



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF RED FOX HOTEL COMPANY PRIVATE LIMITED**

**Report on the audit of the financial statements**

**Opinion**

1. We have audited the financial statements of **RED FOX HOTEL COMPANY PRIVATE LIMITED**("the Company"), which comprise the balance Sheet as at March 31, 2022 and the statement of Profit and Loss for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its Loss for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, 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, 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.



**Address :- 1, 1st Floor, Rattan Bagh, Nangloi, New Delhi-110041**

**Mob: - 9999275838, Email:- dsas.branch1@gmail.com**

### **Responsibilities of management and those charged with governance for the financial statements**

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

7. 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 SAs 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.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - a) 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.
  - b) 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.
  - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- d) Conclude on the appropriateness of management'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.
- e) 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.
- f) Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- g) Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Financial Results of which we are the independent auditors 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. The provisions of the Companies (Auditor's Report) Order, 2020 ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 is not applicable to the Company since:
  - a) It is a subsidiary company of a public company; and
  - b) But its paid-up capital and reserves and surplus are not more than Rs. 1 Crores as at the balance sheet date; and
  - c) Its total borrowings from banks and financial institutions are not more than Rs.1 Crores at any time during the year; and
  - d) Its turnover for the year is not more than RS.10 Crores during the year.



1. As required by Section 143(3) of the Act, based on our audit we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



**Information on dividends for the year ended March 31, 2022**

- ◆ Company has not declared any dividend during the financial year 2021-22.

Place: New Delhi  
Date: May 25, 2022  
UDIN: 22528254ALCFEA4771

**For DSAS & ASSOCIATES**  
**Chartered Accountants**  
FRN: 025566N  
  
**DEEPAK SHARMA**  
**(PARTNER)**  
**(Membership No.: 528254)**

**Red Fox Hotel Company Private Limited**  
**Balance Sheet as at Mar 31, 2022**

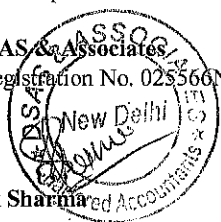
		March 31, 2022	March 31, 2021
	Note No.	Rs. in lakhs	Rs. in lakhs
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets			
-Cash and Cash equivalents	3	1.76	0.19
Other current assets	4	0.14	-
		<u>1.90</u>	<u>0.19</u>
<b>Total Assets</b>		<u>1.90</u>	<u>0.19</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	5	3.00	3.00
(b) Other Equity	6	(3.55)	(3.15)
<b>Total Equity</b>		<u>(0.55)</u>	<u>(0.15)</u>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	7	2.11	-
Financial liabilities			
-Other financial liabilities	7	0.34	0.34
		<u>2.45</u>	<u>0.34</u>
<b>Total Liabilities</b>		<u>2.45</u>	<u>0.34</u>
<b>Total Equity and Liabilities</b>		<u>1.90</u>	<u>0.19</u>
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For DSAS & Associates  
 Firm Registration No. 025566N

**Deepak Sharma**  
 Partner  
 Membership No. 528254



For and on behalf of the Board of Directors of  
 Red Fox Hotel Company Private Limited

**Kapil Sharma**  
 Director  
 Din: 00352890

**Davander Tomar**  
 Director  
 Din: 00013336

Place : New Delhi  
 Date : May 25, 2022

**Red Fox Hotel Company Private Limited**  
**Statement of Profit and Loss for the year ended Mar 31, 2022**

	Note No.	Mar 31, 2022 Rs. in lakhs	March 31, 2021 Rs. in lakhs
<b>Expenses</b>			
Other expenses	8	0.40	0.39
<b>Total expenses</b>		<b>0.40</b>	<b>0.39</b>
<b>Loss for the year</b>		<b>(0.40)</b>	<b>(0.39)</b>
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
<b>Total Comprehensive Loss for the year (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)</b>		<b>(0.40)</b>	<b>(0.39)</b>
Earnings per equity share:			
(1) Basic	9	(0.13)	(0.13)
(2) Diluted	9	(0.13)	(0.13)

As per our report of even date

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.

