

# R.SUBRAMANIAN AND COMPANY LLP

CHARTERED ACCOUNTANTS

FRN : 0041375 / S200041



New No:6, Old No. 36, Krishnaswamy Avenue, Luz, Mylapore, Chennai - 600 004.

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## INDEPENDENT AUDITORS' REPORT

To

The Members of  
HRH Next Services Limited  
(formerly known as HRH Next Services Private Limited)

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of HRH Next Services limited ("the Company"), which comprise the Balance Sheet as at September 30<sup>th</sup>, 2023, the Statement of Profit and Loss and Statement of Cash Flows for the half 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 September 30, 2023, its profit and its cash flows for the half year then ended.

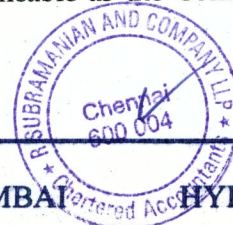
Basis for Opinion

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 "Auditors' 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 thereunder, 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.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the half year ended September 30<sup>th</sup>, 2023. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701 is not applicable as the Company is unlisted.



Branches :

BANGALORE

DELHI

MUMBAI

HYDERABAD

### Other Information

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditors' 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 during the course of our 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.

### Responsibilities of Management and those charged with governance for the Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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. 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 judgements 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.
7. In preparing the financial statements, the 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 the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the company's financial reporting process.

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

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,



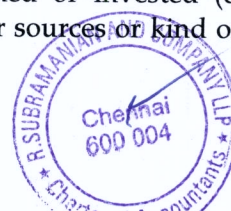
individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing our opinion on the effectiveness of the Company's internal financial control with reference to financial statements.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - 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.
10. We communicate with those charged with governance 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.
11. 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.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

13. This report doesn't include a statement on the matters specified in paragraph 3 and 4 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 Act, since in our opinion, the said order is not applicable for the half year ended financial statements.
14. As required by Section 143(3) of the Act, 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 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on September 30, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on September 30, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. Since, the company's turnover as per the audited financial statements for the year ended March 31<sup>st</sup>, 2023 is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the half year ended September 30<sup>th</sup>, 2023 is less than Rs.25 crores, the company is exempted in getting an audit opinion with respect to adequacy of internal financial controls with reference to financial reporting of the company and the operating effectiveness of such controls vide notification dated 13<sup>th</sup> June 2017.
  - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company was not required to recognise a provision for the half year ended September 30<sup>th</sup>, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract including derivative contracts.
    - iii. There is no amount that is required to be transferred to the Investor Education and Protection Fund by the Company during the half year ended September 30<sup>th</sup>, 2023.
    - iv. (1) The management has represented that, to the best of its knowledge and belief, no funds 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(s) or entity(ies), including foreign entities ("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;


(2) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("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; and

(3) Based on such audit procedures that we 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) contain any material misstatement

v. The Company has not declared or paid any dividend during the half year ended September 30<sup>th</sup>, 2023.

15. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act read with Schedule V to the Act.

For R. Subramanian and Company LLP  
Chartered Accountants  
ICAI Firm Registration No. 004137S/S200041

  
R. Kumarasubramanian  
Partner  
Membership No. 021888  
UDIN: 23021888BGSRXE8289



Place: Chennai  
Date: 16- Dec- 2023

HRH Next Services Limited  
(Formerly known as HRH Next Services Private Limited)  
CIN No: U72200TG2007PLC052582  
Balance Sheet as at 30th September 2023

Amount (Rs.) In Lakhs

Particulars		Note	As at 30th September 2023	As at 31st March 2023
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	2	654.74	20.00
	(b) Reserves and Surplus	3	665.96	1,024.79
			<b>1,320.71</b>	<b>1,044.79</b>
<b>2</b>	<b>Non Current Liabilities</b>			
	(a) Long term borrowings	4	108.08	134.83
	(b) Deferred tax liabilities (net)	5	66.95	56.10
	(c) Long-term provisions	6	37.79	35.61
			<b>212.82</b>	<b>226.53</b>
<b>3</b>	<b>Current Liabilities</b>			
	(a) Short term borrowings	7	975.70	855.74
	(b) Other current liabilities	8	555.78	539.30
	(d) Short term provisions	9	48.85	215.93
			<b>1,580.33</b>	<b>1,610.97</b>
	<b>Total</b>		<b>3,113.86</b>	<b>2,882.30</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non Current Assets</b>			
	(a) <u>Property, Plant &amp; Equipment and Intangible Assets</u>			
	- Property, Plant and Equipment	10	461.21	500.09
	- Intangible Assets	10	764.35	816.35
	(b) Non Current investments	11	15.00	92.56
	(c) Long term Loans and Advances	12	23.87	23.87
			<b>1,264.42</b>	<b>1,432.87</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Trade Receivables	13	1,631.36	1,215.24
	(b) Cash and bank balances	14	13.20	12.53
	(c) Short term loans and advances	15	49.48	62.96
	(d) Other current assets	16	155.39	158.71
			<b>1,849.44</b>	<b>1,449.43</b>
	<b>Total</b>		<b>3,113.86</b>	<b>2,882.30</b>

As per our report of even date attached  
The notes 1 to 29 form an integral part of the financial statements

For R. Subramanian and Company LLP  
Chartered Accountants  
Firm Registration No: 04137S/S200041

For and on behalf of the Board  
HRH Next Services Limited

R. Kumarasubramanian

per R. Kumarasubramanian  
Partner

Membership No: 021888

UDIN: 23021888 BGSRXE 0289



Ankit Shah

Ankit Shah  
Managing Director  
DIN: 00218044

Trishla Shah

Trishla Shah  
Whole-time Director  
DIN: 10242986

Place: Chennai  
Date: 16-Dec-23

HRH Next Services Limited  
(Formerly known as HRH Next Services Private Limited)  
CIN No: U72200TG2007PLC052582

