



**Muchhal & Gupta**

Chartered Accountants

301, Shalimar Corporate Centre,  
8-B, South Tukoganj, Indore-452001

E-mail: [ca.mandg@gmail.com](mailto:ca.mandg@gmail.com)

Ph: 0731-2519818

## **Independent Auditor's Report**

**To the Members of DIVINE HIRA JEWELLERS LIMITED**

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

### **Opinion**

1. We have audited the accompanying financial statements of DIVINE HIRA JEWELLERS LIMITED ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity for the period then ended, and notes to the financial statements, including a summary of the 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 including Accounting Standards specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2023, and its profit, its cash flows for the period ended on that date.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing 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 Standalone 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 ('ICAI') 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 Matter**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

### **Information other than the Financial Statements and Auditor's Report thereon**

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual 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.



## **Responsibilities of Management for the Financial Statements**

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 standards specified under section 133 of the Act and other accounting principles generally accepted in India. 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.
7. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. 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**

9. 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 Standards on Auditing 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.
10. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment 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. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' 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 such attention in our auditor's report to the related disclosures in the financial statements or, if such



disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
11. We communicate with Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

12. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;
  - 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 financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with Accounting Standards specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion;
  - g) 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 does not have any pending litigation which would impact its financial position as at 31 March 2023;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023



- a. 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 securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ('the 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
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- iv. The Company has not declared or paid any dividend during the year ended 31 March 2023.
- v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

**For M/s Muchhal & Gupta**  
Chartered Accountants  
Firm's Registration No.: 004423C

*Vaibhav*  
**Vaibhav Mandhana**  
Partner  
Membership No.: 142514  
UDIN: 23142514BGSLUM5465



Place : Mumbai  
Date : 26 June 2023

**Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of on the financial statements for the period ended 31 March 2023**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment
- (B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The property, plant and equipment have been physically verified by the management during the period and no material discrepancies were noticed on such verification/ material discrepancies were noticed on such verification which have been properly dealt with in the books of account. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property (including investment properties) (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed
- (b) The Company has a working capital limit in excess of Rs 5 crore, sanctioned by banks on the basis of security of current assets during the period. However, pursuant to terms of the sanction letter, the Company is not required to file any quarterly return or statement with such banks.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.
- (v) The Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.



**Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of DIVINE HIRA JEWELLERS LIMITED on the financial statements for the period ended 31 March 2023**

- (vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, , duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including confirmations received from banks/ financial institution and/or other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, no money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) In our opinion and according to the information and explanations given to us, no money raised by way of initial public offer or further public offer (including debt instruments)
- (b) During the year, the Company has made preferential allotment of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the Rules framed thereunder with respect to the same. Further, the amounts so raised have been utilized by the Company for the purposes for which these funds were raised.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.



**Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of DIVINE HIRA JEWELLERS LIMITED on the financial statements for the period ended 31 March 2023**

- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Accounting Standard (AS) 18, Related Party Disclosures specified in Companies (Accounting Standards) Rules, 2021 as prescribed under section 133 of the Act
- (xiv) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, The Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause (xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For M/s Muchhal & Gupta**  
Chartered Accountants  
Firm's Registration No.: 004423C

*Vaibhav*

**Vaibhav Mandhana**  
Partner  
Membership No.: 142514  
UDIN: 23142514BGSLUM5465



Place : Mumbai  
Date : 26 June 2023

# **Divine Hira Jewellers Limited**

**Financial Statement and Independent Auditor's report**

**Period ended 31 March 2023**

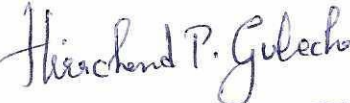


**DIVINE HIRA JEWELLERS LIMITED**Balance Sheet as at 31 March 2023  
(Rs. in thousands, unless otherwise stated)

	Notes	As at 31 March 2023
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	3	73,150
Reserves and surplus	4	10,020
		<u>83,170</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	5	74
Long-term borrowings	6	242
		<u>316</u>
<b>Current liabilities</b>		
Short-term borrowings	7	1,40,218
Trade payables	8	-
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,474
Other current liabilities	9	4,716
Short-term provisions	10	2,658
		<u>1,49,066</u>
<b>TOTAL</b>		<u><u>2,32,551</u></u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11	3,027
Other non-current assets	12	5,000
		<u>8,027</u>
<b>Current assets</b>		
Inventory	13	97,138
Trade receivables	14	1,24,120
Cash and cash equivalents	15	450
Short-term loans and advances	16	38
Other current assets	17	2,778
		<u>2,24,524</u>
<b>TOTAL</b>		<u><u>2,32,551</u></u>
Significant accounting policies and other explanatory notes	1-34	

