

## INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE IND AS FINANCIAL STATEMENTS

To the Board of Directors  
Priority Jewels Limited  
(Formerly known as Priority Jewels Private Limited)

Report on the Audit of the Special Purpose Ind AS Financial Statements

### Opinion

We have audited the accompanying Special Purpose Ind AS Financial Statements of Priority Jewels Limited (**Formerly known as Priority Jewels Private Limited**) (hereinafter referred as the "the Company") which comprise the Restated Statement of Assets and Liabilities as at March 31, 2022, the Restated Statement of Profit and Loss including other comprehensive income, the Restated Statement of Cash Flows, the Restated Statement of changes in equity for the year then ended, and notes to the Restated Financial Statement, including material accounting policies information and other explanatory information (collectively referred to as the "Special Purpose Ind AS Financial Statements"). The Special Purpose Ind AS Financial Statements have been prepared by the Management of the Company and approved by the Board of Directors of the Company with Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other recognised accounting principles generally accepted in India.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Ind AS Financial Statements of the company for the year ended March 31, 2022, are prepared in all material aspects, in accordance with the recognition and measurement principles of Indian Accounting Standards and other recognised accounting principles generally accepted in India.



Head Office : 502-A, Vertex Vikas, Sir M. V. Road, Near Andheri Metro Station, Andheri (East), Mumbai - 400 069  
Tel.: 022-6770 5333 / 6770 5444 E-mail : mayur@mayurnayak.com Website : www.mayurnayak.com

Branch : Office No. 302, 3rd Floor, "Anant Spaces", Opposite East west Flyover, Virar - West, Palghar - 401303.

## **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Companies Act ('the Act'). Our responsibilities under those SAs are further described in the Auditor's Responsibilities section of our report for the audit of the Special Purpose Ind AS Financial Statements. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Special Purpose Ind AS Financial Statements 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 referred to in paragraph (c) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

## **Emphasis of matter**

### **1. Basis of Accounting and Restriction on Distribution and Use**

We draw attention to Note 2.1 to Special Purpose Ind AS Financial Statements which describes the purpose and basis of accounting the Special Purpose Ind AS Financial Statements. These Special Purpose Ind AS Financial Statements are prepared by the management of the Company and approved by the Board of Directors of the Company solely for the purpose of preparation of restated financial information to be included in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to as "Offer Documents") in connection with its proposed initial public offering of equity shares of Company as required by Section 26 of Part I of Chapter III of the Act, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("SEBI ICDR Regulations"), the SEBI Communications and the Guidance Note on Reports in Company Prospectuses (Revised 2019) ("the Guidance Note") issued by the ICAI. As a result, the Special Purpose Ind AS Financial Statements may not be suitable for any other purpose.





Our report is intended solely for the use of Company Board of Directors for the purpose as specified above and should not be distributed to or used by other parties. M. B. Nayak & Co, Chartered Accountants, shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the Special Purpose Ind AS Financial Statements**

The management of the Company is responsible for the preparation and fair presentation of these Special Purpose Ind AS Financial Statements in accordance with recognition and measurement principles of Indian Accounting Standards and other recognised accounting principles generally accepted in India for the purpose set out in paragraph above and this includes design, implementation, and maintenance of such internal controls as management determines necessary to enable the preparation of these Special Purpose Ind AS Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Ind AS Financial Statements, the management and Board of Directors of the Company 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 Board of Directors of the Company are responsible for overseeing the financial reporting process of the company.



## **Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Financial Statements**

Our objectives is to obtain reasonable assurance about whether the Special Purpose Ind AS 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 Special Purpose Ind AS Financial Statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special Purpose Ind AS Financial Statements.

### **Other matters**

- a) The Company has prepared a set of Statutory Financial Statements for the year ended March 31, 2022, in accordance with the Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India which were audited by us and issued an unmodified auditor's report to the members of the Company dated September 8, 2022.
- b) Since we are the statutory auditors of the Company for the year ended March 31, 2022, we had participated in the physical verification of inventories that was carried out by the management as of the year end. Accordingly, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit evidence Specific consideration for selected items" and have obtained sufficient appropriate evidence.
- c) We would like to inform the management of the company that, we are holding a valid peer review certificate as issued by the 'Peer Review Board' of the ICAI and have therefore, expressed our ability to perform any work on the Restated Financial information for the year ended March 31, 2022 to be included in Offer Documents. Accordingly, in accordance with the SEBI ICDR Regulations and the





Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, and pursuant to SEBI Communication, we have audited the Special Purpose Ind AS Financial Statements of the company for the year ended March 31, 2022.

