

**Lexon Hotel Ventures Limited**

**Financial statements**

**31 March 2017**

# **Lexon Hotel Ventures Limited**

## **Financial statements**

*for the year ended 31 March 2017*

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## Lexon Hotel Ventures Limited

### Corporate data

		<b>Date of appointment</b>	<b>Date of resignation</b>
<b>Directors:</b>	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  
St Louis Business Centre  
Cnr Desroches & St Louis Streets  
Port Louis  
Mauritius

**Registered office:** C/o Rogers Capital Corporate Services Limited  
St Louis Business Centre  
Cnr Desroches & St Louis Streets  
Port Louis  
Mauritius

**Auditors:** VBS Business Services  
1<sup>st</sup> Floor, Hennessy Court  
Pope Hennessy Street  
Port Louis  
Mauritius

**Bankers:** Barclays Bank Mauritius Limited  
1<sup>st</sup> Floor, Barclays House  
68-68A Cybercity  
Ebène  
Mauritius

DBS Bank Ltd  
2 Changi Business Park Crescent  
04 06 DBS Asia Hub Lobby B  
Singapore 486029

## **Lexon Hotel Ventures Limited**

### **Directors' report**

The directors are pleased to present their report together with the audited financial statements of Lexon Hotel Ventures Limited (the "Company") for the year ended 31 March 2017.

### **Activities of the Company**

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

### **Results**

The results for the year are shown on page 7.

The directors do not recommend the payment of a dividend for the year under review (2016: USD Nil).

### **Statement of directors' responsibilities in respect of the financial statements**

Company law requires the directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company and of the profit or loss 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' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

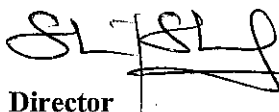
The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

### **Auditors**

The auditors, VBS Business Services, have expressed their willingness to continue in office and will be automatically re-appointed at the Annual Meeting of the shareholder

### **By order of the Board**

Director



Date: 09 MAY 2017

**Lexon Hotel Ventures Limited**

**Secretary's certificate**

*for the year ended 31 March 2017*

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

In accordance with section 166 (d) of the Companies Act, 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 Companies Act.



For and on behalf of Rogers Capital Corporate Services Limited  
Company Secretary

Date: ..... **09 MAY 2017** .....

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEXON HOTEL VENTURES LIMITED****Report on the Audit of Financial Statements***Opinion*

We have audited the financial statements of Lexon Hotel Ventures Limited (the "Company"), which comprise the statement of financial position as at 31 March 2017 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 a summary of significant accounting policies, as set out on pages 7 to 23.

In our opinion, these financial statements give a true and fair view of the financial position of Lexon Hotel Ventures Limited as at 31 March 2017 and of its financial performance and 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 a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act.

*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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants (IESBA Code) *Code of Ethics for Professional Accountants*, 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 of the Directors' report and Secretary's Certificate.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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, 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 MEMBERS OF LEXON HOTEL VENTURES LIMITED (CONTINUED)**

### **Report on the Audit of Financial Statements (continued)**

#### *Directors' Responsibilities for the Financial Statements*

The directors are responsible for the preparation and presentation of these financial statements in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence, as described in note 2 to the financial statements, 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' 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 auditors' 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 skepticism 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.
- 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 directors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEXON HOTEL VENTURES LIMITED (CONTINUED)**

**Report on the Audit of Financial Statements (continued)**

*Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

- 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 to the Company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's members, as a body, those matters that we are required to state to them in an auditors' 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.

**Report on Other Legal and Regulatory Requirements**

*Mauritius Companies Act*

We have no relationship with or interests in the Company other than in our capacity as auditors.

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.

**VBS Business Services**  
Chartered Certified Accountants

Port Louis, Mauritius

Date: 09 MAY 2017

**Vijay Bhuguth, FCCA**  
Licensed by FRC



## Lexon Hotel Ventures Limited

### Statement of profit or loss and other comprehensive income for the year ended 31 March 2017

	Note	2017 USD	2016 USD
<b>Revenue</b>		-	-
<b>Expenses</b>			
Professional fees		5,708	5,110
Accounting and audit fees		2,700	2,208
Licence fees		2,563	1,844
Bank charges		525	1,001
Sundries		-	260
Administrative charges		-	353
		<b>11,496</b>	<b>10,776</b>
<b>Loss from operating activities</b>		<b>(11,496)</b>	<b>(10,776)</b>
Loan payable waived	10	-	6,655
Trade payable waived		-	31,730
<b>(Loss)/ Profit before tax</b>		<b>(11,496)</b>	<b>27,609</b>
Income tax expense	4	-	(1,738)
<b>(Loss)/ Profit for the year</b>		<b>(11,496)</b>	<b>25,871</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>(11,496)</b>	<b>25,871</b>

The notes on pages 11 to 23 form part of these financial statements.

