

Lexon Hotel Ventures Limited

Financial Statements

For the year ended 31 March 2022

Lexon Hotel Ventures Limited
Financial Statements
For the year ended 31 March 2022

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Lexon Hotel Ventures Limited

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For the year ended 31 March 2022

Corporate data

Directors:		Appointed	Resigned
	Sharmil Shah	24 April 2007	-
	Dhanun Ujoodha	24 April 2007	-
	Amritesh Jatia	09 July 2010	-
	Ajay Kumar Kedia	30 June 2015	14 July 2020
	Preeti Gandhi	02 February 2021	

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 Services LLP
Chartered Certified Accountants
1st Floor, Cyber Tower 1
Cybercity
Ebène
Mauritius

Lexon Hotel Ventures Limited**Directors' report**

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

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 (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: 23 August 2022

Lexon Hotel Ventures Limited
Secretary's certificate
For the year ended 31 March 2022

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: 23 August 2022

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lexon Hotel Ventures Limited ("the Company") set out on pages 8 to 21, which comprise the statement of financial position as at 31 March 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.

In our opinion, 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 16 and 17, which refer that the Company made a loss of USD 20,508,709 for the year ended 31 March 2022 (2021: loss of USD 8,329) and as at that date its total liabilities and its total assets is Nil value.

The Company has received a statutory demand dated 30 August 2021 stating "Lexon Hotel Ventures Ltd is indebted to the creditor (BakerFin Limited) the 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".

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.

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.

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

Report on the Audit of the Financial Statements (Continued)

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.

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.



GYNCH SHAW

CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITORS
LONDON • MAURITIUS

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

Report on the Audit of the Financial Statements (Continued)

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

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.

Other matter

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

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

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

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

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


Gynch Shaw Services LLP
Chartered Certified Accountants


Mr Raj Annauth FCCA, MBA
Signing partner
Licensed by FRC

Date: 23 August 2022

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Cyber City
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Lexon Hotel Ventures Limited
Statement of financial position
At 31 March 2022

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	Notes	2022 USD	2021 USD
Assets			
Non-current assets			
Investment in subsidiary	5	-	20,502,655
Current assets			
Accounts receivable	6	-	769
Cash and cash equivalents		-	-
		-	769
Total assets		-	20,503,424
Financed by:			
Equity and liabilities			
Equity			
Stated capital	7	1,650	1,650
Share premium	8	19,356,408	19,356,408
Accumulated losses		(20,872,799)	(364,090)
Total equity		(1,514,741)	18,993,968
Non-current liabilities			
Borrowings	9	1,507,956	1,507,956
Current liabilities			
Accounts payable	10	6,785	1,500
Total liabilities		1,514,741	1,509,456
Total equity and liabilities		-	20,503,424

These financial statements have been approved by the Board of Directors on: 23 August 2022

Director

Director

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

Lexon Hotel Ventures Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2022

	Notes	2022 USD	2021 USD
Income			
Payable written off		9,912	3,390
Expenditure			
Professional fees		-	3,230
Administration charges		10,615	1,150
Audit fee		1,740	1,740
Licence fees		2,719	1,950
Bank charges		-	765
Disbursement		240	-
Custody fee		87	90
Registration fee		375	-
Fine & penalty		190	490
Amount written off		-	2,304
		15,966	11,719
Loss from operating activities		(6,054)	(8,329)
Finance cost		-	-
Loss before taxation		(6,054)	(8,329)
Taxation	4	-	-
Loss after taxation		(6,054)	(8,329)
Other comprehensive income			
Impairment of Investment		(20,502,655)	-
Total comprehensive income for the year		(20,508,709)	(8,329)

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

Lexon Hotel Ventures Limited
Statement of changes in equity
For the year ended 31 March 2022

10.

	Stated capital USD	Share premium USD	Accumulated losses USD	Total USD
Balance at 1 April 2020	1,650	19,356,408	(355,761)	19,002,297
Total comprehensive income for the year	-	-	(8,329)	(8,329)
Balance at 31 March 2021	1,650	19,356,408	(364,090)	18,993,968
Total comprehensive income for the year	-	-	(20,508,709)	(20,508,709)
Balance at 31 March 2022	1,650	19,356,408	(20,872,799)	(1,514,741)

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

Lexon Hotel Ventures Limited
Statement of cash flows
For the year ended 31 March 2022

	2022 USD	2021 USD
Cash flows from operating activities		
Loss before tax	(8,054)	(8,329)
Adjustment:		
Add back amount written off	-	2,304
Less payable written off	(9,912)	(3,390)
Operating loss before working capital changes	(15,966)	(9,415)
Decrease in accounts receivable	769	17,425
Increase/(decrease) in accounts payable	15,197	(8,134)
Net cash used in operating activities	-	(124)
Net movement in cash and cash equivalents	-	(124)
Cash and cash equivalents at beginning of year	-	124
Cash and cash equivalents at end of year	-	-
Cash and cash equivalents consist of:		
Cash at bank	-	-

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

Lexon Hotel Ventures Limited
Notes to the financial statements
For the year ended 31 March 2022

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'). 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 (LIBOR) 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

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.

Lexon Hotel Ventures Limited
Notes to the financial statements
For the year ended 31 March 2022

(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.