- d) These Special Purpose Ind AS Financial Statements have been prepared solely for the purpose of preparation of Restated Financial Information for inclusion in DRHP in relation to proposed IPO. Hence these Special Purpose Ind AS Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Financial Information. Accordingly, comparative figures are not presented in these Special Purpose Ind AS Financial Statements.

Our opinion is not modified in respect of the above matters.

For **M. B. Nayak & Co.**

Chartered Accountants

Firm Registration No. 107014W

*Uday*



Uday D. Padia

Partner

Membership No. 602893

UDIN: 25602893BNFURH8805

Place: Mumbai

Date: April 22, 2025

**Annexure A to the Independent Auditor's Report of Even Date on the Special Purpose Ind AS Financial Statements of Priority Jewels Limited (Formerly known as Priority Jewels Private Limited)**

**Auditor's Responsibilities for the Audit of the Special Purpose Ind AS Financial Statements**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Ind AS 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 circumstance, but not for expressing our opinion on whether the Company has internal financial controls with reference to Special Purpose Ind AS 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 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the Special Purpose Ind AS 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 Special Purpose Ind AS Financial Statements, including the disclosures, and whether the Special Purpose Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the company to express an opinion on the Special Purpose Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Special Purpose Ind AS Financial Statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with the management 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.

For M. B. Nayak & Co.  
Chartered Accountants  
Firm Registration No. 107014W

*Uday*



Uday D. Padia  
Partner  
Membership No. 602893  
UDIN: 25602893BNFURH8805

Place: Mumbai  
Date: April 22, 2025

**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

**Restated Statement of Assets & Liabilities**

as at 31 March 2022

(All amounts in ₹ Million, unless otherwise stated)

| Particulars  | Note | 31 March 2022   |
|--|------|-----------------|
| <b>ASSETS</b>  |      |                 |
| <b>NON-CURRENT ASSETS</b>  |      |                 |
| (a) Property, Plant and Equipment                                      | 3    | 155.08          |
| (b) Financial Assets   |      |                 |
| - Non-Current Investments  | 4    | 0.51            |
| - Other financial assets   | 5    | 4.52            |
| (c) Deferred Tax Assets (Net)  | 6    | 5.80            |
| <b>Total Non-current assets</b>  |      | <b>165.93</b>   |
| <b>CURRENT ASSETS</b>  |      |                 |
| (a) Inventories  | 7    | 690.00          |
| (b) Financial Assets   |      |                 |
| - Trade Receivables  | 8    | 1,181.63        |
| - Cash and cash equivalents  | 9    | 147.09          |
| (c) Current Tax Assets (Net)   | 10   | 5.33            |
| (d) Other Current Assets   | 11   | 129.03          |
| <b>Total Current assets</b>  |      | <b>2,153.08</b> |
| <b>TOTAL ASSETS</b>  |      | <b>2,319.00</b> |
| <b>EQUITY AND LIABILITIES</b>  |      |                 |
| <b>EQUITY</b>  |      |                 |
| Equity share capital   | 12   | 41.50           |
| Other equity   | 13   | 912.62          |
|  |      | <b>954.12</b>   |
| <b>LIABILITIES</b>   |      |                 |
| <b>Non-current liabilities</b>   |      |                 |
| <b>Financial liabilities</b>   |      |                 |
| (a) Borrowings   | 14   | 108.40          |
| (b) Lease liabilities  | 15   | 2.53            |
| <b>Provisions</b>  |      |                 |
| (a) Provisions   | 16   | 10.71           |
| <b>Total Non-current liabilities</b>                                   |      | <b>121.65</b>   |
| <b>Current liabilities</b>   |      |                 |
| <b>Financial liabilities</b>   |      |                 |
| (a) Borrowings   | 17   | 929.01          |
| (b) Trade payables   | 18   |                 |
| - due to Micro Enterprises and small enterprises                       |      | 6.17            |
| - dues to Creditors other than Micro Enterprises and Small Enterprises |      | 286.10          |
| <b>Other current liabilities</b>                                       |      |                 |
| (a) Other current liabilities  | 19   | 20.16           |
| <b>Provisions</b>  |      |                 |
| (a) Provisions   | 20   | 1.79            |
| <b>Total Current liabilities</b>                                       |      | <b>1,243.23</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    |      | <b>2,319.00</b> |

