilities			
Borrowings	10	1,331,728	1,249,223
Current liabilities			
Accounts payable	11	1,500	2,700
Total liabilities		1,333,228	1,251,923
Total equity and liabilities		20,523,187	20,616,946

These financial statements have been approved by the Board of Directors on: 17 MAY 2019

Director

Director

The notes on pages 12 to 21 form part of these financial statements.
Independent auditors' report on pages 4 to 7.

Lexon Hotel Ventures Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2019

	Notes	2019 USD	2018 USD
Income		-	-
Expenditure			
Professional fees		**4,060**	10,450
Accounting & audit fee		**1,500**	2,700
Licence fees		**2,125**	1,688
Bank charges		**1,235**	1,708
Disbursement		**89**	200
Sundries			200
Registration fee		**3,150**	
Service fee		**400**	
		12,559	16,946
Loss from operating activities		**(12,559)**	(16,946)
Finance cost	**4**	**(162,505)**	(99,223)
Loss before taxation		(175,064)	(116,169)
Taxation	**5**	-	-
Loss after taxation		**(175,064)**	(116,169)
Other comprehensive income		-	-
Total comprehensive income for the year		**(175,064)**	(116,169)

The notes on pages 12 to 21 form part of these financial statements.
Independent auditors' report on pages 4 to 7.

Lexon Hotel Ventures Limited
Statement of changes in equity
For the year ended 31 March 2019

	Stated capital USD	Share premium USD	Accumulated losses USD	Total USD
Balance at 1 April 2017	1,650	19,356,408	123,134	19,481,192
Total comprehensive income for the year	-	-	(116,169)	(116,169)
Balance at 31 March 2018	**1,650**	**19,356,408**	**6,965**	**19,365,023**
Total comprehensive income for the year	**-**	**-**	**(175,064)**	**(175,064)**
Balance at 31 March 2019	**1,650**	**19,356,408**	**(168,099)**	**19,189,959**

The notes on pages 12 to 21 form part of these financial statements.
Independent auditors' report on pages 4 to 7.

Lexon Hotel Ventures Limited
Statement of cash flows
For the year ended 31 March 2019

	2019 USD	2018 USD
Cash flows from operating activities		
Loss before tax	**(175,064)**	(116,169)
Adjustment:		
Interest expenses	**162,505**	99,223
Operating loss before working capital changes	**(12,559)**	(16,946)
Decrease in accounts receivable	**1,750**	(438)
Decrease in accounts payable	**(1,200)**	(2,703)
Net cash used in operating activities	**(12,009)**	(20,087)
Cash flows from investing activities		
Loan granted to related parties	-	(17,000)
Net cash used in financing activities		(17,000)
Cash flows from financing activities		
Loan received from related partiy	-	870,000
Loan repaid to related parties	**(80,000)**	(723,302)
Amount paid to related party	-	(25,327)
Amount received from related party	-	10,000
Net cash from financing activities	**(80,000)**	131,371
Net movement in cash and cash equivalents	**(92,009)**	94,284
Cash and cash equivalents at beginning of year	**94,822**	538
Cash and cash equivalents at end of year	**2,813**	94,822
Cash and cash equivalents consist of:		
Cash at bank	**2,813**	94,822

The notes on pages 12 to 21 form part of these financial statements.
Independent auditors' report on pages 4 to 7.

1. Incorporation

The Company is a Category 1 Global Business Licence company incorporated in Mauritius on 4 March 2004 as a private company limited by shares under the Companies Act 2001 and is governed by the Financial Services Act 2007.

2. Principal activity

The main business activities of the Company are to engage in international trading, provide consulting and sourcing services, set up real estate and hospitality projects and acts as an investment holding company.

3. Significant accounting policies

(a) Basis of preparation

The financial statements of the Company comply with the Companies Act 2001 and in accordance with International Financial Reporting Standards ('IFRS") as modified by the exemption from consolidation in the Companies Act 2001 for companies holding a Category 1 Global Business Licence. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There were no major estimates and assumptions made during the period that have a significant risk of causing material adjustment to the carrying amounts of the Company's assets and liabilities within the next financial year.