**Notes 1 to 34 form an integral part of these financial statements**

This is the Balance Sheet referred to in our report of even date

For **M/s Muchhal & Gupta**  
Chartered Accountants  
Firm's Registration No.: 004423C  
**Vaibhav Mandhana**  
Partner  
Membership No.: 142514  
UDIN: 23142514BGSLUM5465Place : Mumbai  
Date : 26 June 2023For and on behalf of the Board of Directors  
CIN: U36999MH2022PLC387009  
**Niraj Hirachand Gulecha**  
Director  
DIN : 09238372Place : Mumbai  
Date : 26 June 2023  
**Hirachand P. Gulecha****Hirachand Pukhraj Gulecha**  
Director  
DIN : 09677562Place : Mumbai  
Date : 26 June 2023

**DIVINE HIRA JEWELLERS LIMITED****Statement of Profit and Loss for the period ended 31 March 2023  
(Rs. in thousands, unless otherwise stated)**

	Notes	For the period 19 July 2022 to 31 March 2023
<b>REVENUE</b>		
Revenue from operations	18	12,49,458
Other income	19	67
<b>Total revenue</b>		<b>12,49,525</b>
<b>EXPENSES</b>		
Cost of material consumed	20	12,27,033
Employee benefit expenses	21	2,322
Finance costs	22	7,142
Depreciation expenses	23	84
Other expenses	24	2,660
<b>Total expenses</b>		<b>12,39,241</b>
<b>Profit before tax</b>		<b>10,284</b>
<b>Tax expense</b>		
Current tax expense		2,540
Deferred tax (credit)/expense	12	74
		<b>2,614</b>
<b>Profit for the period</b>		<b>7,670</b>
<b>Earnings per equity share of nominal value of Rs.10 each</b>		
Basic and diluted earnings per share	29	3.28
Significant accounting policies and other explanatory notes	1-34	

**Notes 1 to 34 form an integral part of these financial statements**

This is the Statement of Profit and Loss referred to in our report of even date

**For M/s Muchhal & Gupta**

Chartered Accountants

Firm's Registration No.: 004423C

**Vaibhav Mandhana**

Partner

Membership No.: 142514

UDIN: 23142514BGSLUM5465

Place : Mumbai

Date : 26 June 2023

**For and on behalf of Board of Directors**

CIN: U36999MH2022PLC387009

**Niraj Hirachand Gulecha**

Director

DIN : 09238372

Place : Mumbai

Date : 26 June 2023

**Hirachand Pukhraj Gulecha**

Director

DIN : 09677562

Place : Mumbai

Date : 26 June 2023



**DIVINE HIRA JEWELLERS LIMITED**

Statement of Cash Flows for the period ended March 31, 2023

(Rs. in thousands, unless otherwise stated)