Material accounting policies

See accompanying notes forming part of the financial statements

2

3-46

As per our report of even date attached

For **MR NAYAK & CO**

Chartered Accountants

Firm's Registration No: 107014W

*Uday D. Padia*

Uday D. Padia

Partner

Membership No: 602893

Date:

Place: Mumbai



For and on behalf of Board of Directors of

Priority Jewels Limited

(formerly known as Priority Jewels Private Limited)

*S. H. Sangani*

Shailense H Sangani

Chairman and Managing Director

DIN: 00187474

Date:

Place: Mumbai

*Tushar A Mehta*

Tushar A Mehta

Whole Time Director and CFO

DIN: 00187398

Date:

Place: Mumbai

*Aakriti Bhushan*

Aakriti Bhushan

Company Secretary and Compliance Officer

Membership No: A67952

Date:

Place: Mumbai





**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
CIN: U52393MH2007PLC174977

**Restated Statement of Profit and Loss (including other comprehensive income)**

for the year ended 31st March 2022

(All amounts in ₹ Million, unless otherwise stated)

| Particulars  | Note | 31 March 2022   |
|--|------|-----------------|
| I. Revenue from operations   | 21   | 4,030.82        |
| II. Other income   | 22   | 4.88            |
| <b>III. TOTAL REVENUE</b>  |      | <b>4,035.69</b> |
| <b>IV. EXPENSES</b>  |      |                 |
| Cost of raw material and components consumed                                     | 23   | 3,593.53        |
| Changes in inventories of finished goods, work-in-progress and traded goods      | 24   | -15.95          |
| Employee benefits  | 25   | 90.04           |
| Finance costs  | 26   | 82.32           |
| Depreciation and amortisation  | 3    | 14.83           |
| Other expenses   | 27   | 198.44          |
| <b>TOTAL EXPENSES (IV)</b>   |      | <b>3,963.21</b> |
| <b>V. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III - IV)</b>                     |      | <b>72.48</b>    |
| VI. Exceptional Items  |      | -               |
| <b>VII. PROFIT BEFORE TAX [V. - VI.]</b>   |      | <b>72.48</b>    |
| Less: Tax expenses   |      |                 |
| - Current tax  |      | 18.16           |
| - Deferred tax charge / (credit)   |      | 0.60            |
|  |      | <b>18.76</b>    |
| <b>VIII. PROFIT / (LOSS) AFTER TAX</b>   |      | <b>53.72</b>    |
| <b>IX. OTHER COMPREHENSIVE INCOME:</b>   |      |                 |
| A. i) Items that will not be reclassified to profit and loss                     |      | 0.44            |
| ii) Income tax relating to items that will not be reclassified to profit or loss |      |                 |
| B. i) Items that will be reclassified to profit and loss                         |      | 0.07            |
| ii) Income tax relating to items that will be reclassified to profit or loss     |      |                 |
| <b>X. TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR (VII+VIII)</b>              |      | <b>53.35</b>    |
| Earnings per equity share of ₹ 10 (Based on profit for the year)                 |      |                 |
| Basic  | 34   | 12.94           |
| Diluted  | 34   | 12.94           |

Material accounting policies

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached.

For MB NAYAK & CO

Chartered Accountants

Firm's Registration No: 107014W

Uday D. Padia

Partner

Membership No: 602893

Date:

Place: Mumbai

For and on behalf of Board of Directors of

Priority Jewels Limited

(formerly known as Priority Jewels Private Limited)

Shailesh H Sangani

Chairman and Managing Director

DIN: 00187474

Date:

Place: Mumbai

Tushar A Mehta

Whole Time Director and CFO

DIN: 00187398

Date:

Place: Mumbai

Aakriti Bhushan

Company Secretary and Compliance Officer

Membership No: A67952

Date:

