

Lexon Hotel Ventures Limited

Financial Statements

For the year ended 31 March 2020

Lexon Hotel Ventures Limited
Financial Statements
For the year ended 31 March 2020

INDEX

	PAGE
Corporate data	1
Directors' report	2
Secretary's certificate	3
Independent Auditors' report	4 to 7
Statement of financial position	8
Statement of profit or loss and other comprehensive income	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 to 20

Lexon Hotel Ventures Limited
For the year ended 31 March 2020

1

Corporate data

Directors:

Sharmil Shah
Dhanun Ujoodha
Amritesh Jatia
Ajay Kumar Kedia

Appointed
24 April 2007
24 April 2007
09 July 2010
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:

Absa Bank (Mauritius) Limited
Absa House, 68 Wall Street
Cybercity
Ebène
Mauritius

Lexon Hotel Ventures Limited

2

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 2020.

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 (2019 : Nil).

Directors

The directors of the Company at 31 March 2020, 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:

9 JUL 2020

Rogers Capital

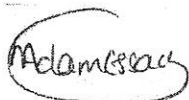
CORPORATE • TECHNOLOGY • FINANCIAL

LEXON HOTEL VENTURES LIMITED

Secretary's certificate
for the year ended 31 March 2020

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

In accordance with section 166 (d) of the Mauritius Companies Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001.



For and on behalf of **Rogers Capital Corporate Services Limited**
3rd Floor, Rogers House
No.5 President John Kennedy Street
Port Louis
Mauritius

Date: 9 JUL 2020

**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 20, which comprise the statement of financial position as at 31 March 2020, 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 2020, 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.

**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.



GYNCH SHAW

CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITORS
LONDON · MAURITIUS

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

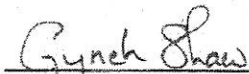
Report on Other Legal and Regulatory Requirements

Companies Act 2001

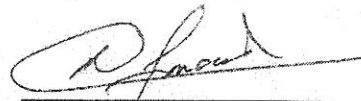
We have no relationship with or interests in the Company other than in our capacity as auditors and dealings in the ordinary course of business.

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 records



Gynch Shaw
Chartered Certified Accountants



Mr Raj Ananth FCCA, MBA
Signing partner
Licensed by FRC

Date... 09 JUL 2020

Page 7

1st Floor, Cyber Tower 1
Cyber City
Ebene, Mauritius


Tel : + 230 467 6565 Email : gynchshaw@intnet.mu

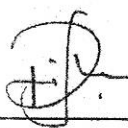


Lexon Hotel Ventures Limited
Statement of financial position
At 31 March 2020

	Notes	2020 USD	2019 USD
Assets			
Non-current assets			
Investment in subsidiary	6	<u>20,502,655</u>	<u>20,502,655</u>
Current assets			
Accounts receivable	7	20,499	17,719
Cash and cash equivalents		<u>124</u>	<u>2,813</u>
		<u>20,623</u>	<u>20,532</u>
Total assets		<u><u>20,523,278</u></u>	<u><u>20,523,187</u></u>
Financed by:			
Equity and liabilities			
Equity			
Stated capital	8	1,650	1,650
Share premium	9	19,356,408	19,356,408
Accumulated losses		<u>(355,761)</u>	<u>(168,099)</u>
Total equity		<u>19,002,297</u>	<u>19,189,959</u>
Non-current liabilities			
Borrowings	10	<u>1,507,956</u>	<u>1,331,728</u>
Current liabilities			
Accounts payable	11	<u>13,025</u>	<u>1,500</u>
Total liabilities		<u>1,520,981</u>	<u>1,333,228</u>
Total equity and liabilities		<u><u>20,523,278</u></u>	<u><u>20,523,187</u></u>

These financial statements have been approved by the Board of Directors on: 9 JUL 2020


 Director


 Director

The notes on pages 12 to 20 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 2020

	Notes	2020 USD	2019 USD
Income		-	-
Expenditure			
Professional fees		3,230	4,060
Administration charges		2,825	-
Accounting & audit fee		1,500	1,500
Licence fees		1,993	2,125
Bank charges		680	1,235
Disbursement		725	89
Registration fee		281	3,150
Service fee		200	400
		<u>11,434</u>	<u>12,559</u>
Loss from operating activities		(11,434)	(12,559)
Finance cost	4	(176,228)	(162,505)
Loss before taxation		(187,662)	(175,064)
Taxation	5	-	-
Loss after taxation		(187,662)	(175,064)
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(187,662)</u>	<u>(175,064)</u>