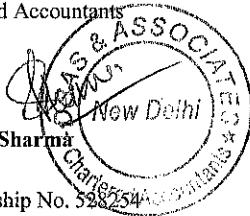
**For DSAS & Associates**

Firm Registration No. 025566N

Chartered Accountants

**Deepak Sharma**  
Partner

Membership No. 528254



**For and on behalf of the Board of Directors of  
Red Fox Hotel Company Private Limited**

**Kapil Sharma**  
Director

Din: 00352890

**Davander Tomar**  
Director

Din: 00013336

Place : New Delhi

Date : May 25, 2022

**Red Fox Hotel Company Private Limited**  
**Statement of Changes in Equity**

**A. Equity Share Capital**

Equity shares of INR 1 each issued, subscribed and fully paid	No. of shares	Amount
		Rs. In lakhs
At 1 April 2020	3,00,000	3.00
Issue of share capital	-	-
At 31 March 2021	3,00,000	3.00
Issue of share capital	-	-
At 31 March 2022	3,00,000	3.00

**B. Other Equity**

For the period ended 31 March, 2022

	Reserves and Surplus		Total equity
	Capital reserve	Retained Earnings	
		Rs. In lakhs	Rs. In lakhs
At 1 April 2020	-	(2.75)	(2.75)
Total Comprehensive loss for the year	-	(0.39)	(0.39)
At 31 March 2021	-	(3.15)	(3.15)
Total Comprehensive loss for the year	-	(0.40)	(0.40)
Balance at 31 March 2022	-	(3.55)	(3.55)

Summary of significant accounting policies

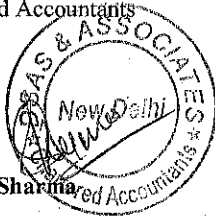
2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For DSAS & Associates**  
 Firm Registration No. 025566N  
 Chartered Accountants

**Deepak Sharma**  
 Partner  
 Membership No. 528254



**For and on behalf of the Board of Directors of**  
**Red Fox Hotel Company Private Limited**

**Kapil Sharma**  
 Director  
 Din: 00352890

**Davander Tomar**  
 Director  
 Din: 00013336

Place : New Delhi  
 Date : May 25, 2022



**Red Fox Hotel Company Private Limited**  
**Cash flow statement for the year ended March 31, 2022**

	For the year ended Mar 31, 2022 Rs. in lakhs	For the year ended March 31, 2021 Rs. in lakhs
<b>Cash flow from operating activities</b>		
Profit/(Loss) before tax	(0.40)	(0.39)
<b>Operating profit before working capital changes:</b>	<b>(0.40)</b>	<b>(0.39)</b>
Movements in working capital:		
(Increase) in loans and advances and other current assets	(0.14)	0.01
Increase in liabilities and provisions	0.00	0.13
<b>Cash Generated from Operations</b>	<b>(0.54)</b>	<b>(0.25)</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from operating activities</b>	<b>(0.54)</b>	<b>(0.25)</b>
<b>Net Cash flow used in investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds/repayment from short term borrowings	2.11	-
<b>Net Cash from financing activities</b>	<b>2.11</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1.57</b>	<b>(0.25)</b>
Cash and cash equivalents at the beginning of the year	0.19	0.44
<b>Cash and cash equivalents at the end of the year</b>	<b>1.76</b>	<b>0.19</b>
<b>Components of cash and cash equivalents</b>		
Balances with Scheduled Banks in		
- Current accounts	1.76	0.19
<b>Total cash and cash equivalents</b>	<b>1.76</b>	<b>0.19</b>