Statement of Profit and Loss for the period ended 30th September 2023

Amount (Rs.) In Lakhs

Particulars		Note	For the half year ended 30th September 2023	For the Year ended 31st March 2023
I	Revenue from operations	17	2,139.16	5,113.63
II	Other Income	19	13.34	11.33
<b>Total Income</b>			<b>2,152.51</b>	<b>5,124.96</b>
III	<b>Expenses</b>			
	(a) Employee benefit expenses	20	1,131.84	2,963.22
	(b) Finance Cost	21	79.13	91.41
	(c) Depreciation and Amortization expenses	11	106.94	162.70
	(d) Other expenses	22	633.14	1,413.72
<b>Total Expenses</b>			<b>1,951.06</b>	<b>4,631.05</b>
IV	<b>Profit/(Loss) before exceptional and extraordinary items</b>		201.45	493.91
	Prior Period Items		-	33.93
V	<b>Profit Before Tax</b>		<b>201.45</b>	<b>459.98</b>
VI	<b>Tax Expense</b>			
	(a) Current Tax		39.75	93.09
	(b) Deferred Tax (Asset)/ Liability		10.85	71.19
	(c) Earlier years Tax		-	18.19
	<b>Total tax expense</b>		<b>50.61</b>	<b>182.47</b>
VII	<b>Profit after Tax</b>		<b>150.84</b>	<b>277.51</b>
VIII	<b>Earnings per share</b>			
	(i) Basic	23	2.41	4.48
	(ii) Diluted	23	2.41	4.48

As per our report of even date attached  
The notes 1 to 29 form an integral part of the financial statements

For R. Subramanian and Company LLP  
Chartered Accountants  
Firm Registration No: 04137S/S200041

For and on behalf of the Board  
HRH Next Services Limited

*R. Kumarasubramanian*

per R. Kumarasubramanian  
Partner

Membership No: 021888

UDIN: 23021888BASRXE8289



*Ankit Shah*

Ankit Shah  
Managing Director  
DIN: 00218044

*Trishla Shah*

Trishla Shah  
Whole-time Director  
DIN: 10242986

Place: Chennai  
Date: 16-Dec-23

**HRH Next Services Limited**  
(Formerly known as HRH Next Services Private Limited)  
CIN No: U72200TG2007PLC052582  
Statement of Cash Flow for the period ended 30th September 2023

Amount (Rs.) In Lakhs

Particulars	For the half year ended 30th September 2023	For the Year ended 31st March 2023
<b>A) Cash Flow from Operating Activities</b>		
Net Profit before Tax	201.45	459.98
<b>Add back:</b>		
a) Depreciation	106.94	162.70
b) Interest Paid	69.64	81.52
c) Profit from Sale of Investment	(8.70)	-
<b>Operating Profit/(Loss)</b>		
<u>Changes in working capital</u>		
<b>Add:</b>		
Increase / (decrease) in Other current liabilities	49.12	(38.08)
Increase / (decrease) in Long term provision	2.18	35.61
Increase / (decrease) in Short term Provisions	(167.08)	119.69
(Increase) / decrease in Trade Receivables	(416.13)	(536.83)
(Increase) / decrease in Short term loans and adv	13.48	48.73
(Increase) / decrease in Other Current assets	3.32	(27.07)
<b>Net Cash flow from operating activities</b>	<b>(145.77)</b>	<b>306.25</b>
Less: (Income tax paid)/MAT credit brought back into books	(39.75)	(24.17)
<b>Net Cash flow from operating activities (A)</b>	<b>(185.52)</b>	<b>282.08</b>
<b>B) Cash flow from Investing Activities</b>		
a) (Increase)/ decrease in Fixed Assets Inc. Capital creditors	(48.70)	(752.06)
b) (Increase)/ decrease in Non- Current Investments	86.26	(1.78)
c) (Increase)/ decrease in Long term loans and advances	-	-
<b>Net cash flow from investing activities (B)</b>	<b>37.56</b>	<b>(753.84)</b>
<b>C) Cash flow from financing activities</b>		
a) Proceeds from Issue of Share Capital	125.08	-
b) Proceeds from Long term borrowings	(26.75)	58.15
b) Increase/(decrease) in short term borrowings	119.95	489.84
b) Interest Paid	(69.64)	(81.52)
<b>Net cash flow from financing activities (C)</b>	<b>148.64</b>	<b>466.47</b>
<b>Net Increase / (Decrease) of Cash and Cash Equivalents (A+B+C)</b>	<b>0.68</b>	<b>(5.29)</b>

**Note: Change in Balance of Cash as per Financial Statements**

Particulars	For the half year ended 30th September 2023	For the Year ended 31st March 2023
Opening Balance of Cash the beginning of the year	12.53	17.82
Closing Balance of Cash at the end of the year	13.20	12.53
<b>Net Cash Flow for the year</b>	<b>0.68</b>	<b>(5.29)</b>

As per our report of even date attached  
The notes 1 to 29 form an integral part of the financial statements

for **R. Subramanian and Company LLP**

Chartered Accountants

Firm Registration No: 04137S/S200041

*R. Kumarasubramanian*

per R. Kumarasubramanian

Partner

Membership No: 021888

UDIN: 23021888 BGSRX 289

Place: Chennai

Date : 16-Dec-2023



for and on behalf of the board of directors of  
**HRH Next Services Limited**

*Arkit Shah*

Arkit Shah  
Managing Director  
DIN: 00218044

*Trishla Shah*

Trishla Shah  
Whole-time Director  
DIN: 10242986



## 1 Summary of Significant Accounting Policies

### 1.1 Basis of preparation

The financial statements are prepared under the historic cost convention on accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP") applicable in India. GAAP comprises mandatory accounting standards prescribed by the Companies (Accounting Standards) Rules, 2015 issued by the Central Government in exercise of the power conferred under sub-section (1)(a) of Section 642 and the relevant provisions of the Companies Act, 2013 and the pronouncement of the Institute of Chartered Accountants of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis

Financial statements are prepared on "going concern" basis.

### 1.2 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue recognised on the basis of the terms of the contracts executed with the customers and invoices for the services rendered are raised on the basis of the date of the billing cycle indicated in contracts and also includes income recognised relating to the reporting period for which though the services were rendered, the invoice could not be raised as the billing cycle was yet to be completed.