The notes on pages 12 to 20 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 2020

	Stated capital USD	Share premium USD	Accumulated losses USD	Total USD
Balance at 1 April 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
Total comprehensive income for the year	-	-	(187,662)	(187,662)
Balance at 31 March 2020	1,650	19,356,408	(355,761)	19,002,297

The notes on pages 12 to 20 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 2020

	2020	2019
	USD	USD
Cash flows from operating activities		
Loss before tax	(187,662)	(175,064)
Adjustment:		
Interest expenses	<u>176,228</u>	<u>162,505</u>
Operating loss before working capital changes	(11,434)	(12,559)
(Increase)/Decrease in accounts receivable	(2,780)	1,750
Increase/(Decrease) in accounts payable	<u>11,525</u>	<u>(1,200)</u>
Net cash used in operating activities	<u>(2,689)</u>	<u>(12,009)</u>
Cash flows from financing activities		
Loan received from related party	-	-
Loan repaid to related parties	-	(80,000)
Amount paid to related party	-	-
Amount received from related party	-	-
Net cash from financing activities	<u>-</u>	<u>(80,000)</u>
Net movement in cash and cash equivalents	(2,689)	(92,009)
Cash and cash equivalents at beginning of year	<u>2,813</u>	<u>94,822</u>
Cash and cash equivalents at end of year	<u>124</u>	<u>2,813</u>
Cash and cash equivalents consist of:		
Cash at bank	<u>124</u>	<u>2,813</u>

The notes on pages 12 to 20 form part of these financial statements.
Independent auditors' report on pages 4 to 7.

Lexon Hotel Ventures Limited

Notes to the financial statements

For the year ended 31 March 2020

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.

(b) Application of new and revised International Financial Reporting Standards (IFRS)

Changes in accounting policies

In the current year, none of the new or revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB were applicable to the Company for the accounting periods beginning on 01 January 2019.

Accounting standards and Interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company intends to adopt these new and amended standards and interpretations when they become effective, if applicable.

<u>New and revised standards</u>	Effective for accounting period beginning on or after
IFRS 16 Leases	01-Jan-19
IFRIC Interpretation 23 Uncertainty over Income Tax Treatments	01-Jan-19
Prepayment Features with Negative Compensation - Amendments to IFRS 9	01-Jan-19
Long-term interests in Associates and Joint Ventures - Amendments to IAS 28	01-Jan-19
Plan Amendment, Curtailment or Settlement - Amendments to IAS 19	01-Jan-19
IFRS 3 Business Combinations - Previously held interests in a joint operation	01-Jan-19
IFRS 11 Joint Arrangements - Previously held interests in a joint operation	01-Jan-19
IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as equity	01-Jan-19
IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation	01-Jan-19
The Conceptual Framework for Financial Reporting	01-Jan-20
IFRS 17 Insurance Contracts	01-Jan-21

The Company is still evaluating the effect of these new or revised standards and interpretations on the presentation of its financial statements.

Lexon Hotel Ventures Limited
Notes to the financial statements
For the year ended 31 March 2020

(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 cash equivalents

Cash comprise of cash at bank. Cash equivalents are short term, highly liquid investments that are 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.

(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.

Lexon Hotel Ventures Limited
Notes to the financial statements
For the year ended 31 March 2020

3. Significant accounting policies (cont'd)

(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).

Lexon Hotel Ventures Limited
Notes to the financial statements
For the year ended 31 March 2020

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

	2020	2019
	USD	USD
Interest charges on loan from related party	<u>176,228</u>	<u>162,505</u>

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

	2020	2019
	USD	USD
Loss before tax	<u>(187,662)</u>	<u>(175,064)</u>
Income tax at 15%	(28,149)	(26,260)
Foreign tax credit	22,519	21,008
Deferred tax not recognised	<u>5,630</u>	<u>5,252</u>
Taxation	<u>-</u>	<u>-</u>

Deferred tax asset amounting to USD 5,630 (2019:USD 5,252) has not been recognised in the financial statements, based on the Company's accounting policy for recognition of deferred tax.