Summary of significant accounting policies

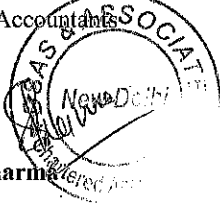
2.1

As per our report of even date

**For DSAS & Associates**

Firm Registration No. 025566N

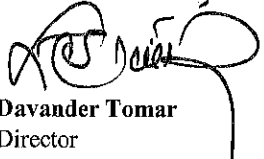
Chartered Accountants



**Deepak Sharma**  
Partner  
Membership No. 528254

**For and on behalf of the Board of Directors of  
Red Fox Hotel Company Private Limited**

  
**Kapil Sharma**  
Director  
Din: 00352890

  
**Davander Tomar**  
Director  
Din: 00013336

Place : New Delhi  
Date : May 25, 2022

**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended March 31, 2022**

---

**1. Corporate Information**

Red Fox Hotel Company Private Limited (the Company) is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at Asset No.6, Aerocity Hospitality District, New Delhi 110037.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 25, 2022.

**2 Basis of preparation**

**2.1 Significant accounting policies**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on a historical cost or at amortized cost except for the following assets and liabilities:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing account standard required a change to the accounting policy hitherto to in use.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except where otherwise indicated.

**2.2 Summary of significant accounting policies**

**(a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading



**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended March 31, 2022**

---

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**(b) Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended March 31, 2022**

---

(c) **Taxes**

*Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in



**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended March 31, 2022**

---

the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognized within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date.

If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognized in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognized in profit or loss.

**(d) Provisions**

*General*

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**(e) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

*Financial assets*

*Initial recognition and measurement*

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.



**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended March 31, 2022**

---

*Subsequent measurement*

*Equity investments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity instruments in subsidiaries are carried at cost in separate financial statements.

*Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.



**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended March 31, 2022**

---

***Financial liabilities***

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**(f) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.



**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended Mar 31, 2022**

**3 Financial assets**

	As at March 31, 2022 Rs. in lakhs	As at March 31, 2021 Rs. in lakhs
<b>Cash and cash equivalents</b>		
<b>Balance with banks</b>		
On current accounts	1.76	0.19
	<u>1.76</u>	<u>0.19</u>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As At March 31, 2022 Rs. in lakhs	As At March 31, 2021 Rs. in lakhs
<b>Balance with banks</b>		
On current accounts	1.76	0.19
	<u>1.76</u>	<u>0.19</u>

**Break up of current financial assets carried at amortised cost**

	As At March 31, 2022 Rs. in lakhs	As At March 31, 2021 Rs. in lakhs
Cash and cash equivalents	1.76	0.19
<b>Total current financial assets carried at amortised cost</b>	<u>1.76</u>	<u>0.19</u>

**4 Other current assets**

	As At March 31, 2022 Rs.	As At March 31, 2021 Rs.
Advances Recoverable	0.14	-
<b>Total</b>	<u>0.14</u>	<u>-</u>





**Red Fox Hotel Company Private Limited**  
Notes to financial statements for the year ended Mar 31, 2022

**5 Equity Share capital**

**Authorised Share Capital**

	Equity shares	
	No. of shares	Rs. in lakhs
At 1 April 2020	3,00,000	3.00
Increase/(decrease) during the year	-	-
At 31 March 2021	3,00,000	3.00
Increase/(decrease) during the year	-	-
At 31 March 2022	3,00,000	3.00

**Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Issued equity capital**

**Equity shares of INR 1 each issued, subscribed and fully paid**

	No. of shares	Rs. in lakhs
At 1 April 2020	3,00,000	3.00
Increase/(decrease) during the year	-	-
At 31 March 2021	3,00,000	3.00
Increase/(decrease) during the year	-	-
At 31 March 2022	3,00,000	3.00

**Shares held by holding company**

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Rs. in lakhs	No. of shares	Rs. in lakhs
Equity shares of Re. 1 each fully paid up Lemon Tree Hotels Limited	3,00,000	3.00	3,00,000	3.00

**Details of shareholders holding more than 5% shares in the company**

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% held as at March 31, 2022	No. of shares	% held as at March 31, 2021
Equity shares of Re. 1 each fully paid up Lemon Tree Hotels Limited	3,00,000	100.00%	3,00,000	100.00%

The company has not issued any shares for a consideration other than cash or bonus shares during the immediately preceding 5 years.

