

**Fineline Hospitality & Consultancy Pte Ltd**

**Financial Statements**

**For the year ended 31 March 2022**

**Fineline Hospitality & Consultancy Pte Ltd**  
**Financial Statements**  
**For the year ended 31 March 2022**

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# Fineline Hospitality & Consultancy Pte Ltd

For the year ended 31 March 2022

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## Corporate data

		<b>Appointed</b>	<b>Resigned</b>
<b>Directors:</b>	Amritesh Jatia	05/10/2010	-
	Ajay Kumar Kedia	29/06/2015	14/07/2020
	Fayaz Doobarry	20/02/2018	30/07/2019
	Georges Valery Magon	20/02/2018	-
	Navin Nagawa	30/07/2019	03/09/2020
	Shameer Nabeebakus	03/09/2020	-
	Preeti Gandhi	19/02/2021	-
<b>Company Secretary:</b>	Rogers Capital Corporate Services Limited 3rd Floor Rogers House 5 President John Kennedy Street Port-Louis Mauritius		
<b>Registered Office:</b>	3rd Floor Rogers House 5 President John Kennedy Street Port-Louis Mauritius		
<b>Auditors:</b>	Gynch Shaw Services LLP Chartered Certified Accountants 1st Floor, Cyber Tower 1 Cybercity Ebène Mauritius		

The Directors have pleasure in submitting their report to the shareholder together with the audited financial statements for the year ended 31 March 2022.

**Principal activity**

The main business activities of the Company are that of investment holding, international trading and provision of consultancy and sourcing services.

**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 (2021 : Nil).

**Directors**

The directors of the Company at 31 March 2022, 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.

By Order of the Board



Director

Date: 19 September 2022

**Fineline Hospitality & Consultancy Pte Ltd**  
**Secretary's certificate**  
**For the year ended 31 March 2022**

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**3.**

We certify that we have filed with the Registrar all such returns, for the year ended 31 March 2022, as are required of the Company under the Companies Act 2001.



Rogers Capital Corporate Services Limited  
Secretary

Date: 19 September 2022

**Independent Auditors' Report  
To the Shareholders of  
Fineline Hospitality & Consultancy Pte Ltd**

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**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of Fineline Hospitality & Consultancy Pte Ltd ("the Company") set out on pages 3 to 20, which comprise the statement of financial position as at 31 March 2022, 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.

*Consolidated financial statements*

As explained in notes 3 (a) and 4, the Company has not prepared consolidated financial statements as required by International Financial Reporting Standard 10 ("IFRS 10"), 'Consolidated Financial Statements'. Failure to prepare consolidated financial statements is a departure from the requirements of IFRS 10.

In our opinion except for the effects of the matter describe in the above paragraph, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

*Emphasis of matter – Going concern*

In forming our opinion on the Company financial statements, which is not modified, we draw attention to notes 13 and 14, which refer that the Company made a loss of USD 99,997,858 for the year ended 31 March 2022 (2021: profit of USD 91,839) and as at that date its total liabilities exceed its total assets by USD 5,159.

The Company has received a statutory demand dated 30 August 2021 stating " Fineline Hospitality & Consultancy Pte Ltd (FHCPL) are indebted, in its capacity of guarantor of its subsidiary Lexon Hotel Ventures Ltd to the creditor ( BakerFin Limited) in the liquidated sum of USD 1,307,956 which is due and demandable after Lexon Hotel Ventures Ltd has failed to comply with the terms and conditions of payment stated in the loan agreement".

The Company is seeking legal advice on the statutory demand.

This condition indicates the existence of uncertainty which may cast doubt as to the Company ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as going concern.

**Independent Auditors' Report  
To the Shareholders of  
Fineline Hospitality & Consultancy Pte Ltd (Continued)**

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

*Opinion*

*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.

*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.

**Independent Auditors' Report  
To the Shareholders of  
Fineline Hospitality & Consultancy Pte Ltd (Continued)**

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**Report on the Audit of the Financial Statements (Continued)**  
*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.
- 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.



**Independent Auditors' Report  
To the Shareholders of  
Fineline Hospitality & Consultancy Pte Ltd (Continued)**

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

*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.

**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 Services LLP**  
Chartered Certified Accountants

  
**Mr Raj Annauth** FCCA, MBA  
Signing partner  
Licensed by FRC

Date: 19 September 2022

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Cyber City  
Ebene, Mauritius  
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**Fineline Hospitality & Consultancy Pte Ltd**  
**Statement of financial position**  
**At 31 March 2022**

8.