Place: Mumbai



**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
CIN: U52393MH2007PLC174977

**Restated Cash Flow Statement**

for the year ended 31 March 2022

(All amounts in ₹ Million, unless otherwise stated)

| Particulars  | 31 March 2022   |
|--|-----------------|
| <b>A. Cash flow from operating activities</b>                            |                 |
| Net profit before tax  | 72.48           |
| <b>Adjustments for :</b>   |                 |
| Depreciation and amortisation  | 14.83           |
| Finance Cost   | 82.32           |
| Deferred tax   | (0.60)          |
| <b>Operating profit before working capital changes</b>                   | <b>169.03</b>   |
| Increase / (Decrease) in long-term provisions                            |                 |
| Increase / (Decrease) in trade payables                                  | (138.44)        |
| Increase / (Decrease) in other current liabilities                       | (4.36)          |
| (Increase) / Decrease in inventories                                     | 116.52          |
| (Increase) / Decrease in trade receivables                               | (6.04)          |
| (Increase) / Decrease in other current assets                            | (40.30)         |
| (Increase) / Decrease in other Non current assets                        | (0.82)          |
|  | (73.42)         |
| <b>Cash (used in) / generated from operations</b>                        | <b>95.61</b>    |
| Less: Income tax paid (net)  | 15.32           |
| <b>Net cash flow (used in)/ from operating activities (A)</b>            | <b>80.29</b>    |
| <b>B. Cash flow from investing activities</b>                            |                 |
| Bank balances not considered cash and cash equivalents                   | (100.07)        |
| Purchase of Property, Plant and Equipment                                | (18.11)         |
| Proceeds from sale of Property, Plant and Equipment                      | 1.01            |
| Purchase/(Realisation) of investments                                    | 10.54           |
| <b>Net cash from / (used in) investing activities (B)</b>                | <b>(106.63)</b> |
| <b>C. Cash flow from financing activities</b>                            |                 |
| Proceeds from short-term borrowings (Net)                                | 8.20            |
| Proceeds from long-term borrowings (Net)                                 | (10.16)         |
| Finance cost   | (82.32)         |
| Inc/(Dec) in items concerning net worth                                  | (0.37)          |
| Deferred Tax   | 0.60            |
| <b>Net cash from / (used in) financing activities (C)</b>                | <b>(84.05)</b>  |
| <b>Net increase in cash and cash equivalents during the year (A+B+C)</b> | <b>(110.39)</b> |
| Opening cash and cash equivalents  | 157.41          |
| <b>Closing cash and cash equivalents</b>                                 | <b>47.02</b>    |

Material accounting policies

See accompanying notes forming part of the financial statements

As per our report of even date attached

For MB NAYAK & CO

Chartered Accountants

Firm's Registration No: 107014W

Uday D. Padia

Partner

Membership No: 602893

Date:

Place: Mumbai

22 APR 2025

For and on behalf of Board of Directors of

Priority Jewels Limited

(formerly known as Priority Jewels Private Limited)

Shailesh H Sangani

Chairman and Managing Director

DIN: 00187474

Date:

Place: Mumbai

Aakriti Bhushan

Company Secretary and Compliance Officer

Membership No: A67952

Date:

Place: Mumbai

22 APR 2025

Tushar A Mehta

Whole Time Director and CFO

DIN: 00187398

Date:

Place: Mumbai





**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
CIN: U52393MH2007PLC174977

**Restated Statement of Changes in Equity**

for the year ended 31 March 2022

(All amounts in ₹ Million, unless otherwise stated)

**A Equity Share Capital**

| Particulars  | Amount |
|--|--------|
| Equity share capital issued, subscribed and fully paid |        |
| As at 1st April, 2021                                  | 41.50  |
| Shares issued during the year                          | -      |
| Shares bought back during the year                     | -      |
| As at 31st March, 2022                                 | 41.50  |

**B Other Equity**

| Particulars                                  | Reserves and Surplus       |                   | Other items of Other Comprehensive Income | TOTAL  |
|--|----------------------------|-------------------|---|--------|
|  | Capital Redemption Reserve | Retained Earnings |   |        |
| Balance as at 1st April, 2021                | 66.75                      | 793.07            | (0.55)                                    | 859.27 |
| Add: Profit for the year                     | -                          | 53.72             | -   | 53.72  |
| Add: Other comprehensive income for the year | -                          | -                 | (0.37)                                    | (0.37) |
| Balance as at 31st March, 2022               | 66.75                      | 846.79            | (0.92)                                    | 912.62 |

As per our report of even date attached.