**6 Other equity**

**Retained Earnings**

	Rs. in lakhs
At 31 March 2020	(2.75)
Profit/(loss) for the year	(0.39)
At 31 March 2021	(3.15)
Profit/(loss) for the year	(0.40)
At 31 March 2022	(3.55)

**Other reserves**

**Retained Earnings**

	As at March 31, 2022 Rs. in lakhs	As at March 31, 2021 Rs. in lakhs
	(3.55)	(3.15)
	(3.55)	(3.15)



**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended Mar 31, 2022**

**7 Financial liabilities**

**(i) Borrowings**

0% loan from Lemon Tree Hotels Limited repayable on demand

	As at March 31, 2022 Rs. in lakhs	As at March 31, 2021 Rs. in lakhs
	2.11	-
	<u>2.11</u>	<u>-</u>

**Other financial liabilities**

Outstanding dues of other creditors

	As at March 31, 2022 Rs. in lakhs	As at March 31, 2021 Rs. in lakhs
	0.34	0.34
	<u>0.34</u>	<u>0.34</u>



**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended Mar 31, 2022**

**8 Other expenses**

	For the year ended March 31, 2022 Rs. in lakhs	For the year ended March 31, 2021 Rs. in lakhs
Rates and taxes	0.02	0.01
Legal and professional fees	0.24	0.27
Payment to auditors	0.15	0.15
Bank charges	0.00	(0.04)
<b>Total</b>	<b>0.40</b>	<b>0.39</b>
<b><u>Payment to auditor</u></b>		
As auditor	0.06	0.06
for other services	0.09	0.09
	<b>0.15</b>	<b>0.15</b>

**9 Earnings per share (Basic And Diluted)**

	For the year ended March 31, 2022	For the year ended March 31, 2021
Loss after Tax	(0.40)	(0.39)
Weighted Average Number of Equity Shares	3,00,000	3,00,000
Basic & Diluted EPS	(0.13)	(0.13)



**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended March 31, 2022**

---

**10. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

*Judgements*

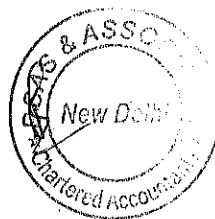
In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

*Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Taxes**

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended March 31, 2022**

**11. Related Party Transactions**

a) Names of related parties

Holding company

- Lemon Tree Hotels Limited

Key Management Personnel

- Mr. Patanajli G Keswani (Director)  
- Mr. Kapil Sharma (Director)  
- Mr. Davander Tomar (Director)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

*Rs. In lakhs*

Transactions with Related Party	Year Ended	Holding Company
<b>Loan Taken</b>		
Lemon Tree Hotels Limited	31-Mar-22	2.00
	31-Mar-21	-
<b>Balances outstanding at the year-end - Other financial liabilities</b>		
Lemon Tree Hotels Limited	31-Mar-22	2.11
	31-Mar-21	0.11

**Commitments with related parties**

The company has not entered into any commitments with related parties during the year.

**12. Commitments and contingencies**

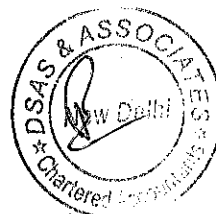
**a. Commitments**

**Estimated amount of contracts remaining to be executed on capital account and not provided for:**

At March 31, 2022, the Company had commitments of Rs. Nil (March 31, 2021: Nil)

**b. Contingent liabilities**

At March 31, 2022, the Company had contingent liability of Rs. Nil (March 31, 2021: Nil).