### 1.3 Income & Expenditure

The company maintains its accounts on accrual basis, except for the following which are recorded as soon as it ascertained

1. Expenditure on account of leave encashment, medical benefits and leave travel allowance.
2. Commission Income
3. Telephone, water and electricity expenses.
4. Insurance and other claims are accounted for as and when received from the appropriate authorities.
5. Dividends are accounted for when received.
6. Indirect taxes and other payments covered by section 43B of the Income Tax Act.
7. Employee service benefits including terminal benefits.

### 1.4 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

### 1.5 Fixed Assets

#### Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

#### Intangible Fixed Assets

Intangible Assets are stated at cost less accumulates amortisation

### 1.6 Depreciation

The Company charges depreciation on Straight Line Method at rates prescribed in the Schedule II of the Companies Act, 2013. Depreciation to addition to assets is provided on pro rata basis. Depreciation on assets acquired/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation on Intangible Fixed Assets :

The Company charges depreciation on Straight Line Method at rates prescribed in the Schedule II of the Companies Act, 2013. Depreciation to addition to assets is provided on pro rata basis.

### 1.7 Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. The Company has not made any impairment provision during the current period.

### 1.8 Investments



**HRH Next Services Limited**

(Formerly known as HRH Next Services Private Limited)

Notes forming part of the Financial Statements for the period ended 30th September 2023

Current investments are stated at lower of cost or fair market value. Long term investments are stated at cost after providing for diminution in value. Provision for diminution in value is made only when the decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

**1.9 Sundry Debtors and Loans & Advances**

Sundry Debtors and Loans & Advances are stated at their realisable value after providing for the bad debts as considered necessary by the management

**1.10 Taxation**

Tax expense comprises of current tax only. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**1.11 Foreign Currency transactions**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies at the year end are recognized in the profit and loss account.

**1.12 Employee Benefits**

(a) Company's contribution paid/payable during the year to provident fund is recognised in the Statement of Profit and Loss.

(b) Provision for Gratuity has been made on the basis of actuarial valuation and charged to Statement of Profit & loss

(c) The company does not have the policy of extending leave encashment facilities to the employees

**1.13 Borrowing Costs**

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying fixed assets are capitalized upto the date when such assets are ready for its intended use and other borrowing costs are charged to Statement of Profit & Loss.

No borrowing costs have been capitalized during the year

**1.14 Significant Accounting**

(i) Segment accounting policies

Segment accounting policies are in line with the accounting policies of the Company. However, the following specific accounting policies have been followed for segment reporting:

(a) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.

(b) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. The expenses, which relates to the Company as a whole and not allocable to segments, are included under "other unallocable expenditure".

(c) Income that relates to the Company as a whole and not allocable to segments is included in "unallocable corporate income".

(d) Segment assets and liabilities includes those directly identifiable with respective segments. Unallocable corporate assets and liabilities represents the assets and liabilities that relate to the Company as a whole and not allocable to any segment

(ii) Inter-segment transfer pricing

Segment revenue resulting from transactions with other business segments is accounted on basis of transfer price agreed between the segments.



**1.15 Research and Development**

**HRH Next Services Limited**

(Formerly known as HRH Next Services Private Limited)

Notes forming part of the Financial Statements for the period ended 30th September 2023

Expenditure on regular development & maintenance is charged to Statement of Profit & Loss in the year of incurrence except in case of development of new product/software undertaken where the same are deferred and expensed out over a reasonable period for which the benefit is received after commercial development of the products or capitalised and depreciated.

Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other assets.

Research and development expenditure of revenue nature are charged to Statement of Profit & Loss, while capital expenditure are added to the cost of fixed assets in the year in which these are incurred.

Expenses in respect of major product development are, however, treated as deferred revenue expenditure for amortisation over a period of six years.

**1.16 Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**1.17 Contingent Liabilities**

Contingent Liabilities are disclosed, unless the possibility of any outflow in settlement is remote, in the notes on Accounts. Contingent Assets are neither recognized nor disclosed.



2 Share Capital

Amount (Rs.) In Lakhs

Particulars	As at	As at
	30th September 2023	31st March 2023
<b>Authorized Share Capital</b> 1,00,00,000 (previous year 3,00,000) equity shares of ₹10 each	1,000.00	30.00
<b>Issued, Subscribed and Paid up Capital</b> 65,47,438 (previous year 2,00,000) equity shares of ₹10 each fully paid	654.74	20.00
<b>Total</b>	<b>654.74</b>	<b>20.00</b>

Reconciliation of shares at the beginning and end of the period	As at 30th September 2023		As at 31st March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the period	2,00,000	20.00	2,00,000	20.00
Add: Issued during the year @ Rs.36 Per equity share	3,47,438	34.74	-	-
Add: Bonus shares issued during the year	60,00,000	600.00	-	-
Outstanding at the end of the period	65,47,438	654.74	2,00,000	20.00

b Rights and restrictions attached to Equity shares including restrictions on the distribution of dividends and the repayment of capital

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if proposed by the Board of Directors, will be subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	As at 30th September 2023		As at 31st March 2023	
	No. of Shares	% of holding in the class	No. of Shares	% of holding in the class
Ankit Sanjay Shah - (Promoter)	30,00,000	45.82%	1,00,000	50.00%
Tara Shah- (Promoter)	24,80,000	37.88%	80,000	40.00%
Parikshit Pankaj Shah - (Promoter)	6,19,980	9.47%	20,000	10.00%
	<b>60,99,980</b>	<b>93.17%</b>	<b>2,00,000</b>	<b>100.00%</b>

d) Details of Shares held by Promoters at the end of the year

Name of the Promoter	As at 30th September 2023			As at 31st March 2023		
	No of Shares	% of total shares	% Change during the year	No of Shares	% of total shares	% Change during the year
Ankit Sanjay Shah - (Promoter)	30,00,000	45.82%	(4.18%)	1,00,000	50.00%	-
Tara Shah- (Promoter)	24,80,000	37.88%	(2.12%)	80,000	40.00%	40.00%
Parikshit Pankaj Shah - (Promoter)	6,19,980	9.47%	(0.53%)	20,000	10.00%	(40.00%)

e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during five years immediately preceding the reporting date:

Particulars	As at 30th September 2023	As at 31st March 2023
Equity shares allotted as fully paid bonus shares (No. of Shares)	60,00,000	-
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash	-	-
Equity shares bought back by the company	-	-
<b>Total</b>	<b>60,00,000</b>	<b>-</b>

Note

We have relied on the certificate received from Company secretary with respect to the compliance of provisions of Companies Act, 2013 in relation to Issue of bonus shares, issue of additional share capital and conversion of private limited company to public company.