Period ended  
31 March 2023

<b>(A) Cash flows from operating activities</b>	
Profit before tax	10,284
<b>Adjustments for:</b>	
Depreciation and amortisation expense	84
Provision for expenses	118
Finance costs	5,274
<b>Operating profit before working capital changes</b>	<b>15,760</b>
Increase/(Decrease) in trade payables	1,474
Increase/(Decrease) in other current liabilities	4,833
Increase/(Decrease) in short term provision	(118)
Decrease/(Increase) in short-term loans and advances	(37)
Decrease/(Increase) in trade receivables	(1,24,120)
Decrease/(Increase) in inventories	(97,138)
Decrease/(Increase) in other non current assets	(5,000)
Decrease/(Increase) in other current assets	(130)
<b>Cash generated from/(used in) operating activities</b>	<b>(2,04,476)</b>
Income taxes paid	(2,648)
<b>Net cash generated from/(used in) operating activities</b>	<b>(2,07,124)</b>
<b>(B) Cash flows from investing activities</b>	
Purchase of property, plant and equipment	(3,111)
<b>Net cash (used in)/ generated from investing activities</b>	<b>(3,111)</b>
<b>(C) Cash flows from financing activities</b>	
Proceeds from issuance of share capital	75,500
(Repayment)/proceeds from short-term borrowings (net)	1,40,459
Interest paid	(5,274)
<b>Net cash generated from financing activities</b>	<b>2,10,685</b>
<b>Net increase/(decrease) in cash and cash equivalents [(A)+(B)+(C)]</b>	<b>450</b>
Cash and cash equivalents as at the beginning of the period	-
<b>Cash and cash equivalents as at the end of the period</b>	<b>450</b>
<b>Notes to cash flow statements</b>	
<b>1 Cash and cash equivalents</b>	
Cash on hand	348
<b>Balance with banks</b>	
-Current account	102
<b>Cash and cash equivalents</b>	<b>450</b>

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**DIVINE HIRA JEWELLERS LIMITED**

Statement of Cash Flows for the period ended March 31, 2023  
(Rs. in thousands, unless otherwise stated)

continued...

- 2 The cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statement as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

Notes 1 to 34 form an integral part of these financial statements

This is the Cash Flow Statement referred to in our report of even date

**For M/s Muchhal & Gupta**

Chartered Accountants

Firm's Registration No.: 004423C



**Vaibhav Mandhana**

Partner

Membership No.: 142514

UDIN: 23142514BGSLUM5465

Place : Mumbai

Date : 26 June 2023



**For and on behalf of Board of Directors**

CIN: U36999MH2022PLC387009



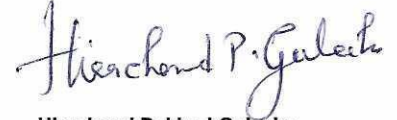
**Niraj Hirachand Gulecha**

Director

DIN : 09238372

Place : Mumbai

Date : 26 June 2023



**Hirachand Pukhraj Gulecha**

Director

DIN : 09677562



## DIVINE HIRA JEWELLERS LIMITED

Significant accounting policies and other explanatory information for the period ended 31 March 2023

(Rs. in thousands, unless otherwise stated)

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### 1. Background

Divine Hira Jewellers Limited (the "Company") was incorporated on 19th July 2022 under the Companies Act, 2013 and the Company is engaged in the trades or business of manufacturing, making, buying and selling in ornaments, articles, bar, coins and jewellers of all kinds in Gold and Silver.

### 2. Summary of significant accounting policies

#### a. Basis of preparation of financial statement

The standalone financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting, and in accordance with the applicable provisions of the Companies Act, 2013 (the 'Act') and the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards ('AS') as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). Accordingly, the Company has complied with Accounting Standards as applicable to a Small and Medium Sized Company.

#### b. Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles ('GAAP') in India requires that management makes estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities (if any) as of the date of the financial statements and the reported income and expenses during the year. Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable and based on management's evaluation of the facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### c. Revenue recognition

The company recognised revenue once the risk and reward has been transferred to the buyer and there is certainty of ultimate collection.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.

#### d. Property, plant and equipment and depreciation

Property, plant and equipments are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.

Subsequent expenditure related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of Property plant and equipment which are carried at cost are recognised in the standalone statement of profit and loss.

The Company provides pro-rata depreciation on additions and disposals made during the year. Depreciation on fixed assets is provided under the straight line method over the useful lives of assets as prescribed under Part C of Schedule II of the Act.

#### e. Impairment of assets

In accordance with Accounting Standard 28 on "Impairment of Assets" the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognised in the standalone statement of profit and loss or against revaluation surplus where applicable.



## DIVINE HIRA JEWELLERS LIMITED

Significant accounting policies and other explanatory information for the period ended 31 March 2023

(Rs. in thousands, unless otherwise stated)

### f. Employee benefits

#### Short-term employment benefits

Short-term employee benefits are recognised as an expense at the undiscounted amount in the standalone statement of profit and loss for the year in which the related services are rendered.