(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.

Lexon Hotel Ventures Limited
Notes to the financial statements
For the year ended 31 March 2022

3. Significant accounting policies (cont'd)

(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) 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.

(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.

Lexon Hotel Ventures Limited
Notes to the financial statements
For the year ended 31 March 2022

4. 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

	2022 USD	2021 USD
Loss before tax	(6,054)	(11,719)
Income tax at 15%	(908)	(1,758)
Foreign tax credit	727	1,406
Deferred tax not recognised	182	352
Taxation	-	-

Deferred tax asset amounting to USD 182 (2021:USD 352) has not been recognised in the financial statements, based on the Company's accounting policy for recognition of deferred tax.

5. Investment

	2022 USD	2021 USD
Unquoted and at cost	-	20,502,655

Details of investment are as follows:

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

	2022 USD	2021 USD
Cost at 1 April	20,502,655	20,502,655
Impairment	(20,502,655)	-
Value at 31 March	-	20,502,655

The Company holds 99.76 % of the issued share capital of Leading Hotels Ltd. The company incorporated in India, is considered to be a subsidiary undertaking.

As per board resolution dated 23 September 2021, the Board has decided to impair the investment in Leading Hotels Ltd to Nil value as per the Indian Court order that was passed in June 2021.

The Court has appointed an Insolvency Resolution Professional to take over Leading Hotel Ltd.

Lexon Hotel Ventures Limited
Notes to the financial statements
For the year ended 31 March 2022

6. Accounts receivable	2022	2021
	USD	USD
Prepayments	-	769
	<u>-</u>	<u>769</u>

7. Stated capital	2022	2021
	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.

8. Share premium	2022	2021
	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>

9. Borrowings	2022	2021
	USD	USD
Unsecured, interest-free loan from director with no fixed repayment terms	200,000	200,000
Unsecured, interest free loan from Bakerfin Limited with no fixed repayment terms*	-	1,307,956
Unsecured, interest free loan from Aeros (HK) Limited with no fixed repayment terms*	1,307,956	-
	<u>1,507,956</u>	<u>1,507,956</u>

* 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.

* As per guarantee deed dated 5 May 2020, the holding company "Fineline Hospitality & Consultancy Pte Ltd" is the guarantor of 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 Lexon Hotel Ventures Ltd is indebted to the creditor (BakerFin Limited) the 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".

10. Accounts payable	2022	2021
	USD	USD
Accruals	<u>6,785</u>	<u>1,500</u>

Lexon Hotel Ventures Limited
Notes to the financial statements
For the year ended 31 March 2022

11. 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

Loan from director	2022 USD	2021 USD
Balance at start of the year	200,000	200,000
Loan repaid during the year	-	-
Balance at end of year	<u>200,000</u>	<u>200,000</u>

12. 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 2022.

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'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.

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.

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12. Financial instruments and associated risks.

Credit risk

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	
	2022	2021
	USD	USD
Loan to related party	200,000	200,000
Cash and cash equivalents	-	-
	<u>200,000</u>	<u>200,000</u>

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 2022

	Repayable			
	On demand	Within one year	More than	Total
	USD	USD	one year	USD
Financial liabilities			USD	
Loan from related party	-	-	200,000	200,000
Loan from third party	-	-	1,307,956	1,307,956
Accruals	-	6,785	-	6,785
Total financial liabilities	<u>-</u>	<u>6,785</u>	<u>1,507,956</u>	<u>1,514,741</u>

31 March 2021

	Repayable			
	On demand	Within one year	More than one	Total
	USD	USD	year	USD
Financial liabilities			USD	
Loan from related party	-	-	200,000	200,000
Loan from third party	-	-	1,307,956	1,307,956
Accruals	-	1,500	-	1,500
Total financial liabilities	<u>-</u>	<u>1,500</u>	<u>1,507,956</u>	<u>1,509,456</u>

12. 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 USD	Level 2 USD	Level 3 USD	Total USD
31 March 2022				
Financial assets				
Loan to related party	-	-	-	-
Cash and cash equivalents	-	-	-	-
Total financial assets	-	-	-	-
Financial liabilities				
Loan from related parties	-	-	200,000	200,000
Loan from third party	-	-	1,307,956	1,307,956
Accruals	-	-	6,785	6,785
Total financial liabilities	-	-	1,514,741	1,514,741
31 March 2021				
Financial assets				
Loan to related party	-	-	-	-
Cash and cash equivalents	-	-	-	-
Total financial assets	-	-	-	-
Financial liabilities				
Loan from related parties	-	-	200,000	200,000
Loan from third parties	-	-	1,307,956	1,307,956
Accruals	-	-	1,500	1,500
Total financial liabilities	-	-	1,509,456	1,509,456

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

13. 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.

14. 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.

15. 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.

16. Going Concern.

The Company made a loss of USD 20,508,709 for the year ended 31 March 2022 (2021: loss of USD 8,329) and as at that date its total liabilities and its total assets is Nil value .

The Company has received a statutory demand dated 30 August 2021 stating "Lexon Hotel Ventures Ltd is indebted to the creditor (BakerFin Limited) the 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".

17. Events after reporting date

The Company is seeking legal advice on the statutory demand.