HRH Next Services Limited

(Formerly known as HRH Next Services Private Limited)

Notes forming part of the Financial Statements for the period ended 30th September 2023

Amount (Rs.) In Lakhs

3 Reserves and Surplus

Particulars	As at 30th September 2023	As at 31st March 2023
<b>A. Securities Premium Account</b>		
Opening balance	-	-
Add : Securities premium credited on share issue	90.33	-
Less : Transfer during the period	-	-
<b>Closing balance</b>	<b>90.33</b>	<b>-</b>
<b>B. Surplus/(deficit) in the Statement of Profit and Loss</b>		
Opening balance	1,024.79	747.28
Add: Net Profit/(Net Loss) for the current year	150.84	277.51
Less : Issue of Bonus Shares during the period	600.00	-
<b>Closing balance</b>	<b>575.63</b>	<b>1,024.79</b>
<b>Total</b>	<b>665.96</b>	<b>1,024.79</b>

4 Long term borrowings

Particulars	As at 30th September 2023	As at 31st March 2023
<b>A. Secured</b>		
Term Loans- from Banks	21.99	26.48
<b>B. Unsecured</b>		
Term Loans- from Banks	103.40	151.41
From other parties	-	41.84
Loans and advances from related parties	61.17	54.17
<b>Total</b>	<b>186.56</b>	<b>273.90</b>
Less: Current maturities of Long term borrowings (Refer Note- 7)	78.48	139.07
<b>Total</b>	<b>108.08</b>	<b>134.83</b>

Note

1. The Tata Nexon Car loan amounting to Rs. 11.15 Lakhs carrying interest rate of 8.15% p.a is repayable on equated monthly basis over a period of 36 months. The loan is secured by way of hypothecation of Tata Nexon vehicle. The outstanding as on 30th Sep 2023 of Rs.8.03 Lakhs will be paid monthly over remaining period of 25months.

2. MG EV Car loan amounting to Rs. 18.00 Lakhs carrying interest rate of 8.50% p.a is repayable on equated monthly basis over a period of 36 months. This loan is secured by way of hypothecation of MG EV car. The outstanding as on 30th Sep 2023 of Rs. 13.96 Lakhs will be paid monthly over remaining period of 27months.

3. The Rupee term loan from ICICI amounting to Rs. 54 Lakhs carrying interest rate @ Repo rate of 6.5% p.a plus spread 3.25% with reset after every 3 months is repayable on monthly basis over a period of 57 months. This loan is secured by director's property situated at Domalguda H No 1-2-385/4 SY No 197, Gagan Mahal Colony, Hyderabad. The outstanding as on 30th Sep 2023 of Rs.50.30 Lakhs will be paid monthly over remaining period of 33 months.

4. The Rupee term loan from ICICI amounting to Rs. 40 Lakhs carrying interest rate of 15% p.a is repayable on equated monthly basis over a remaining balance period of 36 months. This loan is secured by government guarantee. The Outstanding as on 30th Sep 2023 of Rs.10.58 Lakhs will be paid monthly over remaining period of 10 months



**HRH Next Services Limited**

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Notes forming part of the Financial Statements for the period ended 30th September 2023

Amount (Rs.) In Lakhs

5. The Rupee term loan from Axis Bank amounting to Rs.50 Lakhs carrying interest rate @ 1year MCLR. 7.95% p.a plus spread 6.55% p.a with no reset and repayable over a period of 24 months. The outstanding as on 30th Sep 2023 of Rs. 20.24 Lakhs is repayable in 8 months.

6. The Rupee term loan from Yes Bank amounting to Rs.40 Lakhs carrying interest rate of 15.50% p.a and repayable over a period of 18 months. The outstanding as on 30th Sep 2023 of Rs. 9.70 Lakhs is repayable in 4 months.

7. The Rupee term loan from IDFC Bank amounting to Rs.51 Lakhs carrying interest rate of 15% p.a and repayable over a period of 18 months. The outstanding as on 30th Sep 2023 of Rs. 12.33 Lakhs is repayable in 4 months.

8. Si. No 1& 2 are classified as secured borrowings and the balance 2 to 7 are classified as unsecured borrowings in line with the Schedule III of Companies Act, 2013.

9. All the above loans are personally gauranteed by directors.

10. The above unsecured loans and advances to related party includes loan from inter corporate (relative) of Rs.52 Lakhs and the balance is from the firm in which director is a partner.

**5 Deferred Tax Liabilities/ Asset (Net)**

Particulars	As at 30th September 2023	As at 31st March 2023
<b>A. Deferred Tax Asset</b>		
Expenses provided but allowable in Income tax on payment basis	8.78	8.27
<b>B. Deferred Tax Liability</b>		
Difference between Book depreciation & Tax depreciation	75.73	64.37
<b>Net Deferred Tax Liability</b>	<b>66.95</b>	<b>56.10</b>

**6 Long term provision**

Particulars	As at 30th September 2023	As at 31st March 2023
Provision for Gratuity (Unfunded)	37.79	35.61
<b>Total</b>	<b>37.79</b>	<b>35.61</b>

**7 Short term borrowings**

Particulars	As at 30th September 2023	As at 31st March 2023
<b>A. Secured</b>		
Loans repayable on demand		
- from banks	494.20	605.04
- from Other NBFCs'	332.71	111.63
Current maturities of Long term borrowings	9.56	9.17
<b>B. Unsecured</b>		
Loans repayable on demand		
- from Other parties	70.31	-
Current maturities of Long term borrowings	68.92	129.90
<b>Total</b>	<b>975.70</b>	<b>855.74</b>



**HRH Next Services Limited**

(Formerly known as HRH Next Services Private Limited)

Notes forming part of the Financial Statements for the period ended 30th September 2023

Amount (Rs.) In Lakhs

**Note**

1. Working capital loan amount of Rs.494.20 lakhs carrying interest rate upto 6.5% p.a+ spread 3.25% p.a with reset every 3 months is outstanding as on 30th September 2023, maturity within 12 months from the date of availment of the loan. This loan is primarily secured against book debts. Further, Charge is extended to fixed assets of company and directors' property situated at Domalguda H No 1-2-385/4 SY No 197, Gagan Mahal Colony, Hyderabad along with personal gaurantee by directors.