#### Post-employment benefits

##### Defined benefit plan

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees, at retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days salary payable for each completed year of continuous service or part thereof in excess of six months on the basis of last drawn eligible salary. Vesting occurs upon completion of five years of service. The Company accounts for gratuity benefits payable in future, based on an independent actuarial valuation carried out as at the year end. Actuarial gain/loss is recognised in the standalone statement of profit and loss.

### g. Operating leases

Leased assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments under operating leases are recognised as expense in the statement of profit and loss based on the contractual terms of the lease arrangements.

### h. Taxation

#### Current tax

Provision for current tax is recognized based on the estimated tax liability computed after taking credit for allowance and exceptions in accordance with the Income tax Act, 1961.

#### Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the balance sheet dates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in the future. Such assets are reviewed at each balance sheet date to reassess realisation.

### i. Provision and contingencies

Provisions comprise liabilities of uncertain timing or amount such as loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. Provisions are recognised when the Company has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### j. Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, cheques in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

### k. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the balance sheet date are translated at the rates of exchange prevailing at the date of the balance sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the standalone statement of profit and loss. Non-monetary foreign currency items are carried at cost.

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## DIVINE HIRA JEWELLERS LIMITED

Significant accounting policies and other explanatory information for the period ended 31 March 2023  
(Rs. in thousands, unless otherwise stated)

### 3. Share capital

	As at 31 March 2023	
	Number	Rupees
<b>Authorised share capital</b>		
<b>Equity shares</b>		
Equity shares of Rs.10 each	1,10,00,000	1,10,000
	<b>1,10,00,000</b>	<b>1,10,000</b>
<b>Issued, subscribed and fully paid up</b>		
<b>Equity shares</b>		
Equity shares of Rs.10 each fully paid up	73,15,000	73,150
<b>Total</b>	<b>73,15,000</b>	<b>73,150</b>

#### a. Reconciliation of equity shares outstanding for the period

	As at 31 March 2023	
	Number	Rupees
<b>Equity shares</b>		
Shares outstanding at the beginning of the period	-	-
Add : Issued during the period	73,15,000	73,150
<b>Shares outstanding at the end of the period</b>	<b>73,15,000</b>	<b>73,150</b>

#### b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

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 distributions will be in proportion to the number of equity shares held by shareholder.

#### e. Shareholders holding more than 5% of the equity shares

	As at 31 March 2023	
	Number	% holding
<b>Equity shares</b>		
Hirachand P Gulecha HUF	28,50,000	39%
Niraj H Gulecha	21,75,500	30%
Hirachand P Gulecha	9,88,000	14%
Khushbu N Gulecha	7,50,500	10%
Meena H Gulecha	4,94,000	7%

f. The company has issued 11,25,000 shares for consideration other than cash and issued 53,90,000 shares as bonus shares in the ratio of 5:14 during the period.

#### g. Shareholding of promoters

	No. of shares	% holding	Changes during the period
Niraj H Gulecha	21,75,500	29.74%	NA
Hirachand P Gulecha	9,88,000	13.51%	NA
Khushbu N Gulecha	7,50,500	10.26%	NA
Meena H Gulecha	4,94,000	6.75%	NA



**DIVINE HIRA JEWELLERS LIMITED**

Significant accounting policies and other explanatory information for the period ended 31 March 2023

(Rs. in thousands, unless otherwise stated)