	Notes	2022 USD	2021 USD
<b>Assets</b>			
<b>Non-current assets</b>			
Investment	4	<u>1</u>	<u>100,000,002</u>
<b>Current assets</b>			
Accounts receivable		-	-
Cash and cash equivalents		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
<b>Total assets</b>		<u><b>1</b></u>	<u><b>100,000,002</b></u>
<b>Financed by:</b>			
<b>Equity and liabilities</b>			
<b>Equity</b>			
Stated capital	5	104,489,261	104,489,261
Accumulated losses		<u>(104,494,420)</u>	<u>(4,496,562)</u>
<b>Total equity</b>		<u><b>(5,159)</b></u>	<u><b>99,992,699</b></u>
<b>Current liabilities</b>			
Accounts payable	6	5,160	6,900
Current tax liability		-	403
		<u>5,160</u>	<u>7,303</u>
<b>Total liabilities</b>		<u><b>5,160</b></u>	<u><b>7,303</b></u>
		<u>-</u>	<u>-</u>
<b>Total equity and liabilities</b>		<u><b>1</b></u>	<u><b>100,000,002</b></u>

These financial statements have been approved by the Board of Directors on: 19 September 2022

  
 Director

  
 Director

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

**Fineline Hospitality & Consultancy Pte Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 March 2022**

**9.**

	Notes	<u>2022</u> USD	<u>2021</u> USD
<b>Income</b>			
Loan written-off		10,843	107,914
Overprovision of audit fee		5,160	-
Overprovision of taxation		403	-
		<u>16,406</u>	<u>107,914</u>
<b>Expenditure</b>			
Accounting & audit fee		1,740	6,900
Professional fees		-	3,230
Licence fees		1,950	1,950
Administration charges		9,933	2,090
Bank charges		-	731
Business registration fee		375	281
Fine & Penalty		190	490
Disbursement		75	-
		<u>14,263</u>	<u>15,672</u>
<b>(Loss)/profit for the year</b>		<b>2,143</b>	<b>92,242</b>
Taxation	7	-	(403)
<b>(Loss)/profit after taxation</b>		<u>2,143</u>	<u>91,839</u>
<b>Other comprehensive income</b>			
<b>Impairment of investment</b>		<b>(100,000,001)</b>	<b>-</b>
		<u>(99,997,858)</u>	<u>91,839</u>
<b>Total comprehensive income for the year</b>		<b>(99,997,858)</b>	<b>91,839</b>

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

**Fineline Hospitality & Consultancy Pte Ltd.**  
**Statement of changes in equity**  
**For the year ended 31 March 2022**

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	Ordinary shares USD	5% Redeemable cumulative preference shares USD	Accumulated Losses USD	Total USD
Balance at 1 April 2020	94,295,582	10,193,679	(4,588,401)	99,900,860
Total comprehensive income for the year	-	-	91,839	91,839
<b>Balance at 31 March 2021</b>	<b>94,295,582</b>	<b>10,193,679</b>	<b>(4,496,562)</b>	<b>99,992,699</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(99,997,858)</b>	<b>(99,997,858)</b>
<b>Balance at 31 March 2022</b>	<b>94,295,582</b>	<b>10,193,679</b>	<b>(104,494,420)</b>	<b>(5,159)</b>

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

**Fineline Hospitality & Consultancy Pte Ltd.**  
**Statement of cash flows**  
**For the year ended 31 March 2022**

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	2022 USD	2021 USD
<b>Cash flows from operating activities</b>		
(Loss)/profit before tax	2,143	92,242
Adjustment:		
Add/(Less) amount written off	-	(107,914)
<b>Operating loss before working capital changes</b>	<u>2,143</u>	<u>(15,672)</u>
Decrease in accounts receivable	-	3,511
Increase/(decrease) in accounts payable	<u>(2,143)</u>	<u>(6,900)</u>
<b>Net cash used in operating activities</b>	<u>-</u>	<u>(19,061)</u>
<b>Cash flows from financing activities</b>		
Borrowings	-	18,896
<b>Net cash from financing activities</b>	<u>-</u>	<u>18,896</u>
<b>Net movement in cash and cash equivalents</b>	-	(165)
Cash and cash equivalents at beginning of year	-	165
<b>Cash and cash equivalents at end of year</b>	<u>-</u>	<u>-</u>
<b>Cash and cash equ</b>		
Cash at bank	<u>-</u>	<u>-</u>

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

**Fineline Hospitality & Consultancy Pte Ltd.**  
**Notes to the financial statements**  
**For the year ended 31 March 2022**

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**1. Incorporation**

Fineline Hospitality & Consultancy Pte Ltd was a Category 2 Global Business Licence company incorporated on 18 October 2007 in Mauritius under the Companies Act 2001 and is governed by the Financial Services Act 2007. On the 29 January 2013, the Company has changed status from Global Business Licence Category 2 (CBG2) to Global Business Licence Category 1 (GBC1).

