Lexon Hotel Ventures Limited

Financial statements

31 March 2014

Lexon Hotel Ventures Limited

Financial statements
for the year ended 31 March 2014

Contents

Lexon Hotel Ventures Limited

Corporate data

Directors:	Sharmil Shah Dhanun Ujoodha Narayanasamy Balasubramanian Amritesh Jatia
Company Secretary:	Kross Border Corporate Services Limited St Louis Business Centre Cnr Desroches & St Louis Streets Port Louis Mauritius
Registered office:	St Louis Business Centre Cnr Desroches & St Louis Streets Port Louis Mauritius
Auditors:	VBS Business Services 6th Floor, Orchid Tower Sir William Newton Street Port Louis Mauritius
Bankers:	Barclays Bank Limited 1st 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
	Standard Bank (Mauritius) Limited (closed on 10 October 2013) Level 9, Tower A 1 Cybercity, Ebene Mauritius

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 2014.

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 (2013: 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 on the year ahead.

By order of the Board

Director

Date: 16 MAY 2014

Lexon Hotel Ventures Limited

Secretary's certificate
for the year ended 31 March 2014

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

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

For and on behalf of KROSS BORDER CORPORATE SERVICES LIMITED
Company Secretary

Date: ..1 6 MAY 2014..................

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEXON HOTEL VENTURES LIMITED

Report on the financial statements

We have audited the financial statements of Lexon Hotel Ventures Limited (the "Company") on pages 7 to 26 which comprise the statement of financial position at 31 March 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

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

Report on the Financial Statements (Continued)

Basis for adverse opinion

Investments in subsidiary

The Company holds investments in a subsidiary and is required by International Financial Reporting Standards IAS 27 Consolidated and Separate Financial Statements and the Mauritius Companies Act to prepare consolidated financial statements. As stated in note 16 to the financial statements, the Company has not prepared consolidated financial statements. The financial statements have been prepared on the same basis as separate financial statements, which are financial statements permitted in terms of International Financial Reporting Standards when an entity prepares consolidated financial statements. Separate financial statements are prepared on the basis that investments in subsidiary are recorded at cost (less impairment, if applicable) and income is recognised when dividends from the subsidiary are receivable. The effects of this departure from International Financial Reporting Standards and the Mauritius Companies Act are material and pervasive.

Adverse opinion

In our opinion, because of the significance of the effects of the matter described in the preceding paragraph, the financial statements do not give a true and fair view of the financial position of the Company as at 31 March 2014 and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act.

Other matter

This report, including the opinion, has been prepared for and only for, the Company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

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 B

VBS Business Services
Chartered Certified Accountants

Port Louis, Mauritius

Date: 16 MAY 2014

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 2014

	Notes	2014 USD	2013 USD
Revenue			
Consultancy fees receivable		**270,901**	1,097,495
Expenses			
Consultancy fees payable		**223,710**	1,066,615
Professional fees		**5,570**	3,870
Administrative charges		**3,160**	2,781
Accounting and audit fees		**2,500**	2,000
Licence fees		**1,969**	1,875
Sundries		**1,473**	1,106
Bank charges		**921**	1,614
Travelling expenses		-	7,546
		239,303	1,087,407
Profit from operating activities		**31,598**	10,088
Finance income	4	**12**	-
Profit before tax		**31,610**	10,088
Income tax expense	5	**(949)**	(303)
Profit for the year		**30,661**	9,785
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**30,661**	9,785

The notes on pages 11 to 26 form part of these financial statements.

Lexon Hotel Ventures Limited

Statement of financial position
as at 31 March 2014

	Notes	2014 USD	2013 USD
ASSETS			
Non-current assets			
Investments in subsidiary	6	**20,502,655**	20,502,655
Current assets			
Loan to related party	7	**1,000**	1,000
Trade and other receivables	8	**51,978**	797
Cash and cash equivalents		**1,411**	220,231
Total current assets		**54,389**	222,028
TOTAL ASSETS		**20,557,044**	20,724,683
EQUITY AND LIABILITIES			
Equity			
Stated capital	9	**1,650**	1,650
Share premium	10	**19,356,408**	19,356,408
Retained earnings		**105,841**	75,180
Total equity		**19,463,899**	19,433,238
Liabilities			
Non-current liabilities			
Loan from related parties	11	**1,028,232**	1,183,302
Current liabilities			
Current tax liability	5	**63**	314
Trade and other payables	12	**64,850**	107,829
Total current liabilities		**64,913**	108,143
Total liabilities		**1,093,145**	1,291,445
TOTAL EQUITY AND LIABILITIES		**20,557,044**	20,724,683

Authorised for issue by the Board of Directors on 16 MAY 2014
and signed on its behalf by:

Director *Director*

The notes on pages 11 to 26 form part of these financial statements.