	As at 31 March 2023
<b>4. Reserves and surplus</b>	
<b>Surplus in the statement of profit and loss</b>	
Balance at the beginning of the period	-
Add : Transferred from statement of profit and loss	7,670
Balance at the end of the period	<u>7,670</u>
<b>Securities premium</b>	
Balance at the beginning of the period	-
Add : additions on account of issue of shares	56,250
Less : on account of issue of bonus shares	(53,900)
Balance at the end of the year	<u>2,350</u>
	<u><b>10,020</b></u>
<b>5. Deferred tax liabilities</b>	
<i>On timing difference arising on account of:</i>	
Unabsorbed depreciation loss/ carry forward loss	74
	<u>74</u>
<b>6. Long-term Borrowings</b>	
Term loan	
HDFC Bank Car Loan	242
	<u>242</u>
<b>a</b> Term loan from HDFC Bank Limited of Rs. 1,237 thousand (current outstanding Rs. 260.22 thousand) is repayable in 84 instalments started from June 2017. The loan is unsecured and directors are the co-borrowers for the loan. Part of loan amounting to Rs. 260.22 thousand which is repayable in next 12 months is considered as Short-term borrowings.	
<b>7. Short-term borrowings</b>	
<i>(Unsecured loan)</i>	
Loan repayable on demand	
- related party*	17,650
- Bank overdraft	1,22,549
Term loan	
-HDFC Bank Car Loan**	19
	<u>1,40,218</u>
*Also, refer note 28	
*Also, refer note 6a	
<b>8. Trade payables</b>	
Total outstanding dues of micro enterprises and small enterprises	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,474
	<u>1,474</u>
Also, refer 26 note for ageing of trade payables as at reporting date.	
<b>9. Other current liabilities</b>	
Statutory dues	416
Advance from customers	4,300
	<u>4,716</u>

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**DIVINE HIRA JEWELLERS LIMITED**

Significant accounting policies and other explanatory information for the period ended 31 March 2023

(Rs. in thousands, unless otherwise stated)

	As at 31 March 2023
<b>10. Short-term provisions</b>	
Provision for Expenses	118
Provision for Tax	2,540
	<b>2,658</b>

**11. Property, plant and equipment**

Gross block					Amounts in Rs.
	Vehicles	Computer	Furniture	Plant & Machinery	Total
Balance as at 19 July 2022	-	-	-	-	-
Additions	743	211	265	1,893	3,111
Balance as at 31 March 2023	743	211	265	1,893	3,111
<b>Accumulated depreciation</b>					
Balance as at 19 July 2022	-	-	-	-	-
Depreciation for the year	44	9	3	28	84
Balance as at 31 March 2023	44	9	3	28	84
<b>Net block</b>					
Balance as at 31 March 2023	699	201	262	1,865	3,027

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**DIVINE HIRA JEWELLERS LIMITED**

Significant accounting policies and other explanatory information for the period ended 31 March 2023

(Rs. in thousands, unless otherwise stated)

	As at 31 March 2023 Rupees
<b>12. Other non current assets</b>	
Non-current bank balance(Also, refer note 15)	5,000
	<u>5,000</u>
<b>13. Inventories</b>	
Stock-in-trade	97,138
	<u>97,138</u>
<b>14. Trade receivables</b>	
<i>(Unsecured, considered good)</i>	
Outstanding for a period less than six months	1,24,120
	<u>1,24,120</u>
Also, refer 27 note for ageing of trade receivables as at reporting date.	
<b>15. Cash and cash equivalents</b>	
Cash in hand	348
<b>Balances with bank</b>	
-Current account	102
<b>Other bank balances</b>	
Bank deposits with maturity of more than 12 months	5,000
Less : amount disclosed as other non-current assets(Also, refer note 12)	(5,000)
<b>Total</b>	<u>450</u>
<b>16. Short-term loans and advances</b>	
<i>(Unsecured, considered good)</i>	
Advance to vendors	38
<b>Total</b>	<u>38</u>
<b>17. Other current assets</b>	
<i>(Unsecured, considered good)</i>	
Balance with statutory authorities	2,648
Security deposits	70
Interest Accured on bank deposit	60
<b>Total</b>	<u>2,778</u>

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## DIVINE HIRA JEWELLERS LIMITED

Significant accounting policies and other explanatory information for the period ended 31 March 2023  
(Rs. in thousands, unless otherwise stated)

	<b>Period ended 31 March 2023</b>
<b>18. Revenue from operations</b>	
<i>Revenue from sale of services</i>	
- Sale of Goods	12,48,849
- Sale of services	609
	<b>12,49,458</b>
<b>19. Other income</b>	
Interest Income	67
	<b>67</b>
<b>20. Cost of material consumed</b>	
Purchase of stock-in-trade	13,24,171
Changes in inventories of traded goods	(97,138)
	<b>12,27,033</b>
<b>21. Employee benefit expenses</b>	
Salaries, wages and bonus	822
Directors remuneration	1,500
	<b>2,322</b>
<b>22. Finance charges</b>	
Interest expenses	5,274
Bank charges	1,868
	<b>7,142</b>
<b>23. Depreciation and amortisation expenses</b>	
Depreciation on property, plant and equipment	84
	<b>84</b>