2. Bill discounting facility obtained from SBI Global factors Ltd and Elite Trade ventures Pvt Ltd are secured against book debts

**8 Other current liabilities**

Particulars	As at 30th September 2023	As at 31st March 2023
Outstanding Expenses	248.01	261.42
Creditors for Expenses	91.24	86.06
Creditors for Fixed Assets	9.26	41.90
Advance from Customer	100.00	-
Statutory Dues		-
- TDS Payable	33.96	32.42
- GST Payable	73.32	117.50
<b>Total</b>	<b>555.78</b>	<b>539.30</b>

**Note**

In the absence of confirmation of balances from creditors, book balances have been adopted. Differences, if any arising out of subsequent reconciliations will be accounted in the books at the time of such reconciliation, whose impact may not be quantifiable at this stage.

**9 Short term provisions**

Particulars	As at 30th September 2023	As at 31st March 2023
Provision for employee benefits	46.67	213.92
Provision for Gratuity (unfunded)	2.11	2.01
Provision for CY Income Tax (Net of Advance tax of Rs.39.68 Lakhs)	0.07	-
<b>Total</b>	<b>48.85</b>	<b>215.93</b>



Next Services Limited

(formerly known as HRH Next Services Private Limited)

forming part of the Financial Statements for the period ended 30th September 2023

Amount (Rs.) In Lakhs

<b>Bank Loan details</b>		
<b>Name of the bank</b>	<b>Balance Due</b>	<b>Remarks</b>
Axis Bank	Rs. 26.59 Lac	Personal Guarantee of the Director
HDFC Bank	Rs. 4.76 Lac	Personal Guarantee of the Director
ICICI - MSME loan	Rs. 13.75 Lac	Secured by Government
ICICI Bank - MG ZS EV Car Loan	Rs. 15.35 Lac	Secured against Vehicle
ICICI Bank - Tata Nexon Car Loan	Rs. 8.91 Lac	Secured against Vehicle
ICICI Bank - Term Loan	Rs. 5.37 Lac	Personal Guarantee against Director's Property situated at Domalguda - H No 1-2-385/4 SY No 197, Gagan Mahal Colony Hyderabad 500029
ICICI Bank - Term Loan - 2	Rs. 54 Lac	
IDFC Bank	Rs. 21.20 Lac	Personal Guarantee of the Director
Yes Bank	Rs. 16.66 Lac	Personal Guarantee of the Director
<b>Secured - Loans repayable in demand - from banks</b>		
ICICI Bank - CC A/c No 041005004759	Rs. 400.16 Lac	Secured against book debts and the personal guarantee against Director's Property situated at Domalguda H No 1-2-385/4 SY No 197, Gagan Mahal Colony, Hyderabad
ICICI Bank - A/c No 041005004321 - FD/OD	Rs. 82.82 Lac	
Secured - Loans SBI Global Factors Ltd	Rs. 135.76 Lac	Secured against book debts

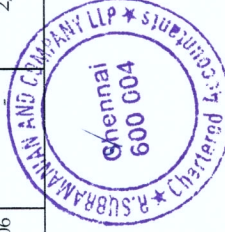




HRH Next Services Limited  
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Notes forming part of the Financial Statements for the period ended 30th September 2023

10 Property, Plant and Equipment and Intangible assets

Item Description	Gross Block						Depreciation			Net Block	
	As on 01-04-2023	Additions	Deletions	As on 30-09-2023	As on 01-04-2023	Additions	Deletions	As on 30-09-2023	As at 30-09-2023	As at 31-03-2023	
<b>(i) Tangible Assets</b>											
Air Conditioner and Coolers	81.28	6.21		87.49	53.22	5.44		58.66	28.83	28.06	
Computers and Printers	565.43	3.09		568.52	288.12	31.50		319.62	248.90	277.31	
Electrical Installations	12.28			12.28	11.04	0.30		11.34	0.94	1.24	
Furniture and Fixtures	166.09	1.33		167.42	65.82	6.39		72.21	95.21	100.27	
Generator	6.14			6.14	5.83	-		5.83	0.31	0.31	
Office Equipments	43.91	5.34		49.25	36.06	1.83		37.89	11.36	7.85	
UPS	64.12	0.09		64.21	44.50	2.87		47.37	16.84	19.62	
Vehicles	111.30			111.30	45.87	6.60		52.47	58.83	65.43	
<b>Total Tangible Assets</b>	<b>1,050.55</b>	<b>16.06</b>	<b>-</b>	<b>1,066.61</b>	<b>550.46</b>	<b>54.94</b>	<b>-</b>	<b>605.40</b>	<b>461.21</b>	<b>500.09</b>	
<b>(ii) Intangible Assets</b>											
Computer software and Product	1,027.37	-	-	1,027.37	211.02	52.00	-	263.02	764.35	816.35	
<b>Total Intangible assets</b>	<b>1,027.37</b>	<b>-</b>	<b>-</b>	<b>1,027.37</b>	<b>211.02</b>	<b>52.00</b>	<b>-</b>	<b>263.02</b>	<b>764.35</b>	<b>816.35</b>	
	2,077.92	16.06	-	2,093.98	761.48	106.94	-	868.42	1,225.56		



11 Non Current Investments

Particulars	No. of Shares	% of Share Holding	As at 30th September 2023	As at 31st March 2023
PMS- Marcellus	-	-	-	77.56
Other Investments (Unquoted)				
-Satoot Ventures Pvt Ltd	800	5.93%	10.00	10.00
(formerly known as Rudra Coffee Resorts Pvt Ltd)				
-Zeppo Technologies Pvt Ltd	63	0.21%	5.00	5.00
<b>Total</b>			<b>15.00</b>	<b>92.56</b>

12 Long term Loans and advances

Particulars	As at 30th September 2023	As at 31st March 2023
Unsecured advance to Zza Bar	23.87	23.87
<b>Total</b>	<b>23.87</b>	<b>23.87</b>

Note

As explained by the management, no repayment period has been stipulated for the above advance and no interest is applicable

13 Trade Receivables (Unsecured Considered good)

Particulars	As at 30th September 2023	As at 31st March 2023
Secured & Considered good	-	-
Unsecured & Considered good (Refer Foot note)	1,631.36	1,215.24
Doubtful	-	-
<b>Total</b>	<b>1,631.36</b>	<b>1,215.24</b>

Note:

In the absence of confirmation of balances, book balances have been adopted. Differences, if any arising out of subsequent reconciliations will be accounted in the books at the time of such reconciliation, whose impact may not quantifiable at this stage.