**Lexon Hotel Ventures Limited**

**Statement of financial position**

as at 31 March 2017

	Note	2017 USD	2016 USD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiary	5	20,502,655	20,502,655
<b>Current assets</b>			
Prepayments		2,031	2,469
Cash and cash equivalents		538	10,706
<b>Total current assets</b>		<b>2,569</b>	<b>13,175</b>
<b>TOTAL ASSETS</b>		<b>20,505,224</b>	<b>20,515,830</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	6	1,650	1,650
Share premium	7	19,356,408	19,356,408
Retained earnings		123,134	134,630
<b>Total equity</b>		<b>19,481,192</b>	<b>19,492,688</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loan from related parties	8	1,003,302	1,002,227
Amount due to related party	9	15,327	15,327
<b>Total non-current liabilities</b>		<b>1,018,629</b>	<b>1,017,554</b>
<b>Current liabilities</b>			
Accruals		5,403	4,005
Current tax liability	4	-	1,583
<b>Total current liabilities</b>		<b>5,403</b>	<b>5,588</b>
<b>TOTAL LIABILITIES</b>		<b>1,024,032</b>	<b>1,023,142</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,505,224</b>	<b>20,515,830</b>

Authorised for issue by the Board of Directors on ..... 09 MAY 2017 .....  
and signed on its behalf by:

  
.....  
Director

  
.....  
Director

The notes on pages 11 to 23 form part of these financial statements.

## Lexon Hotel Ventures Limited

### Statement of changes in equity for the year ended 31 March 2017

	Stated capital USD	Share premium USD	Retained earnings USD	Total USD
At 01 April 2015	1,650	19,356,408	108,759	19,466,817
<i>Total comprehensive income for the year</i>				
Profit for the year	-	-	25,871	25,871
<i>Total comprehensive income for the year</i>	-	-	25,871	25,871
At 31 March 2016	1,650	19,356,408	134,630	19,492,688
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	(11,496)	(11,496)
<b>Total comprehensive income for the year</b>	-	-	(11,496)	(11,496)
<b>At 31 March 2017</b>	<b>1,650</b>	<b>19,356,408</b>	<b>123,134</b>	<b>19,481,192</b>

The notes on pages 11 to 23 form part of these financial statements.

## Lexon Hotel Ventures Limited

### Statement of cash flows for the year ended 31 March 2017

	2017 USD	2016 USD
<b>Cash flows from operating activities</b>		
(Loss)/ Profit before tax	(11,496)	27,609
<i>Adjustments for:</i>		
Loan payable waived	-	(6,655)
Trade payable waived	-	(31,730)
Change in trade and other receivables	438	21,354
Change in trade and other payables	1,398	(14,615)
	-----	-----
<i>Cash used in operating activities</i>	(9,660)	(4,037)
Tax paid	(1,583)	(155)
Tax refunded	-	205
	-----	-----
<b>Net cash used in operating activities</b>	(11,243)	(3,987)
	-----	-----
<b>Cash flows from investing activity</b>		
Loan refunded by related party	-	1,000
	-----	-----
<b>Net cash from investing activity</b>	-	1,000
	-----	-----
<b>Cash flows from financing activities</b>		
Loan from related party	15,000	3,925
Loan repaid to related parties	(13,925)	(23,275)
	-----	-----
<b>Net cash from/ (used in) financing activities</b>	1,075	(19,350)
	-----	-----
<b>Net movement in cash and cash equivalents</b>	(10,168)	(22,337)
Cash and cash equivalents at beginning of the year	10,706	33,043
	-----	-----
<b>Cash and cash equivalents at end of the year</b>	538	10,706
	=====	=====

The notes on pages 11 to 23 form part of these financial statements.

## **Lexon Hotel Ventures Limited**

### **Notes to and forming part of the financial statements**

*for the year ended 31 March 2017*

#### **1. General information**

Lexon Hotel Ventures Limited (the "Company") was incorporated as a private limited company in Mauritius on 04 March 2004 and holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company's registered office is St Louis Business Centre, Cnr Desroches & St Louis Streets, Port Louis, Mauritius.

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

#### **2. Basis of preparation**

##### *(a) Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as modified by the exemption from consolidation in the Mauritius Companies Act for companies holding a Category 1 Global Business Licence and comply with the Mauritius Companies Act in so far as applicable to Category 1 Global Business Licenced Companies.