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## DIVINE HIRA JEWELLERS LIMITED

Significant accounting policies and other explanatory information for the period ended 31 March 2023  
(Rs. in thousands, unless otherwise stated)

	<u>Period ended 31</u> <u>March 2023</u>
<b>24. Other expenses</b>	
Legal and professional fees	186
Marketing expenses	45
Travel and conveyance	57
Rent	600
Insurance expense	76
Rates and taxes	13
Communication expenses	24
Auditor's remuneration (refer note 25)	100
Repairs and maintenance	46
Miscellaneous expenses	270
Electricity Expenses	35
Stamp Duty	1,182
Printing & Stationery	26
<b>Total</b>	<b><u>2,660</u></b>
<b>25. Auditor's remuneration</b>	
-Statutory audit	100
<b>Total</b>	<b><u>100</u></b>

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**DIVINE HIRA JEWELLERS LIMITED**

Significant accounting policies and other explanatory information for the period ended 31 March 2023

(Rs. in thousands, unless otherwise stated)

**26. Trade payables ageing schedule**

Ageing of trade payables as per Division I of Schedule III is as follows:

As at 31 March 2023

Particulars	Outstanding for following period from due date of payment				Total
	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	
Total outstanding dues of micro enterprises and small	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises	1,474	-	-	-	1,474

**27. Trade receivables ageing schedule**

Ageing of trade receivables as per Division I of Schedule III is as follows:

As at 31 March 2023

Particulars	Outstanding for following period from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 -2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables - considered good	1,24,120	-	-	-	-	1,24,120
Undisputed trade receivables - considered doubtful	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables - considered doubtful	-	-	-	-	-	-

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**DIVINE HIRA JEWELLERS LIMITED**

Significant accounting policies and other explanatory information for the period ended 31 March 2023

(Rs. in thousands, unless otherwise stated)

**28 Related party disclosure**

In accordance with the requirement of Ind AS 24 "Related Party Disclosures", name of the related parties, their relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during the reported period are as follows:

**i) List of related parties**

Key managerial personnel (KMP)

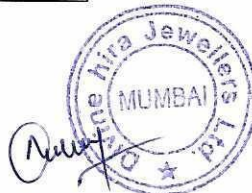
Name of the related party	Relationship
Niraj H. Gulecha	Director
Khushbu N Gulecha	Director
Hirachand P. Gulecha	Director
V. Laxman	Company Secretary
Hirachand P Gulecha HUF	Significant influence by the KMP
Meena H. Gulecha	Relative of the Director
Ankita H Gulecha	Relative of the Director
Harsha R Kothari	Relative of the Director

**i, Transactions during the year**

Particulars	Period ended
	31 March 2023
<b>Issuing of Equity Shares</b>	
Niraj H. Gulecha	21,755
Hirachand P Gulecha HUF	28,500
Hirachand P Gulecha	9,880
Khushbu N Gulecha	7,505
Meena H. Gulecha	4,940
Ankita Gulecha	190
Harsha Kothari	190
<b>Remuneration paid to KMP</b>	
Niraj H. Gulecha	540
Hirachand P Gulecha	540
Khushbu N Gulecha	420
V. Laxman	3
<b>Interest paid to KMP</b>	
Niraj H. Gulecha	154
Hirachand P Gulecha HUF	65
Hirachand P Gulecha	148
Khushbu N Gulecha	52
Meena H. Gulecha	97
Ankita Gulecha	195
Harsha Kothari	238
<b>Rent paid to KMP</b>	
Meena H. Gulecha	600

**ii) Balances With related parties**

Particulars	KMP
	As at 31 March 2023
<b>Short term borrowings</b>	
Ankita H Gulecha	3,850
Harsha R Kothari	4,850
Hirachand P. Gulecha	3,450
Hirachand P Gulecha HUF	1,200
Khushbu N Gulecha	1,200
Meena H. Gulecha	2,150
Niraj H. Gulecha	950