13A Trade Receivables ageing as on 30th September 2023

Particulars	Outstanding for a period from due date of payment					Total
	Less than 6 Months	6 months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivable - Considering good	1,338.27	257.57	19.68	-	14.07	1,629.59
(ii) Undisputed Trade receivables - Considered Doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables - Considered Good	-	-	-	-	1.77	1.77
(iv) Disputed Trade receivables - Considered Doubtful	-	-	-	-	-	-

13B Trade Receivables ageing as on 31st March 2023

Particulars	Outstanding for a period from due date of payment					Total
	Less than 6 Months	6 months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivable - Considering good	1,179.71	-	19.68	-	14.07	1,213.47
(ii) Undisputed Trade receivables - Considered Doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables - Considered Good	-	-	-	-	1.77	1.77
(iv) Disputed Trade receivables - Considered Doubtful	-	-	-	-	-	-

Note:

The above ageing is relied based on the management representation



14 Cash and bank balances

HRH Next Services Limited  
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Notes forming part of the Financial Statements for the period ended 30th September 2023

Amount (Rs.) In Lakhs

Particulars	As at	As at
	30th September 2023	31st March 2023
Balances with banks		
- ICICI Bank AC No 041005004952	1.34	(1.09)
- Kotak Mahendra Bank	0.12	0.12
- SBI - 1623	1.50	1.50
Deposits with original maturity of less than three months	-	2.00
Cash on hand	10.25	10.00
<b>Total Cash and bank balances</b>	<b>13.20</b>	<b>12.53</b>

15 Short term loans and advances

Particulars	As at	As at
	30th September 2023	31st March 2023
Unsecured		
Staff Advances	46.00	58.67
Other Advances	3.49	4.29
Loans and advances to related parties	-	-
<b>Total</b>	<b>49.48</b>	<b>62.96</b>

16 Other Current Assets

Particulars	As at	As at
	30th September 2023	31st March 2023
Other Current Assets		
Deposits	82.23	80.39
GST- Input	1.42	1.42
Prepaid Expenses	23.90	29.06
Income Tax Refund - AY 2023-24 (Net of tax provision)	47.84	47.84
<b>Total</b>	<b>155.39</b>	<b>158.71</b>



**HRH Next Services Limited**  
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Notes forming part of the Financial Statements for the period ended 30th September 2023

Amount (Rs.) In Lakhs

**17 Revenue from operations**

Particulars	For the half year ended 30th September 2023	For the year ended 31st March 2023
Revenue from Services	2,139.16	5,113.63
<b>Total</b>	<b>2,139.16</b>	<b>5,113.63</b>

**18 Other Income**

Particulars	For the half year ended 30th September 2023	For the year ended 31st March 2023
Interest Income		
-Long term investments	-	2.09
-Bank deposits	0.03	0.88
-Others	-	7.62
Net gain on Sale of Investment	8.70	-
Other Income	4.62	0.74
<b>Total</b>	<b>13.34</b>	<b>11.33</b>

**19 Employee benefit expenses**

Particulars	For the half year ended 30th September 2023	For the year ended 31st March 2023
Salaries and Staff welfares	1,084.56	2,914.54
Directors Remuneration	45.00	45.00
Gratuity expense	2.29	3.68
<b>Total</b>	<b>1,131.84</b>	<b>2,963.22</b>

**20 Finance Cost**

Particulars	For the half year ended 30th September 2023	For the year ended 31st March 2023
Interest Expense	69.64	81.52
Bank Charges	9.50	9.89
<b>Total</b>	<b>79.13</b>	<b>91.41</b>



**HRH Next Services Limited**  
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Notes forming part of the Financial Statements for the period ended 30th September 2023

Amount (Rs.) In Lakhs

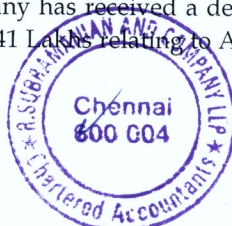
**21 Other expenses**

Particulars	For the half year ended 30th September 2023	For the year ended 31st March 2023
<b><u>Operating Expenses:</u></b>		
Communication charges	88.38	299.59
Computer Consumables	23.06	43.22
Consultancy Charges	40.52	17.84
Conveyances	11.28	39.70
Electricity Charges	89.56	169.22
Contract Charges	-	18.11
Rent	135.43	314.94
Repairs & Maintenance	57.84	73.42
<b><u>Administrative Charges:</u></b>		
Audit Fees	5.25	4.60
Rates & Taxes	9.78	-
IPO Expenses	0.94	-
Business Promotion	2.78	3.76
Courier Charges	0.20	0.53
Donations	0.12	0.72
Generator Diesel	2.19	4.62
Insurance Charges	1.07	7.36
Miscellaneous Write off's	13.24	3.35
Office Expenses / Maintenance	124.50	326.90
Security Services	24.54	79.83
Printing and Stationery	2.44	6.01
<b>Total</b>	<b>633.14</b>	<b>1,413.72</b>

**22 Contingent Liabilities**

Particulars	For the half year ended 30th September 2023	For the year ended 31st March 2023
Claims against the company not acknowledged as debt (Refer Foot note)	1.41	1.41
<b>Total</b>	<b>1.41</b>	<b>1.41</b>

Note: During the year 2020-21, the company has received a demand under Sec.143(1a) of the Income Tax Act for interest payment to the extent of Rs. 1.41 Lakhs relating to AY 2019-20 to which the company has submitted response disagreeing the amount



**HRH Next Services Limited**  
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Notes forming part of the Financial Statements for the period ended 30th September 2023