6. Investment

	2020	2019
	USD	USD
Unquoted and at cost	<u>20,502,655</u>	<u>20,502,655</u>

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

Lexon Hotel Ventures Limited
Notes to the financial statements
For the year ended 31 March 2020

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

	2020	2019
	USD	USD
Loan to related party	16,500	17,000
Prepayments	3,999	719
	<u>20,499</u>	<u>17,719</u>

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

8. Stated capital

	2020	2019
	USD	USD
1,650 ordinary shares at USD1 each	<u>1,650</u>	<u>1,650</u>

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

	2020	2019
	USD	USD
On issue of 650 shares of USD 1 each at a premium of USD 29,779.09 per share.	<u>19,356,408</u>	<u>19,356,408</u>

10. Borrowings

	2020	2019
	USD	USD
Unsecured, interest-free loan from director with no fixed repayment terms	200,000	200,000
Unsecured, bears interest of 18% p.a from GBX Trading FZE with no fixed repayment terms	-	1,131,728
Unsecured, interest free loan from Bakerfin Limited with no fixed repayment terms	<u>1,307,956</u>	<u>-</u>
	<u>1,507,956</u>	<u>1,331,728</u>

11. Accounts payable

	2020	2019
	USD	USD
Accruals	<u>13,025</u>	<u>1,500</u>

Lexon Hotel Ventures Limited
Notes to the financial statements
For the year ended 31 March 2020

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

	2020 USD	2019 USD
(i) Loan to sister company, Fineline Holdings		
Balance at start of the year	17,000	17,000
Loan advanced during the year	(500)	
Balance at end of year	16,500	17,000
(ii) Loan from director		
Balance at start of the year	200,000	280,000
Loan repaid during the year		(80,000)
Balance at end of year	200,000	200,000
(iii) Loan from related party, GBX Trading FZE		
Balance at start of the year	1,131,728	969,223
Interest capitalised	176,228	162,505
	1,307,956	1,131,728
Loan transferred to Bakerfin Limited	(1,307,956)	-
Balance at end of year	-	1,131,728

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
- Credit 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 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 2020.

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.

Lexon Hotel Ventures Limited
Notes to the financial statements
For the year ended 31 March 2020

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 limiting 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:

<i>Fixed rate instruments - financial liability</i>	2020	2019
	USD	USD
Loan from related party	-	1,131,728

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	
	2020	2019
	USD	USD
Loan to related party	16,500	17,000
Cash and cash equivalents	124	2,813
	16,624	19,813

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:

	Repayable			Total
	On demand	Within one year	More than	
	USD	USD	one year	USD
			USD	
Financial liabilities				
Loan from related party	-		200,000	200,000
Accruals	-	13,025	-	13,025
Total financial liabilities	-	13,025	200,000	213,025

31 March 2020

Lexon Hotel Ventures Limited
Notes to the financial statements
For the year ended 31 March 2020

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

Liquidity risk (cont'd)

31 March 2019

	Repayable			Total USD
	On demand USD	Within one year USD	year USD	
Financial liabilities				
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

Fair values

The table included below analyses financial instruments measured at fair value by the level in the fair value hierarchy 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:

31 March 2020	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets				
Loan to related party	-	-	16,500	16,500
Cash and cash equivalents	124	-	-	124
Total financial assets	124	-	-	16,624
Financial liabilities				
Loan from related parties	-	-	200,000	200,000
Loan from third party	-	-	1,307,956	1,307,956
Accruals	-	-	13,025	13,025
Total financial liabilities	-	-	1,520,981	1,520,981
 31 March 2019				
Financial assets				
Loan to related party	-	-	17,000	17,000
Cash and cash equivalents	2,813	-	-	2,813
Total financial assets	2,813	-	17,000	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

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

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

On March 11, 2020, the World Health Organization declared the outbreak of a novel and highly contagious form of coronavirus and the disease associated with it ("COVID-19") a pandemic. Many countries have reacted by instituting restrictions on travel, the closure of schools, offices, retail stores, and other public spaces. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and potential future impact of COVID-19, are creating significant disruption in economic activity and are contributing to significant volatility in certain global capital markets. The potential for further impacts, including economic recession, are highly uncertain and difficult to assess. The Board of Directors is closely monitoring the evolution of this pandemic, including on how it may affect the Company.

Except from the above, there have been no other material events after the reporting period which would require disclosure or adjustment to the financial statements for the period ended 31 March 2020.