Lexon Hotel Ventures Limited

Statement of changes in equity
for the year ended 31 March 2014

	Stated capital USD	Share premium USD	Retained earnings USD	Total USD
Balance at 01 April 2012	1,000	-	65,395	66,395
Transactions with owners of the Company				
Issue of shares	650	19,356,408	-	19,357,058
Total transactions with owners of the Company	650	19,356,408	-	19,357,058
Total comprehensive income for the year	-	-	9,785	9,785
Balance at 31 March 2013	1,650	19,356,408	75,180	19,433,238
Total comprehensive income for the year	**-**	**-**	**30,661**	**30,661**
Balance at 31 March 2014	**1,650**	**19,356,408**	**105,841**	**19,463,899**

The notes on pages 11 to 26 form part of these financial statements.

Lexon Hotel Ventures Limited

Statement of cash flows
for the year ended 31 March 2014

	2014 USD	2013 USD
Cash flows from operating activities		
Profit before tax	**31,610**	10,088
Change in trade and other receivables	**(51,181)**	3,597
Change in trade and other payables	**(42,979)**	104,978
Cash (used in)/ generated from operating activities	**(62,550)**	118,663
Tax paid	**(1,200)**	-
Net cash (used in)/ from operating activities	**(63,750)**	118,663
Cash flows from financing activities		
Loan from related parties	**21,655**	50,000
Loan repaid to related parties	**(176,725)**	-
Net cash (used in)/ from financing activities	**(155,070)**	50,000
Net movement in cash and cash equivalents	**(218,820)**	168,663
Cash and cash equivalents at beginning of the year	**220,231**	51,568
Cash and cash equivalents at end of the year	**1,411**	220,231

The notes on pages 11 to 26 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 2014

1. General information

Lexon Hotel Ventures Limited (the "Company") was incorporated as a private limited company in the Republic of Mauritius on 4 March 2004 and holds a Category 1 Global Business Licence issued by the Financial Services Commission.

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"), except for non-compliance with IAS 27: Consolidated and Separate Financial Statements.

(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.

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

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

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

Income tax expense

Income tax expense comprises 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.

Finance income

Finance income consists of foreign exchange gains that are recognised in the statement of profit or loss and other comprehensive income.

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

Financial instruments

Financial instruments carried on the statement of financial position include loan to related party, trade and other receivables, cash and cash equivalents, loan from related parties and trade and other payables. 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 14.

Loan to related party

Loan to related party is recognised at proceeds issued net of transaction costs.

Trade and other receivables

Trade and other receivables are stated at cost less impairment.

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.

Trade and other payables

Trade and other payables 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.

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 2014

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 and amended standards adopted by the Company

The following standards have been adopted by the Company for the first time for the year beginning on 01 April 2013:

IAS 1 – Presentation of Financial Statements

The Company has applied the amendments to IAS 1 Presentation of Items of Other Comprehensive Income for the first time in the current year. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments to IAS 1,' the statement of comprehensive income is renamed as 'the statement of profit or loss and other comprehensive income' [and the 'income statement' is renamed as 'the statement of profit or loss']. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require the items of other comprehensive income to be grouped into two categories in the other comprehensive income section (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive is required to be allocated on the same basis-the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively. Other than the above mentioned presentation changes, the application of the amendments of IAS 1 does not result in any impact on profit or loss, other comprehensive income or total comprehensive income.

IFRS 7 – Financial Instruments

Amendment to IFRS 7, 'Financial Instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.

IFRS 13 – Fair Value Measurement

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

Lexon Hotel Ventures Limited

Notes to and forming part of the financial statements
for the year ended 31 March 2014

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

New standards, interpretations and amendments to existing standards in issue but not yet effective

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on 01 January 2018.

Amendment to IAS 32, Financial Instruments: Presentation, on asset and liability offsetting

These amendments are to the application guidance in IAS 32, 'Financial Instruments: Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The Company intends to adopt the amendments to IAS 32 no later than the accounting period beginning on or after 01 January 2014. The first applicable year will be 31 March 2015.

Amendment to IAS 36, Impairment of Assets on recoverable amount disclosures

This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The Company intends to adopt the amendments to IAS 36 no later than the accounting period beginning on or after 01 January 2014. The first applicable year will be 31 March 2015.

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. **Finance income**

	2014	2013
	USD	USD
Foreign exchange gain	**12**	-

5. **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, a provision for income tax amounting to USD 949 has been made in the accounts (2013: USD 303).