**23 Earnings per Share (EPS)**

Particulars	As at 30th September 2023	As at 31st March 2023
Profit/(Loss) after Tax (basic and diluted)	150.84	277.51
Weighted average number of Shares for basic and diluted earnings per share	6257906	6200000
Basic earnings per share of face value of Rs.10 each (in Rs.)	2.41	4.48
Diluted earnings per share of face value of Rs.10 each (in Rs.)	2.41	4.48

24 In accordance with the Accounting Standard-15 'Employee Benefits', the Company has calculated the various benefits provided to employees as under:

**A. Defined contribution plans**

- a) Provident fund
- b) Employee State Insurance Fund

During the period the Company has recognized the following amounts in the Statement of profit and loss:-

Particulars	For the half year ended 30th September 2023	For the year ended 31st March 2023
Employers Contribution to Provident fund	11,29,085	29,08,081
Employers Contribution to Employee's pension Scheme 1995.	7,83,769	20,18,065
Employers Contribution to Employee state insurance	6,61,134	18,09,518
	<b>25,73,988</b>	<b>67,35,664</b>

**B. Defined benefit plans and Other long-term benefits**

- a) Contribution to gratuity funds - Employee's gratuity fund (Defined benefit plan)

**i. Actuarial assumptions**

Particulars	Employee gratuity (Unfunded)	
	30th September 2023	31st March 2023
Discount rate (per annum)	7.47%	7.55%
Expected Rate of increase in compensation levels	-	-
Salary Escalation Rate	7.00%	7.00%
Attrition Rate	5.00%	5.00%

Mortality - Indian Assured Lives Mortality (2012-14) ultimate

**ii. Changes in the present value of the defined benefit obligation in respect of Gratuity (unfunded) are as follows:**

Particulars	30th September 2023	31st March 2023
Present value obligation as at the beginning of the year	37,61,319	33,93,444
Interest cost	1,41,990	2,53,490
Current service cost	1,38,391	2,73,555
Benefits paid	-	-
Acquisition cost	-	-
Actuarial loss/(gain) on obligations	(51,593)	(1,59,150)
Present value obligation as at the end of the year	39,90,106	37,61,319

**iii. Reconciliation of present value of defined benefit obligation and fair value of assets**

Particulars	30th September 2023	31st March 2023
Present value obligation as at the end of the year	39,90,106	37,61,319
Fair value of plan assets as at the end of the year	-	-
Unfunded net liability	39,90,106	37,61,319
Unfunded net liability recognized in balance sheet	(39,90,106)	(37,61,319)
Amount classified as:	-	-
Short term provision (Refer note 9)	2,10,722	2,00,580
Long term provision (Refer note 6)	37,79,384	35,60,739

**iv. Expenses recognized in Statement of profit and loss**



**HRH Next Services Limited**  
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Notes forming part of the Financial Statements for the period ended 30th September 2023

Particulars	30th September 2023	31st March 2023
Current service cost (including risk premium for fully insured benefits)	1,38,391	2,73,535
Interest cost	1,41,990	2,53,490
Deficit in acquisition cost recovered	-	-
Expected return on plan assets	-	-
Net actuarial loss/(gain) recognized during the year	(51,593)	(1,59,150)
Total expense recognized in Statement of profit and loss.	2,28,787	3,67,875

Since the entire amount of plan obligation is unfunded, changes in the fair value of the plan assets are not given. Further, as the entire amount of plan obligation is unfunded, categories of plan assets and Company's expected contributions to the plan assets in the next year is not given.

25 Ratios

Particulars	Formula	Ratio as on 30th September 2023	Ratio as on 31st March 2023	Variance
Current Ratio	Current Assets / Current Liabilities	1.23	0.98	25%
Debt-Equity Ratio	Total Debt / Shareholder's Equity	0.82	0.95	(13%)
Debt Service Coverage Ratio	Earning available for debt Service / Debt Service	4.70	6.40	(27%)
Return on Equity Ratio	Profit after tax / Average Shareholder's Equity	0.13	0.31	(58%)
Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	1.50	5.40	(72%)
Net Capital Turnover Ratio	Net Sales / Working Capital	6.15	(227.56)	(103%)
Net Profit Ratio	Net Profit / Net Sales	0.07	0.05	30%
Return on Capital Employed	EBIT / Capital Employed	0.11	0.27	(58%)

26 Related Party Disclosures (identified by management and relied upon by auditors)

1. List of related parties and nature of relationship

A. Entities under common control

Enterpi Software Solutions Private Limited  
Hind Electronics

Common Director  
Director is a partner in this enterprise

B. Key Management Personnel (KMP)

Ankit Sanjay Shah  
Trishla Shah

Managing Director  
Whole-time Director

C. Relative of KMP

Parikshit Pankaj Shah

Followings are the details of transactions during the period with related parties

Nature of Transaction	30th September 2023	31st March 2023
<b>Remuneration Paid to</b>		
Ankit Shah	22,50,000	45,00,000
Trishla Shah	22,50,000	45,00,000
<b>Loan taken from</b>		
Enterpi Software Solutions Private Limited	7,00,000	-
<b>Interest Paid to</b>		
Enterpi Software Solutions Private Limited	2,53,500	7,53,093
Hind Electronics	44,256	-

Followings are the details of outstanding balances for the reporting period

Nature of transaction	30th September 2023	31st March 2023
Remuneration payable		
-Ankit Shah	-	-
-Trishla Shah	-	-
Loan due to Enterpi Software Solutions Private Limited	52,00,000	45,00,000
Loan due to Hind Electronics	9,17,000	9,17,000

27 Details of Details of dues to micro and small enterprises as defined under the MSME Act, 2006



**HRH Next Services Limited**  
(Formerly known as HRH Next Services Private Limited)

Notes forming part of the Financial Statements for the period ended 30th September 2023

No Information has been received from the vendors regarding their status under Micro, Small and Medium Enterprise Development Act, 2006. Hence disclosure relating to amount unpaid as at year-end, together with interest paid or payable under this account has not been given.

Further the company has neither provided for nor paid any interest payable under MSME act, 2006 since in the opinion of the management, there will be no such liability during the year.