**2. Principal activity**

The main business activities of the Company are that of investment holding, international trading and provision of consultancy and sourcing services.

**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") except of International Financial Reporting Standard 10 ("IFRS 10") - Consolidated Financial Statements. 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) Changes in accounting policies and disclosures**

During the year under review, the following standards were effective. However, there was no significant impact on the financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

*Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16*

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

## Fineline Hospitality & Consultancy Pte Ltd.

Notes to the financial statements  
For the year ended 31 March 2022

### 3. Significant accounting policies (cont'd)

#### (c) New standards, amendments and interpretations issued but not yet effective

Standards and Interpretations	Key requirements	Effective date
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (example: the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.	01 January 2023
Reference to the Conceptual Framework – Amendments to IFRS 3	Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	01 January 2022
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	01 January 2022
Annual Improvements to IFRS Standards 2018–2020	The following improvements were finalised in May 2020: IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.	01 January 2022
Definition of Accounting Estimates – Amendments to IAS 8	The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	01 January 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	01 January 2023

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

**Fineline Hospitality & Consultancy Pte Ltd.**  
**Notes to the financial statements**  
**For the year ended 31 March 2022**

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**3. Significant accounting policies (cont'd)**

**(d) Income and expenditure**

Income and expenditure are accounted for on an accrual basis.

**(e) 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.

**(f) 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.

**(g) 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.

**(h) 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.

**(i) Stated capital**

Ordinary shares are classified as equity.



**Fineline Hospitality & Consultancy Pte Ltd.**  
**Notes to the financial statements**  
**For the year ended 31 March 2022**

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**3. Significant accounting policies (cont'd)**

**(j) Accounts payable**

Other payables are stated at cost.

**(k) 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,

**(l) 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.

**(m) Taxation**

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.

**(n) 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).

**Fineline Hospitality & Consultancy Pte Ltd.**  
**Notes to the financial statements**  
**For the year ended 31 March 2022**

**3. Significant accounting policies (cont'd)**

**(o) 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. Investment**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Unquoted and at cost	<u>1</u>	<u>100,000,002</u>
Details of investment are as follows:		
	Number of	Type of
	shares	shares
Lexon Hotel Ventures Limited	<u>1,320</u>	<u>Ordinary</u>
	Percentage	Country of
	holding	incorporation
	<u>80%</u>	<u>Mauritius</u>
	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Cost at 1 April	<b>100,000,002</b>	100,000,002
Impairment	<b>(100,000,001)</b>	
Value at 31 March	<u><b>1</b></u>	<u>100,000,002</u>

The Company holds 80 % of the issued share capital of Lexon Hotel Ventures Limited . The company incorporated in Mauritius, is considered to be a subsidiary undertaking. The Company has not prepared consolidated financial statements as required by International Financial Reporting Standard ("IFRS 10") 'Consolidated Financial Statements'. Failure to prepare consolidated financial statements is a departure from the requirements of IFRS 10.

As per board resolution dated 26 July 2022, based on the assessment done by the Board, it has decided to impair the investment in Lexon Hotel Ventures Limited by USD 100,000,001.

**5. Stated capital**

	<b>2022</b>		2021	
	<b>Ordinary</b>	<b>Preference</b>	Ordinary	Preference
	<b>shares</b>	<b>shares</b>	shares	shares
Issued and fully paid				
94,295,582 ordinary shares of				
USD1 each	<u><b>94,295,582</b></u>	<u><b>10,193,679</b></u>	<u>94,295,582</u>	<u>10,193,679</u>

**6. Accounts payable**

	<b>2022</b>	2021
	<b>USD</b>	USD
Accruals	<u><b>5,160</b></u>	<u>6,900</u>
	<u><b>5,160</b></u>	<u>6,900</u>

## **Fineline Hospitality & Consultancy Pte Ltd.**

### **Notes to the financial statements**

**For the year ended 31 March 2022**

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#### **7. 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%. The Company has made loss of USD 100,012,525 and no tax has been provided in the financial statements for the year under review.