5. Income tax expense (continued)

	2014 **USD**	2013 USD
Reconciliation of effective tax		
Profit before tax	**31,610**	10,088
Income tax at 15%	**4,742**	1,513
Foreign tax credit	**(3,793)**	(1,210)
Tax payable	**949**	303

Accrued taxes

	2014	2013
At start of year	**314**	11
Current year tax expense	**949**	303
Tax paid during the year	**(1,200)**	-
At end of year	**63**	314

6. Investments in subsidiary

Investments consist of unquoted shares.

	2014 **USD**	2013 USD
Cost:		
At start/ end of year	**20,502,655**	20,502,655

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

On 22 April 2014, 3,131,540 shares of INR 10 each held by the Company in Leading Hotels Ltd are pledged in favour of IDBI Bank for having granted a loan amounting to INR 600,000,000 to Asian Hotels North Limited.

7. Loan to related party

Short term:	**2014 USD**	2013 USD
Unsecured, interest-free loan to Deuchny Properties Ltd and repayable on demand	**1,000**	1,000

8. Trade and other receivables

	2014 USD	2013 USD
Trade receivables	**50,525**	-
Advance payment	**360**	360
Prepayments	**1,093**	437
	51,978	797

9. Stated capital

	2014	2013	**2014**	2013
	Number of shares of USD 1 each		**USD**	USD
At start of year	**1,650**	1,000	**1,650**	1,000
Issue of shares against loan payable	**-**	650	**-**	650
At end of year	**1,650**	1,650	**1,650**	1,650

On 17 September 2013, 884 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. The terms and conditions regarding the pledge are defined in the Share Pledge Agreement dated 17 September 2013.

10. Share premium

	2014 USD	2013 USD
At start of year	**19,356,408**	-
On issue of 650 shares of USD 1 each at a premium of USD 29,779.09 per share	**-**	19,356,408
At end of year	**19,356,408**	19,356,408

Lexon Hotel Ventures Limited

Notes to and forming part of the financial statements
for the year ended 31 March 2014

11. Loan from related parties

	2014 USD	2013 USD
Long term:		
Unsecured, interest-free loan from director with no fixed repayment terms	**988,302**	1,163,302
Unsecured, interest-free loan from Fineline Hospitality & Consultancy Pte Ltd with no fixed repayment terms	**20,000**	20,000
Unsecured, interest-free loan from RSJ Holdings Ltd with no fixed repayment terms	**13,275**	-
Unsecured, interest-free loan from Poly China Trading Ltd with no fixed repayment terms	**6,655**	-
	1,028,232	1,183,302

12. Trade and other payables

	2014 USD	2013 USD
Trade payables	**62,046**	105,336
Accrued expenses	**2,804**	2,493
	64,850	107,829

13. 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:

	2014 USD	2013 USD
Loan to fellow subsidiary, Springleaf Investments Ltd		
Balance at start of year	-	10,000
Loan assigned to shareholder, Fineline Holdings Limited	-	(10,000)
Balance at end of year	-	-

Lexon Hotel Ventures Limited

Notes to and forming part of the financial statements
for the year ended 31 March 2014

13. **Related party transactions (continued)**

	2014 USD	2013 USD
Loan to erstwhile fellow subsidiary, Magus Estates & Hotels Pte Ltd		
Balance at start of year	-	2,515,082
Loan assigned to erstwhile shareholder, Fineline Holdings Limited	-	(2,515,082)
Balance at end of year	-	-
Loan to entity controlled by director, Yans Enterprises HK Ltd		
Balance at start of year	-	100,000
Loan assigned to shareholder, Fineline Holdings Limited	-	(100,000)
Balance at end of year	-	-
Loan to entity controlled by director, Deuchny Properties Ltd		
Balance at start/ end of year	**1,000**	1,000
Loan from Director		
Balance at start of year	**1,163,302**	1,113,302
Loan received	-	50,000
Loan repaid	**(175,000)**	-
Balance at end of year	**988,302**	1,163,302
Loan from erstwhile shareholder, Fineline Holdings Ltd ("FHL")		
Balance at start of year	-	9,889,082
Loan receivable by the Company assigned to FHL	-	(2,625,082)
Loan payable to erstwhile shareholder, Glenever Private Holdings Ltd assigned to FHL	-	12,093,058
Issue of shares against loan payable	-	(19,357,058)
Balance at end of year	-	-

13. Related party transactions (continued)

	2014	2013
	USD	USD
Loan from holding company, Fineline Hospitality & Consultancy Pte Ltd		
Balance at start/ end of year	**20,000**	20,000
Loan from entity controlled by director, RSJ Holdings Ltd		
Balance at start of year	-	-
Loan received during the year	**15,000**	-
Loan repaid during the year	**(1,725)**	-
Balance at end of year	**13,275**	-
Loan from entity controlled by director, Poly China Trading Ltd		
Balance at start of year	-	-
Loan received during the year	**6,655**	-
Balance at end of year	**6,655**	-
Trade receivable from subsidiary, Leading Hotels Ltd		
Balance at start of year	-	-
Consultancy fees charge for the year	**270,901**	1,097,495
Amount paid during the year	**(220,376)**	(1,097,495)
Balance at end of year	**50,525**	-

14. 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.