For MB NAYAK & CO

Chartered Accountants

Firm's Registration No: 107014W

*Uday*

Uday D. Padia

Partner

Membership No: 602893

Date:

Place: Mumbai

22 APR 2025



For and on behalf of Board of Directors of  
Priority Jewels Limited  
(formerly known as Priority Jewels Private Limited)

*Sh. Sangani*

Shailesh H Sangani

Chairman and Managing Director

DIN: 00187474

*Tushar A Mehta*

Tushar A Mehta

Whole Time Director and CFO

DIN: 00187398

Date:

Place: Mumbai

22 APR 2025

Date:

Place: Mumbai

22 APR 2025

*Aakriti Bhushan*

Aakriti Bhushan

Company Secretary and Compliance Officer

Membership No: A67952

Date:

Place: Mumbai

22 APR 2025



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

**1) Background**

The Company was incorporated on 12 October 2007. The Company is primarily into manufacturing diamond studded jewellery with manufacturing set up in Mumbai. The jewellery is marketed all across India and in the Middle East Countries as well as Western Countries. Currently, the Company has its Head Office / Registered Office in Mumbai and has branches at Kolkata, Ahmedabad, Chennai, Delhi, Coimbatore, Tamilnadu, Madurai and Thrissur.

**2) Material Accounting Policies**

***2.1 Basis of Preparation of financial statements***

For periods upto and including the year ended 31 March 2022, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP- Indian GAAP). The Special purpose Ind AS financial statements as at and for the year ended 31 March 2022 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the year of transition to Ind AS (i.e. financial year 2021-22).

Furthermore, to the first-time transition to Ind AS year is financial year 2021-22, the Special Purpose Ind AS Financial Statements for the year ended 31 March 2022 has been prepared based on a transition year. As a result, the closing balances of items included in the Balance Sheet as at 31 March 2022 may vary from the balances considered on the first-time transition to Ind AS due to application of Ind AS principles.





***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

These re-stated financial statements of the Company comprise of Re-stated Statement of Assets & Liabilities as at 31st March 2022, the Re-stated Statement of Profit and Loss (including Other Comprehensive Income), Re-stated Statement of Changes in Equity and the Re-stated Statement of Cash Flows for the year ended 31st March 2022 and the Summary of Material Accounting Policies and explanatory notes (collectively, the 'Re-stated Financial Statement').

The Re-stated financial statements have been approved by the Board of Directors of the Company at their meeting held on 22<sup>nd</sup> April, 2025 and have been specifically prepared by the management as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI'), in pursuance of the Securities and Exchange Board of India Act, 1992 for inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with the proposed Initial Public Offer ('IPO') of equity shares of INR [O] each of the Company (referred to as the 'Offer'). The Re-stated Financial Statement has been prepared by Management of the Company to comply in all material respects with the requirements of:

- a. **Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act")**
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR") as amended; and
- c. The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) as amended ("the Guidance Note").

These re-stated financial statements of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

The re-stated financial statements have been prepared on accrual basis under the historical cost convention except for the certain financial instruments that are measured at fair values as required by relevant Ind AS:

- a) certain financial assets and liabilities (including derivative instruments)
- b) defined employee benefit plans - plan assets are measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

***2.2 Use of Estimates***

The preparation of the financial statements in conformity with Indian Accounting Standard requires Management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as of the date of financial statements which in Management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.





*Notes to the Restated Financial Statements  
for the years ended 31st March 2022  
(All amounts in ₹ Million, unless otherwise stated)*

*2.3 Current/Non-Current Classification*

All **assets** and **liabilities** are to be classified into Current and Non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liability**

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

**Operating Cycle**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the Schedule III to the Act. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

***2.4 Property, Plant & Equipments, Depreciation and Amortisation***

**2.4.1 Tangible Assets**

Plant, Property & Equipments are stated at cost less accumulated depreciation and any provision for impairment loss, if any. Cost includes freight, duties, taxes (other than those recoverable from tax authorities)

and other expenses related to the acquisition / construction and installation of the Plant, Property & Equipments. Borrowing costs directly

attributable to acquisition or construction of those Plant, Property & Equipments which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Depreciation on Plant, Property & Equipments other than lease hold improvements and computer software has been provided on the written down value (WDV), in the manner and as per the useful life prescribed in Schedule II to the Act, which in Management's view reflects the useful lives of the assets. If Management's estimate of the useful life of a Plant, Property & Equipments at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at the higher rate in line with the Management's estimates of the useful life / remaining useful life.