##### *(b) Basis of measurement*

The financial statements have been prepared under the historical cost basis, except that financial assets and financial liabilities are carried at fair value.

##### *(c) Functional and presentation currency*

The financial statements are presented in United States Dollar (USD) which is the Company's functional currency.

##### *(d) Use of estimates and judgements*

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

#### **3. Significant accounting policies**

The principal accounting policies adopted are as follows:

##### *Revenue recognition*

Revenue is recognised on the following bases:

Dividend income: when the shareholder's right to receive payment is established.

## **Lexon Hotel Ventures Limited**

### **Notes to and forming part of the financial statements**

*for the year ended 31 March 2017*

#### **3. Significant accounting policies (continued)**

##### *Revenue recognition (continued)*

Interest income: on a time proportion basis using the effective interest method.

Consultancy fees: recognised in the year in which it is receivable.

##### *Income tax expense*

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

##### *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 any adjustment to tax payable in respect of previous 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.

##### *Expenses*

All expenses are recognised in the statement of profit or loss and other comprehensive income on an accrual basis.

## **Lexon Hotel Ventures Limited**

### **Notes to and forming part of the financial statements** *for the year ended 31 March 2017*

#### **3. Significant accounting policies (continued)**

##### *Financial instruments*

Financial instruments carried on the statement of financial position include cash and cash equivalents, loan from related parties, amount due to related party and accruals. The particular recognition methods are disclosed in the individual policy statements associated with each item.

Disclosures about financial instruments to which the Company is a party are provided in note 11.

##### *Cash and cash equivalents*

Cash comprises of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### *Loan from related parties*

Loan from related parties are recognised at proceeds received net of repayments and transaction costs.

##### *Amount due to related party*

Amount due to related party is recognised at proceeds received net of repayments and transaction costs.

##### *Accruals*

Accruals are stated at cost.

##### *Stated capital*

##### *Ordinary shares*

Ordinary shares are classified as equity.

##### *Impairment of assets*

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting year. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

## Lexon Hotel Ventures Limited

### Notes to and forming part of the financial statements for the year ended 31 March 2017

#### 3. Significant accounting policies (continued)

##### *Impairment of assets (continued)*

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the year.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

##### *Investments in subsidiary*

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

Investments in subsidiary are shown at cost and provision is only made where, in opinion of the directors, there is a diminution in value which is other than temporary. Where there has been such a diminution in value of an investment, it is recognised as an expense in the year in which the diminution is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

##### *Foreign currency transactions*

Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to United States Dollar (USD) at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

##### *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.



## Lexon Hotel Ventures Limited

### Notes to and forming part of the financial statements

for the year ended 31 March 2017

#### 3. Significant accounting policies (continued)

##### *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the net asset and settle the liability simultaneously.

##### *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

##### *New standards, amendments and interpretations adopted by the Company*

The following standards have been adopted by the Company for the first time for the year beginning on 01 April 2016:

##### IFRS 7, 'Financial Instruments - Disclosures'

IFRS 7, 'Financial Instruments - Disclosures', provide specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. It also provides additional disclosures relating to the offsetting of financial assets and financial liabilities that only need to be included in interim reports if required by IAS 34.

##### Amendments to IAS 1, 'Presentation of Financial Statements'

Amendments to IAS 1, 'Presentation of Financial Statements', are made in the context of the IASB's Disclosure Initiative, which explores how financial statements disclosures can be improved. The amendments provide clarifications on a number of issues, including materiality, disaggregation and subtotals, notes and other comprehensive income.

##### *Standards issued but not yet effective*

A number of new standards and amendments to standards and interpretation, that have been issued but are not yet effective up to the date of issuance of the Company's financial statements, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out in this note.

##### IFRS 9 'Financial Instruments'

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling.

## Lexon Hotel Ventures Limited

### Notes to and forming part of the financial statements for the year ended 31 March 2017

#### 3. Significant accounting policies (continued)

##### *Standards issued but not yet effective (continued)*

There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income. For liabilities designated at fair value through profit or loss, IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 01 January 2018. Early adoption is permitted. The Company is yet to assess IFRS 9's full impact.

##### Amendments to IAS 7 'Disclosure Initiative'

Amendments to IAS 7 'Disclosure Initiative' require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes. The amendments are effective for annual periods beginning on or after 01 April 2016.