(b) New and revised standards and interpretations

Standards, Amendments to published Standards and Interpretations applicable as from 1 January 2018

IFRS 9 Financial Instruments (as revised in 2014)- effective for annual periods beginning on or after 1 January 2018

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39. Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

Classification and measurement

Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

Impairment

The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

3. Significant accounting policies (cont'd)
(b) New and revised standards and interpretations (cont'd)

IFRS 9 Financial Instruments (as revised in 2014)- effective for annual periods beginning on or after 1 January 2018 (cont'd)

Hedge accounting
Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

Derecognition
The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

IFRS 15 Revenue from Contracts with Customers-effective for annual periods beginning on or after 1 January 2018
IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

- identify the contract with the customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract; and
- recognise revenue when (or as) the entity satisfies a performance obligation.

Clarifications to IFRS 15 'Revenue from Contracts with Customers'
Amends IFRS 15 Revenue from Contracts with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

- *IFRS 3 Business Combinations and IFRS 11 Joint Arrangements.* The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when n entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- *IAS 12 Income Taxes*. The amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

- *IAS 23 Borrowing Costs*. The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

IFRIC 22 Foreign Currency Transactions and Advance Consideration- effective for annual periods beginning on or after 1 January 2018

The interpretation addresses foreign currency transactions or parts of transactions where:
- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income, and
- the prepayment asset or deferred income liability is non-monetary.
- If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

3. Significant accounting policies (cont'd)

(b) New and revised standards and interpretations (cont'd)

Standards, Amendments to published Standards and Interpretations not yet effective.

IFRIC 23 Uncertainty over Income Tax Treatments- effective for annual periods beginning on or after 1 January 2019

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- whether tax treatments should be considered collectively;
- Assumptions for taxation authorities' examinations;
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- The effect of changes in facts and circumstances.

(c) Income and expenditure

Income and expenditure are accounted for on an accrual basis.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates. The financial statements are presented in United States Dollars (USD), which is the company's functional and presentation currency.

(ii)Transactions and balances

Transactions in foreign currencies are translated at the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into USD at the foreign exchange rates ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are translated using the exchange rates at the dates of transaction. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

(e) Investment in subsidiary

A subsidiary is an entity in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity. Investment in subsidiary is shown at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

(f) Accounts receivable

Other receivables are stated at cost less impairment losses.
Loan to related party is stated at amount advanced net of repayments and transaction costs.

(g) Cash and cah equivalents

readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

(h) Stated capital

Ordinary shares are classified as equity.

Lexon Hotel Ventures Limited
Notes to the financial statements
For the year ended 31 March 2019

3. Significant accounting policies (cont'd)

(i) Accounts payable
Other payables are stated at cost.

(j) Borrowings
Borrowings are recognised at cost since they do not have any fixed terms of repayment.
Loan from related parties are recognised at proceeds received net of repayments and transaction costs,

(k) Financial instruments
Financial instruments carried on the balance sheet include other receivables, cash and cash equivalents, borrowings and other payables. The particular recognition methods are disclosed in the individual policy statements associated with each item.

(l) Income tax expenses
Current tax

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the reporting date and as adjustment to tax payable in respect of prior years.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:
• temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
• temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
• taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m Impairment of assets
Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3. Significant accounting policies (cont'd)

(n) Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice-versa, or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.

4. Finance costs

	2019 USD	2018 USD
Interest charges on loan from related party	**162,505**	99,223

5. Taxation

The Company is subject to income tax in Mauritius at the rate of 15%. It is, however, entitled to a tax credit equivalent to the higher of the foreign tax paid or 80% of the Mauritian tax on its foreign source income, thus reducing its effective tax rate to 3%. No provision for tax has been made in the financial statements for the year under review due to availability of tax losses.

The Company invests in India and expects to obtain benefits under the Double Taxation Avoidance Treaty between Mauritius and India (the "DTAT"). Mauritius has recently signed a Protocol with India amending the DTAT. The Protocol provides for capital gain arising on disposal of shares acquired by a Mauritian Company on or after 01 April 2017 to be taxed in India, However, investments in shares acquired up to 31 March 2017 will remain exempted from capital gains tax in India irrespective of the date of disposal. In addition, shares acquired as from 01 April 2017 and disposed of by 31 March 2019 will be taxed at a concessionary rate equivalent to 50% of the domestic tax rate prevailing in India provided the Mauritius Company meets the prescribed limitations of benefits clause, which includes a minimum expenditure level in Mauritius.