**28 Segment Reporting**

The Company maintains segment information geographically. Details of geographical sales are as follows

Particulars	30th September 2023	31st March 2023
Hyderabad	16,68,37,265	36,10,80,945
Coimbatore	3,27,89,950	10,82,10,146
Bangalore	1,42,89,098	4,20,72,160

**29** Previous year's figures have been regrouped / reclassified wherever necessary to confirm to the current year's classification

Subject to our report of even date

For R. Subramanian and Company LLP

Chartered Accountants

Firm Registration No: 041375/S200041

For and on behalf of the Board

HRH Next Services Limited

*R. Kumarasubramanian*

per R. Kumarasubramanian

Partner

Membership No: 021888

UDIN: 23021888 BGSRXE8289

Place: Chennai

Date: 16-Dec-2023



*Ankitt Shah*

Ankitt Shah  
Managing Director  
DIN: 00218044

*Trishla Shah*

Trishla Shah  
Whole-time Director  
DIN: 10242986



R. Subramanian and Company LLP  
Statutory Audit for FY - 2023-2024

Deferred Tax Working

Amount in Rs.

	Particulars	Amount in Rs.	
		As at 30th September 2023	As at 31st March 2023
(i)	Closing WDV as per Books	12,25,55,659	13,16,43,666
	Closing WDV as per Income Tax	8,81,34,350	10,23,84,509
	<b>Excess Depreciation Claimed</b>	<b>3,44,21,309</b>	<b>2,92,59,157</b>
	Deferred Tax Liability	-75,72,688	-64,37,015
(ii)	Provision for Gratuity	39,90,106	37,61,319
	Deferred Tax Asset	8,77,823	8,27,490
	<b>Net DTA/ (DTL) for the year</b>	<b>-66,94,865</b>	<b>-56,09,524</b>
	Opening	-56,09,524	15,09,538
	<b>(Increase)/ Decrease in DTL</b>	<b>-10,85,340</b>	<b>-71,19,062</b>



HRH Next Services Limited		
CIN No: U72200TG2007PLC052582		
Reg. Office: G.L House, 4-1-976 2nd Floor Abids Hyderabad Telangana State		
Projected Computation of Total Income and Tax Payable for AY 2024-25		
Particulars	Amount in INR	
	Total for the year 2023-24 (Estimated)	Total for the period Apr'23 to Sep'23
Revenue	42,13,34,366	21,52,50,679
Revenue From Other Operations	42,00,00,000	21,39,16,313
Other Income	13,34,366	13,34,366
Expenses	38,39,22,505	19,51,06,013
(a) Employee Benefit Expense	22,22,24,644	11,31,84,468
(b) Finance Cost	1,60,00,000	79,13,487
(c) Depreciation & Amortisation Charges	2,13,88,682	1,06,94,341
(d) Other Expenses	12,43,09,179	6,33,13,717
Profit before tax	3,74,11,861	2,01,44,665
Add: Depreciation as per Companies Act	2,13,88,682	1,06,94,341
Add: Gratuity	2,28,787	2,28,787
Add: ROC Payment for Increase in Authorised Share Capital	9,78,000	9,78,000
Add: Delay in Payments of Employee Contribution	10,39,265	10,39,265
Less: Depreciation under IT Act	3,17,12,527	1,58,56,263
Income from Business / profession	2,93,34,068	1,72,28,795
Gross Total Income	2,93,34,068	1,72,28,795
Taxable Income as per Provisions of Income Tax Act Sec. 115BA	2,93,34,068	1,72,28,795
Tax payable as per Provisions of Income Tax Act @ 25.168%	73,82,798	43,36,143
Less: TDS		39,68,060
Tax payable / (refund) for the year 2023-24	73,82,798	3,68,083
Net effective tax rate on PBT	19.73%	39,75,317
Tax Provision to be created as on 30th September 2023	39,75,317	
Tax payable as per MAT provisions @ 15% of Profit as per Co Act	56,11,779.11	30,21,699.79
Surcharge @ 10%	5,61,177.91	3,02,169.98
Cess @ 4%	2,46,918.28	1,32,954.79
Total Tax	64,19,875	34,56,825



Depreciation as per IT Act

Numbers as per IT return

Asset Block	Opening as on 01-04-2023		Additions		Deletions	Closing balance as on 30-09-2023	Depreciation rate		Depreciation		WDV as on 30.09.2023
	2,53,40,376	22,031	<180	>180			<180 days	>180 days	Total		
Plant and Machinery	2,53,40,376	22,031	11,54,977	-	-	2,64,95,353	15.00%	39,74,303	19,87,151	-	2,45,08,202
Plant and Machinery	6,62,96,078	1,07,26,024	3,18,228	-	-	6,66,14,306	40.00%	6,609	1,33,22,861	3,305	18,726
Computers	1,07,26,024	10,23,84,509	1,32,900	16,06,105	-	1,08,58,924	10.00%	-	10,85,892	5,42,946	5,32,91,444
Furniture and Fittings	-	-	-	-	-	10,39,90,614	-	-	3,17,12,527	1,58,56,263	1,03,15,978
											8,81,34,350

Details of Additions

31-03-2024

Asset	Date Of Purchase Of New / Existing Asset	Original Cost	classification	Addition
CC Camera	1-Jul-23	15,890	Plant and Machinery	15,890
CC Camera	7-Sep-23	10,805	Plant and Machinery	10,805
Office Equipment	19-Jul-23	5,07,000	Plant and Machinery	5,07,000
AC	17-Apr-23	1,26,864	Plant and Machinery	1,26,864
AC	15-Jun-23	3,26,562	Plant and Machinery	3,26,562
AC	18-Jun-23	50,200	Plant and Machinery	50,200
AC	25-Aug-23	1,17,656	Plant and Machinery	1,17,656
Computer and Printers	17-Apr-23	1,26,172	Computers	1,26,172
Computer and Printers	16-May-23	46,000	Computers	46,000
Computer and Printers	6-Jul-23	67,711	Computers	67,711
Computer and Printers	15-Aug-23	69,407	Computers	69,407
UPS	21-Jul-23	8,938	Computers	8,938
Furniture	7-Sep-23	1,32,900	Furniture and Fittings	1,32,900