##### Amendments to IAS 12 'Recognition of Deferred Tax Assets for Unrealised Losses'

The amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments are effective for annual periods beginning on or after 01 January 2017, with early adoption permitted

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

#### 4. Income tax expense

The Company is subject to income tax in Mauritius at the rate of 15% on its chargeable income. However, the Company is entitled to a tax credit equivalent to the higher of the foreign tax suffered or a presumed foreign tax credit on its foreign source income. The presumed tax credit is 80%, thus resulting in an effective tax rate of 3%. For the year under review, no provision for income tax has been made in the accounts as the Company has tax losses amounting to USD 11,496 as at 31 March 2017 (2016: Provision for income tax amounted to USD 1,738). The tax losses are available for set off against future taxable profit of the Company up to the year ended 31 March 2022.

	2017 USD	2016 USD
<i>Reconciliation of effective tax</i>		
(Loss)/ Profit before tax	(11,496)	27,609
Income tax at 15%	(1,724)	4,141
Add: Non-allowable expense	-	4,554
Less: Exempt income	-	(7)
Foreign tax credit	1,379	(6,950)
Deferred tax asset not recognised	345	-
Tax payable	-	1,738

## Lexon Hotel Ventures Limited

### Notes to and forming part of the financial statements for the year ended 31 March 2017

#### 4. Income tax expense (continued)

	2017 USD	2016 USD
<u>Tax liability</u>		
At start of year	1,583	(205)
Current year tax expense	-	1,738
Tax paid during the year	(1,583)	(155)
Tax refunded during the year	-	205
	-----	-----
At end of year	-	1,583
	=====	=====

#### *Deferred tax*

Deferred tax asset amounting to **USD 345** (2016: USD NIL) has not been recognised in the financial statements, based on the Company's accounting policy for recognition of deferred tax.

#### 5. Investments in subsidiary

Investments consist of unquoted shares.

	2017 USD	2016 USD
<i>Cost:</i>		
At start/ end of year	20,502,655	20,502,655
	=====	=====

*Details of investments in subsidiary are as follows:*

<i>Name of investee company</i>	<i>Type and number of shares</i>	<i>% held</i>	<i>Country of incorporation and operation</i>
-----	-----	-----	-----
Leading Hotels Ltd	20,826,929 equity shares of INR 10 each	99.76	India

#### 6. Stated capital

	2017 Number of shares of USD 1 each	2016 Number of shares of USD 1 each	2017 USD	2016 USD
At start/ end of year	1,650	1,650	1,650	1,650
	=====	=====	=====	=====

1,106 ordinary shares of USD 1 each held by Finline Hospitality & Consultancy Pte Ltd in the Company has been pledged with DBS Bank Ltd, New Delhi Branch for having granted a loan of INR 5,100,000,000 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 and 26 June 2014.

## Lexon Hotel Ventures Limited

### Notes to and forming part of the financial statements for the year ended 31 March 2017

#### 7. Share premium

	2017 USD	2016 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

#### 8. Loan from related parties

	2017 USD	2016 USD
<i>Long term:</i>		
Unsecured, interest-free loan from director with no fixed repayment terms	988,302	988,302
Unsecured, interest-free loan from Fineline Hospitality & Consultancy Pte Ltd with no fixed repayment terms	-	10,000
Unsecured, interest-free loan from Fineline Holdings Ltd with no fixed repayment terms	15,000	-
Unsecured, interest-free loan from Deuchny Properties Ltd with no fixed repayment terms	-	3,925
	<u>1,003,302</u>	<u>1,002,227</u>

#### 9. Amount due to related party

	2017 USD	2016 USD
Amount due related party, Heyking Ltd	15,327	15,327

The amount due to related party is unsecured, interest-free and has no fixed repayment terms.

#### 10. Related party transactions

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

	2017 USD	2016 USD
<i>Loan to entity controlled by director, Deuchny Properties Ltd</i>		
Balance at start of year	-	1,000
Loan refunded during the year	-	(1,000)
Balance at end of year	<u>-</u>	<u>-</u>