Reconciliation of effective tax	2019 USD	2018 USD
Loss before tax	**(175,064)**	(116,169)
Income tax at 15%	**(26,260)**	(17,425)
Foreign tax credit	**21,008**	13,940
Deferred tax not recognised	**5,252**	3,485
Taxation	**-**	-

Deferred tax asset amounting to USD 5,252 (2018:USD 3,485) has not been recognised in the financial statements, based on the Company's accounting policy for recognition of deferred tax.

6. Investment

	2019 USD	2018 USD
Unquoted and at cost	**20,502,655**	20,502,655

Details of investment are as follows:

	Number of shares	Type of shares	Percentage holding	Country of incorporation
Leading Hotels Ltd	20,826,929 equity share of INR 10 each	Ordinary	99.76	India

6. Investment (cont'd)

The Company holds 80 % of the issued share capital of Lexon Hotel Ventures Limited . The company incorporated in India, is considered to be a subsidiary undertaking.

The Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001 allowing a wholly owned or virtually owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements which contain financial information of the Company as an individual company and do not contain consolidated financial information as the parent of the group.

7. Accounts receivable	**2019**	2018
	USD	USD
Loan to related party	**17,000**	17,000
Prepayments	**719**	2,469
	17,719	19,469

The loan to the related party is unsecured, interest-free and is repayable on demand,

8. Stated capital	**2019**	2018
	USD	USD
1,650 ordinary shares at USD1 each	**1,650**	1,650

1,106 ordinary shares of USD 1 each held by Fineline Hospitality & Consultancy Pte Ltd in the Company has been pledged with DBS Bank Ltd, New Delhi Branch as Security Trustee for DBS Bank Ltd Facility Amount of INR 440 crore and Axis Bank Ltd Facility Amount of INR 13 crore, Punjab National Bank Facility Amount of INR 146.2 crore and Indusind Bank Ltd Facility Amount of INR 105 crore to Asian Hotels (North) Ltd (ultimate holding company). the terms and conditions regarding the pledge are defined in the Share Pledge Agreement dated 17 September 2013, 26 June 2014 and 21 September 2017.

9. Share premium	**2019**	2018
	USD	USD
On issue of 650 shares of USD 1 each at a premium of USD 29,779.09 per share.	**19,356,408**	19,356,408

10. Borrowings	**2019**	2018
	USD	USD
Unsecured, interest-free loan from director with no fixed repayment terms	**200,000**	280,000
Unsecured, bears interest of 18% p.a from GBX Trading FZE with no fixed repayment terms	**1,131,728**	969,223
	1,331,728	1,249,223

11. Accounts payable	**2019**	2018
	USD	USD
Accruals	**1,500**	2,700

12. Related party transactions

During the year under review, the Company had the following transactions with related parties. Details of the nature, volume of transactions and balances with the entities

(i) Loan to sister company, Fineline Holdings	**2019 USD**	2018 USD
Balance at start of the year	**17,000**	-
Loan advanced during the year	**-**	17,000
Balance at end of year	**17,000**	17,000

(ii) Loan from director	**2019 USD**	2018 USD
Balance at start of the year	**280,000**	988,302
Loan repaid during the year	**(80,000)**	(708,302)
Balance at end of year	**200,000**	280,000

(iii) Loan from related party, GBX Trading FZE	**2019 USD**	2018 USD
Balance at start of the year	**969,223**	-
Received during the year	-	870,000
Interest capitalised	**162,505**	99,223
Balance at end of year	1,131,728	969,223

13. Financial instruments and associated risks.

The Group has exposure to the following risk from its use of financial instruments:

- Market risk
- Currency risk
- Interest rate risk
- Cedit risk
- Liquidity risk

The Board of directors has the overall responsibility for the determination of the Company's risk management objectives and policies. The Company's overall risk management policy focuses on the volatility of financial markets and seeks to minimise potential adverse effects on the Company.s financial performance performance and flexibility.

The Company's financial instruments comprise of loan to related parties, other receivables, cash and cash equivalents, Loan from related party, amount due to related party and accruals.