14. Financial instruments and associated risks (continued)

The Company's financial instruments comprise of loan to related party, trade and other receivables, cash and cash equivalents, loan from related parties and trade and other payables.

The Company held no derivative instruments during the year ended 31 March 2014.

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.

During the year ended 31 March 2014, the Company had financial instruments denominated in Great Britain Pound Sterling (GBP). Consequently, the Company was exposed to the risk that the exchange rate of the US Dollar relative to the GBP might changed in a manner, which had a material effect on the reported values of the Company's assets and liabilities, which were denominated in GBP.

Currency profile

	Financial assets 2014 USD	**Financial liabilities 2014 USD**	Financial assets 2013 USD	Financial liabilities 2013 USD
USD	**53,296**	**1,093,082**	221,202	1,291,131
GBP	**-**	**-**	389	-
	53,296	**1,093,082**	221,591	1,291,131

Interest rate risk

The Company's exposure to interest rate risk is limited as the majority of the Company's financial assets and liabilities are non-interest bearing. As a result, the Company is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

14. **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 loan to related party, trade and other receivables 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 parties.

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

	Carrying amount	
	2014	2013
	USD	USD
Loan to related party	**1,000**	1,000
Trade receivables	**50,525**	-
Advance payment	**360**	360
Cash and cash equivalents	**1,411**	220,231
	53,296	221,591

The exposure to credit risk on trade receivables is monitored on an ongoing basis by management and these are considered recoverable.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Carrying amount	
	2014	2013
	USD	USD
India	**50,525**	-

The ageing of trade receivables at the reporting date was as follows:

	Gross 2014 USD	**Impairment 2014 USD**	Gross 2013 USD	Impairment 2013 USD
Not past due 0-30 days	**50,525**	-	-	-
More than 90 days	-	-	-	-
More than 120 days	-	-	-	-
	50,525	-	-	-

14. Financial instruments and associated risks (continued)

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 2014	**Repayable on demand USD**	**6 months or less USD**	**7 - 12 months USD**	**More than 1 year USD**	**Total USD**
Liabilities					
Loan from related parties	-	-	-	1,028,232	**1,028,232**
Trade and other payables	-	-	64,850	-	**64,850**
Total liabilities	**-**	**-**	**64,850**	**1,028,232**	**1,093,082**

31 March 2013					
Liabilities					
Loan from related parties	-	-	-	1,183,302	1,183,302
Trade and other payables	-	-	107,829	-	107,829
Total liabilities	-	-	107,829	1,183,302	1,291,131

Fair values

The Company adopted IFRS 13, 'Fair Value Measurement', from 01 April 2013 for financial instruments that are measured in the statement of financial position at fair value, which requires fair value measurements by level of the following fair value measurement hierarchy:

- 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);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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14. **Financial instruments and associated risks (continued)**

Fair values (continued)

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

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

31 March 2014	**Level 1 USD**	**Level 2 USD**	**Level 3 USD**	**Total USD**
Financial assets				
Loan to related party	-	-	1,000	**1,000**
Trade and other receivables	-	-	50,885	**50,885**
Cash and cash equivalents	1,411	-	-	**1,411**
	1,411	-	**51,885**	**53,296**
Financial liabilities				
Loan from related parties	-	-	1,028,232	**1,028,232**
Trade and other payables	-	-	64,850	**64,850**
	-	-	**1,093,082**	**1,093,082**

31 March 2013	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets				
Loan to related party	-	-	1,000	1,000
Trade and other receivables	-	-	360	360
Cash and cash equivalents	220,231	-	-	220,231
	220,231	-	1,360	221,591
Financial liabilities				
Loan from related parties	-	-	1,183,302	1,183,302
Trade and other payables	-	-	107,829	107,829
	-	-	1,291,131	1,291,131

15. 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.

16. Consolidated financial statement

The Company holds 99.76% of the share capital of Leading Hotels Ltd and as per IAS 27: Consolidated and Separate Financial Statements and the Mauritius Companies Act, the Company is required to prepare consolidated financial statements. The Company has not prepared consolidated financial statements as 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.

17. Holding and ultimate holding company

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

18. Events after the reporting date

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