Following the Finance (Miscellaneous Provisions) Act 2018, the deemed foreign tax credit of 80% ("DTC") available to Category 1 Global Business Licence companies has been abolished as from 1 January 2019. The DTC will be replaced by a partial exemption regime whereby 80% of specific incomes, meeting predetermined criteria, will be exempted from income tax. The income exemption will be granted to all companies subject to complying to certain conditions relating to the substance of their activities. The foreign tax credit will not be allowed where a company has claimed the 80% partial exemption of its foreign source income.

#### **8. Related party transactions**

During the year under review, the Company entered into the following related party transactions. All transactions were on an arm's length basis.

As per agreement dated 5 May 2020, the Company is the guarantor of its subsidiary " Lexon Hotel Ventures Limited" for the loan principal amount of USD 870,000, together with all interest, delayed payment charges, costs, charges expenses.

The Company has received a statutory demand dated 30 August 2021 stating "FHCPL are indebted, in its capacity of guarantor of Lexon Hotel Ventures Ltd to the creditor ( BakerFin Limited) in the liquidated sum of USD 1,307,956 which is due and demandable after Lexon has failed to comply with the terms and conditions of payment stated in the loan agreement.

As per Deed of Assignment dated 20 January 2022, Bakerfin has agreed to assign its rights under the original assignment and the Aeros (HK) Ltd has agreed to assume all the rights, interest, title, claims and benefits of the Bakerfin in the loan on and subject to the terms and conditions of this Deed.

#### **9. Financial instruments and associated risks.**

The Group 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 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 other receivables, cash and cash equivalents, loan from related party and payables.

##### *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.

**Fineline Hospitality & Consultancy Pte Ltd.**  
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**For the year ended 31 March 2022**

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**10. Financial instruments and associated risks (cont'd)**

*Credit 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.

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.

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

	<b>Carrying amount</b>	
	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
Cash and cash equivalents	<u>-</u>	<u>-</u>

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Liquidity management is overseen by the directors who ensure that necessary funds are available at all

The following are the contractual maturities of financial liabilities:

**31 March 2022**

	<b>Repayable</b>			<b>Total</b>
	<b>On demand</b>	<b>Within one year</b>	<b>More than</b>	
<b>Financial liabilities</b>	<b>USD</b>	<b>USD</b>	<b>one year</b>	<b>USD</b>
			<b>USD</b>	
Payables	-	5,160	-	5,160
Current tax liability	-	-	-	-
<b>Total financial liabilities</b>	<u>-</u>	<u>5,160</u>	<u>-</u>	<u>5,160</u>

31 March 2021

	<b>Repayable</b>			<b>Total</b>
	<b>On demand</b>	<b>Within one year</b>	<b>More than one</b>	
<b>Financial liabilities</b>	<b>USD</b>	<b>USD</b>	<b>year</b>	<b>USD</b>
			<b>USD</b>	
Payables	-	6,900	-	6,900
Current tax liability	-	403	-	403
<b>Total financial liabilities</b>	<u>-</u>	<u>7,303</u>	<u>-</u>	<u>7,303</u>

## Fineline Hospitality & Consultancy Pte Ltd.

### Notes to the financial statements

For the year ended 31 March 2022

#### 10. Financial instruments and associated risks (cont'd)

##### 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:*

	Level 1	Level 2	Level 3	Total
31 March 2022	USD	USD	USD	USD
<b>Financial assets</b>				
Cash and cash equivalents	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Payables	-	-	5,160	5,160
Current tax liability	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5,160</b>	<b>5,160</b>
31 March 2021				
<b>Financial assets</b>				
Cash and cash equivalents	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Payables	-	-	6,900	6,900
Current tax liability	-	-	403	403
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>7,303</b>	<b>7,303</b>

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

#### 11. 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.

20 September

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**12. Holding and ultimate holding companies**

The directors of the Company consider Asian Hotels (North) Limited, a company incorporated in India as the Company's holding company.

**13. Going Concern**

The Company made a loss of USD 99,997,858 for the year ended 31 March 2022 (2021: profit of USD 91,839) and as at that date its total liabilities exceed its total assets by USD 5,159.

The Company has received a statutory demand dated 30 August 2021 stating "FHCPL are indebted, in its capacity of guarantor of Lexon Hotel Ventures Ltd to the creditor ( BakerFin Limited) in the liquidated sum of USD 1,307,956 which is due and demandable after Lexon has failed to comply with the terms and conditions of payment stated in the loan agreement".

**14. Events after reporting date**

The Company is seeking legal advice on the statutory demand.