**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended March 31, 2022**

**13. Fair values**

This section gives an overview of the significance of financial instruments for the company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument

**Financial instruments by category**

*Rs. In lakhs*

	March 31, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Cash and Cash Equivalents	-	1.76	-	0.19
Other current assets		0.14		-
<b>Total Financial Assets</b>	-	<b>1.90</b>	-	0.19

*Rs. In lakhs*

	March 31, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Liabilities</b>				
Other Current Financial Liabilities	-	0.34	-	0.34
<b>Total Financial Liabilities</b>	-	<b>0.34</b>	-	0.34

The management assessed that fair values of cash and cash equivalents, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

14. As per the information available with the Company in response to the enquiries from existing suppliers with whom Company deals, none of the suppliers are registered with The Micro, Small and Medium Enterprises Development Act, 2006.

15. There is no unhedged foreign currency exposure as at the balance sheet date.



**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended March 31, 2022**

16. Supplementary information as per requirement of Schedule III of the Companies Act.

A) Detail of shareholding of promoters of the company

As at March 31, 2022

S.No.	Promoter Name	Number of shares at the beginning of the year 2021	% of total Share Capital	Change during the year*	Number of shares at the end of the year 2022	Percentage of Total shares	% change during the year
1	Lemon tree Hotels Limited	300,000	100%	-	300,000	100%	-

As at March 31, 2021

S.No.	Promoter Name	Number of shares at the beginning of the year 2020	% of total Share Capital	Change during the year*	Number of shares at the end of the year 2021	Percentage of Total shares	% change during the year
1	Lemon tree Hotels Limited	300,000	100%	-	300,000	100%	-



**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended March 31, 2022**

**B) Ratio Analysis and its elements**

S.No.	Ratio	Numerator	Denominator	March 2022	March 2021	% Variance	Reason for variance
1	Current Ratio	current Asset	Current liabilities	0.78	0.56	37.78%	Due to increase in working capital requirements.
2	Debt Equity Ratio	Total Debt	Shareholder equity	-	-	-	-
3	Debt service coverage Ratio	Earnings available for debt service	debt service	NA	NA	NA	NA
4	Return on Equity	Net profit after taxes	Average shareholders equity	1.15	-7.75	-114.85%	Due to increase in loss during the year.
5	Inventory Turnover Ratio	COGS or Sales	Average Inventory	NA	NA	NA	NA
6	Trade Receivable turnover Ratio	Net credit sales	Avg. accounts receivable	NA	NA	NA	NA
7	Trade Payables turnover Ratio	Net credit purchase(F&B & Liquor wine)	Average Trade Payable	NA	NA	NA	NA
8	Net capital Turnover Ratio	Net Sales	Working capital	NA	NA	NA	NA
9	Net Profit Ratio	Net Profit	Net sales	NA	NA	NA	NA
10	Return on capital employed	EBIT	Capital employed	-0.26	2.67	-109.64%	Due to increase in borrowings during the year.
11	Return on investment	Interest(Finance income)	Investment	NA	NA	NA	NA

- (i) Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (ii) Debt Service = Interest & Lease Payments + Principal Repayments.
- (iii) Capital Employed = Net worth+ Total Debt + Deferred Tax Liability - Net Intangible assets





C) **Other Statutory Information**

- (i) The Company have not traded or invested in Crypto currency or Virtual currency during the financial year.
- (ii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (iii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property
- (iv) The company do not have any transaction with companies struck off.
- (v) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vi) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (vii) During the year, the company has not entered into any scheme of arrangements in terms of section 230 to 237 of the Companies Act, 2013 and accordingly, the prescribed disclosures of Schedule III are not required to be given.
- (viii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or,
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.



**Red Fox Hotel Company Private Limited**  
**Notes to financial statements for the year ended March 31, 2022**

---

- (ix) The Company is not required to spend towards Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 since there is no average profit in last 3 years calculated as per the provisions of the Act.

As per our report of even date

**For DSAS & Associates**  
Firm Registration No. 025566N  
Chartered Accountants



**Deepak Sharma**  
Partner  
Membership No. 528254

**For and on behalf of the Board of Directors of**  
**Red FoxHotel Company Private Limited**

**Kapil Sharma**  
Director  
Din: 00352890

**Davander Tomar**  
Director  
Din: 00013336

Place : New Delhi  
Date : May 25, 2022