## Lexon Hotel Ventures Limited

### Notes to and forming part of the financial statements

for the year ended 31 March 2017

#### 10. Related party transactions (continued)

	2017 USD	2016 USD
<i>Loan to entity controlled by director, Deuchny Properties Ltd</i>		
Balance at start of year	3,925	-
Loan received during the year	-	3,925
Loan refunded during the year	(3,925)	-
Balance at end of year	-	3,925
<i>Loan from director</i>		
Balance at start/ end of year	988,302	988,302
<i>Loan from fellow subsidiary, Finline Holdings Ltd</i>		
Balance at start of year	-	-
Loan received during the year	15,000	-
Balance at end of year	15,000	-
<i>Loan from holding company, Finline Hospitality &amp; Consultancy Pte Ltd</i>		
Balance at start of year	10,000	20,000
Loan repaid during the year	(10,000)	(10,000)
Balance at end of year	-	10,000
<i>Loan from entity controlled by director, RSJ Holdings Ltd</i>		
Balance at start of year	-	13,275
Loan repaid during the year	-	(13,275)
Balance at end of year	-	-
<i>Loan from entity controlled by director, Poly China Trading Ltd</i>		
Balance at start of year	-	6,655
Loan waived during the year	-	(6,655)
Balance at end of year	-	-
<i>Amount due to entity controlled by director, Heyking Ltd</i>		
Balance at start of year	15,327	-
Expenses paid on behalf of the Company	-	40,963
Expenses paid on behalf of related party	-	(25,636)
Balance at end of year	15,327	15,327

## Lexon Hotel Ventures Limited

### Notes to and forming part of the financial statements for the year ended 31 March 2017

#### 10. Related party transactions (continued)

	2017 USD	2016 USD
<i>Trade receivable from subsidiary, Leading Hotels Ltd</i>		
Balance at start of year	-	7,525
Amount paid	-	(7,525)
	-----	-----
Balance at end of year	-	-
	=====	=====

#### 11. Financial instruments and associated risks

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

- Market 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 policies 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 cash and cash equivalents, loan from related parties, amount due to related party and accruals.

The Company held no derivative instruments during the year ended 31 March 2017.

##### *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.

##### Interest rate risk

The Company is not exposed to interest rate risk as the Company's financial instruments are non-interest bearing.

## Lexon Hotel Ventures Limited

### Notes to and forming part of the financial statements for the year ended 31 March 2017

#### 11. Financial instruments and associated risks (continued)

##### *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 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 parties.

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

	Carrying amount	
	2017	2016
	USD	USD
Cash and cash equivalents	538	10,706

##### *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 2017	Repayable on demand USD	6 months or less USD	7 - 12 months USD	More than 1 year USD	Total USD
<b>Financial liabilities</b>					
Loan from related parties	-	12,740	2,260	988,302	1,003,302
Amount due to related party	-	-	-	15,327	15,327
Accruals	-	2,700	2,703	-	5,403
<b>Total financial liabilities</b>	-	15,440	4,963	1,003,629	1,024,032

## Lexon Hotel Ventures Limited

Notes to and forming part of the financial statements  
for the year ended 31 March 2017

### 11. Financial instruments and associated risks (continued)

#### Liquidity risk (continued)

	Repayable on demand USD	6 months or less USD	7 - 12 months USD	More than 1 year USD	Total USD
31 March 2016					
<i>Financial liabilities</i>					
Loan from related parties	-	-	-	1,002,227	1,002,227
Amount due to related party	-	-	-	15,327	15,327
Accruals	-	-	4,005	-	4,005
<b>Total financial liabilities</b>			<b>4,005</b>	<b>1,017,554</b>	<b>1,021,559</b>

#### 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 the 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 for which fair value is disclosed below:*

31 March 2017	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets</b>				
Cash and cash equivalents	538	-	-	538
<b>Financial liabilities</b>				
Loan from related parties	-	-	1,003,302	1,003,302
Amount due to related party	-	-	15,327	15,327
Accruals	-	-	5,403	5,403
<b>Total financial liabilities</b>	-	-	<b>1,024,032</b>	<b>1,024,032</b>
31 March 2016				
<i>Financial assets</i>				
Cash and cash equivalents	10,706	-	-	10,706
<i>Financial liabilities</i>				
Loan from related parties	-	-	1,002,227	1,002,227
Amount due to related party	-	-	15,327	15,327
Accruals	-	-	4,005	4,005
<b>Total financial liabilities</b>	-	-	<b>1,021,559</b>	<b>1,021,559</b>

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



## **Lexon Hotel Ventures Limited**

### **Notes to and forming part of the financial statements** *for the year ended 31 March 2017*

#### **12. 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.

#### **13. Holding and ultimate holding companies**

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

#### **14. Consolidated financial statements**

The Company holds investments in a subsidiary and is required to prepare consolidated financial statements under International Financial Reporting Standards IFRS 10: Consolidated Financial Statements and the Mauritius Companies Act. The Company has not prepared consolidated financial statements as the shareholders and directors are of the opinion that the expenses involved in carrying out the consolidation exercise is out of proportion to the benefit that the shareholders of the Company would obtain from such consolidated financial statements. Investments in subsidiary have been carried at cost less impairment.

#### **15. Events after the reporting date**

There has been no significant event after the reporting date which requires disclosure or amendment to these financial statements.