**DIVINE HIRA JEWELLERS LIMITED**

Significant accounting policies and other explanatory information for the period ended 31 March 2023

(Rs. in thousands, unless otherwise stated)

**29. Basic earnings per share**

Basic earnings per equity share are calculated by dividing the net profit for the period attributable to equity shareholders (after deducting attributable taxes) by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for event of fresh issue of shares to the shareholder in accordance with Accounting Standard 20 on Earnings per share as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), the following is the calculation of the basic earnings per share:

		<b>Period ended 31 March 2023</b>
Profit for the period (in Rs.)	(A)	7,670
Weighted average number of equity shares outstanding during the period (in number)	(B)	23,38,652
Diluted equity shares	(C)	23,38,652
Basic and diluted profit per share (in Rs.)	(A)/(B)	3.28
Nominal value per share (in Rs.)		10.00

**30. Analytical ratios**

	<b>31 March 2023</b>
Current ratio	1.51
Debt-equity ratio	1.69
Debt service coverage ratio	0.12
Return on equity ratio	0.09
Inventory turnover ratio	12.86
Interest service coverage ratio	2.44
Trade receivables turnover ratio	10.07
Trade payables turnover ratio	847.47
Net capital turnover ratio	16.56
Net profit ratio	0.01
Return on capital employed	0.08
Return on investment	NA

\*Since the current year is the first year of incorporation, there are no comparable figures for variance computation

31. There are no Micro and Small Enterprises, to whom the Company owes dues as at 31 March 2023. Further no interest was paid/ payable during the period to such enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprise Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the statutory auditors of the Company.



## DIVINE HIRA JEWELLERS LIMITED

Significant accounting policies and other explanatory information for the period ended 31 March 2023

(Rs. in thousands, unless otherwise stated)

### 32. Additional disclosures

- i) During the period there were no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii) The Company has taken borrowings from banks or financial institutions on the basis of security of current assets.
- iii) The Company is not declared as wilful defaulter by any bank or financial institution or other lender.
- iv) The Company has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- v) No charges or satisfaction 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) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- viii) There are no such transaction or undisclosed income that need to be disclosed in accordance with provision of Companies Act, 2013.
- ix) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- x) Utilisation of Borrowed funds and share premium
  - a. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:-
    - i. 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
    - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
  - b. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :-
    - i. 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
    - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

33. Pursuant to the Business Succession Agreement ('BTA') of Hirachand P Gulecha HUF (Hira Traders) hereinafter called as transferor Entity and Divine Hira Jewellers Limited(Divine) hereinafter called as resulting Entity, as approved by the shareholders in the meeting held on 13 September 2022. The assets and liabilities of the transferor Entity were transferred to and vested in the transferee Company with effect from 30 September 2022, the closing date as per BTA. The BTA scheme has accordingly been given effect to in these financial statements. The amalgamation has been accounted for under the Pooling of Interest method as prescribed under Accounting Standard (AS-14). Accordingly, the assets and liabilities of the transferor Companies as at the aforementioned date have been taken over at their book values.

Pursuant to the Scheme, the transferor Entity were entitled to the equity shares of resulting Company as follows:

- i. 7,50,000 (Approx Ten) fully paid equity shares (of Face value of Rs. 10 each) issuable at Rs.40 of the resulting entity.

34. Pursuant to the Extra Ordinary General Meeting of the Company, as approved by the shareholders in th meeting held on 17 March 2023. The Company will initiate the Initial Public Offer(IPO) of the Company in the next financial year i.e. 2023-24.

For M/s Muchhal & Gupta  
Chartered Accountants  
Firm's Registration No.: 004423C

*V. Mandhana*

Vaibhav Mandhana  
Partner  
Membership No.: 142514  
UDIN: 23142514BGSLUM5465



Place : Mumbai  
Date : 26 June 2023

For and on behalf of the Board of Directors  
CIN: U36999MH2022PLC387009

*Gulecha Niraj H*

Niraj Hirachand Gulech  
Director  
DIN : 09238372

Place : Mumbai  
Date : 26 June 2023

*Hirachand P. Gulecho*

Hirachand Pukhraj Gulecha  
Director  
DIN : 09677562