The Company held no derivatives instruments during the year ended 31 March 2019.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the fair value of future cash flows of financial instrument will fluctuate because of changes in foreign exchange rate. During the year under review, the Company has no exposure to foreign exchange risk as it does not have any assets or liabilities which are denominated in foreign currencies other than its functional currency.

13. Financial instruments and associated risks.

Interest rate risk
The Company's exposure to changes in interest rates relates primarily to interest-bearing financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Company on an ongoing basis with the primary objectives of lilmiting the extent to which net interest expense could be affected by adverse movements in interest rates. During the financial year, the Company did not use any interest rate swaps to hedge its interest rate risks.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

Fixed rate instruments - fiancial liability	**2019**	2018
	USD	USD
Loan from related party	**1,131,728**	969,223

Credit risk
Credit risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company.

The Company's credit risk arises from loan to related party and cash and cash equivalents. The Company's policy is to maintain its cash balance with reputed banking institutions and to monitor the placement of cash balances on an ongoing basis.

The Company also limits its credit risk by carrying out transactions with its related party.

At the reporting date, the Company's exposure to credit risk was as follows:

	Carrying amount	
	2019	2018
	USD	USD
Loan to related party	**17,000**	17,000
Cash and cash equivalents	**2,813**	94,822
	19,813	111,822

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity management is overseen by the directors who ensure that necessary funds are available at all times to meet commitments.

The following are the contractual maturities of financial liabilities:

31 March 2019	**Repayables**			
	On demand	**Within one year**	**More than one year**	**Total**
Financial liabilities	**USD**	**USD**	**USD**	**USD**
Loan from related party	-		**1,331,728**	**1,331,728**
Accruals	-	**1,500**	-	**1,500**
Total financial liabilities	-	**1,500**	**1,331,728**	**1,333,228**

13. Financial instruments and associated risks (cont'd)

Liquidity risk (cont'd)

31 March 2018	Repayables			
	On demand	Within one year	year	Total
Financial liabilities	USD	USD	USD	USD
Loan from related party	-		1,249,223	1,249,223
Accruals	-	2,700	-	2,700
Total financial liabilities	-	2,700	1,249,223	1,251,923

Fair values

The table included below analyses financial instruments measured at fair value by the level in the fair value hierachy into which the fair value measurement is categorised

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (that is.as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

Assets and liabilities not carried at fair value but which fair value is disclosed below:

	Level 1	**Level 2**	**Level 3**	**Total**
31 March 2019	**USD**	**USD**	**USD**	**USD**
Financial assets				
Loan to related party	-	-	**17,000**	**17,000**
Cash and cash equivalents	**2,813**	-	-	**2,813**
Total financial assets	**2,813**	-	-	**19,813**
Financial liabilities				
Loan from related parties	-	-	**1,331,728**	**1,331,728**
Accruals	-	-	**1,500**	**1,500**
Total financial liabilities	-	-	**1,333,228**	**1,333,228**
31 March 2018				
Financial assets				
Loan to related party	-	-	17,000	17,000
Cash and cash equivalents	94,822	-		94,822
Total financial assets	94,822	-	17,000	111,822
Financial liabilities				
Loan from related parties	-	-	1,249,223	1,249,223
Accruals	-	-	2,700	2,700
Total financial liabilities	-	-	1,251,923	1,251,923

The assets and liabilities included in the above table are carried at cost; their carrying values are a reasonable approximation of fair values.

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14. Capital risk management

The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company defines "capital" as including all components of equity. The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Company. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company. The results of the directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

15. Holding and ultimate holding companies

The directors of the Company consider Fineline Hospitality & Consultancy Pte Ltd, a company incorporated in Mauritius and Glenever Private Holding Ltd as the Company's holding companies and Asian Hotels (North) Limited, a company incorporated in India as the Company's ultimate holding company.

16. Consolidated financial statements

The Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001 allowing a wholly owned or virtually owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements which contain financial information of the Company as an individual company and do not contain consolidated financial information as the parent of the group.

The Company is a subsidiary of Fineline Hospitality & Consultancy Pte Ltd, a company incorporated in Mauritius. The ultimate parent, Asian Hotels (North) Limited, incorporated in India prepare consolidated financial statements in accordance with Indian Generally Accepted Accounting Principles.

17. Events after reporting date

No material events occurred after the year ended 31 March 2019 within the Company, which need to be disclosed in these financial statements.