**Notes to the Restated Financial Statements**  
**for the years ended 31st March 2022**  
**(All amounts in ₹ Million, unless otherwise stated)**

On transition to Ind AS, the company has elected to measure all classes of Property, Plant and Equipments at its carrying value as at the transition date considered such value as Deemed cost at that date determined in accordance with Ind AS 101, 'First Time Adoption of Indian Accounting Standards'

**2.4.1 Tangible Assets**

| <b>Class of Assets</b>  | <b>Useful Life<br/>(in years)</b> |
|-------------------------|-----------------------------------|
| Plant and Machinery     | 15                                |
| Furniture and fixtures  | 10                                |
| Vehicles                | 8-10                              |
| Office Equipment        | 5                                 |
| Electrical Installation | 10                                |
| Computers               | 3-6                               |

**2.4.2 Intangible Assets**

Application software, which are not an integral part of the related hardware, are recorded as intangible assets and amortised on straight line method over a period of 3 years, which in Managements opinion reflects the estimated useful life of the software.

In case of separately acquired intangibles, the criterion of probable inflow of expected future economic benefits is always considered satisfied, even if there is uncertainty about the timing or the amount of the inflow.

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective estimated useful lives on a written-down basis, from the date that they are available for use. The estimated useful life of an identifiable intangible assets is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

expected future cash flows from the asset. The estimated useful lives of intangible assets are as follows:

Application Software - 3 Years on Straight-line basis

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

#### **2.4.3 Impairment of Assets**

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the asset or the cash generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is restated at the recoverable amount subject to a maximum of depreciable historical cost.

#### **2.4.4 Capital Work-in-Progress**

Capital work-in-progress includes the cost of Plant, property and equipment that are not ready to use at the balance sheet date.

#### **2.4.5 Capital Advance**

Advance paid for acquisition/ construction of Plant, Property & Equipments which are not ready for their intended use at each balance sheet date.





***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

***2.5 Investment***

The Company has classified its investment in Sovereign Gold Bonds at Fair Value Through Other Comprehensive Income (FVTOCI) based on its business model, which is to hold these investments to collect contractual cash flows and potentially sell them. These bonds are initially recognized at fair value, including transaction costs. Subsequently, they are measured at fair value, with changes in fair value recognized in Other Comprehensive Income (OCI).

Interest income from these bonds is recognized in the Statement of Profit and Loss, using the effective interest method.

| Particulars   | Amount |
|---|--------|
| Fair Value gain in Investments(Sale of Sovereign Gold Bond) | 0.07   |

***2.6 Revenue Recognition***

Revenue from customers is recognized when control of goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled for those goods or services i.e., 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.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.



**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

*Notes to the Restated Financial Statements  
for the years ended 31st March 2022  
(All amounts in ₹ Million, unless otherwise stated)*

**Sale of Jewellery**

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer. Sales are stated net of trade discount, duties, GST.

**Job Work Services**

Job work charges is recognised as and when the service is rendered.

**Other Operating Revenue**

It comprises of net foreign exchange fluctuations, interest income on bank deposits and other operating revenues.

**Other income**

Other income comprises of interest on refund, profit/loss on sale of fixed assets, other miscellaneous income. No interest is charged on overdue invoices as per prevailing trade practices.

**2.7 Inventories**

Inventories which comprise raw materials, work in progress, finished goods and stock in trade are carried at lower of cost or net realisable market value.

Cost of inventories comprises all costs of purchases and, other than duties and taxes (other than those subsequently recoverable from tax authorities), cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost, weighted average method is used. In case of manufactured inventories fixed production overheads are allocated on the basis of actual production facilities.





**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

Net realisable market value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

Raw materials and other supplies held for use in the production of finished goods are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable market value is made on an item-by-item basis.

The Company has pledged its entire Inventory against all types of borrowings from various banks. There was no material difference between the statements filed by the company with such banks or financial institutions and books of accounts.



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

**2.8 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease i.e., if the contract conveys the right to control the use of an identified asset for a period in exchange of consideration.

The Company's lease asset classes consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019. The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company has elected not to recognise right of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term on a straight-line basis.





**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

**Notes to the Restated Financial Statements**  
**for the years ended 31st March 2022**  
*(All amounts in ₹ Million, unless otherwise stated)*

Since the company has transitioned to Ind AS, it has taken the option to recognize a right-of-use asset as per Paragraph D9B clause (b) sub-clause (i) of Ind AS 101 First-time adoption of Indian Accounting Standards which allows a first-time adopter lessee to measure a right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease on the date of transition to Ind AS.

| Particulars  | 31st March 2022 |
|--|-----------------|
| <b>(i) Carrying value of right of use assets at the end of the reporting period (Refer Note 3)</b> | 2.43            |
| <b>(ii) Analysis of Lease liability:</b>   |                 |
| <b><i>Movement of lease liabilities</i></b>  |                 |
| Opening lease liabilities  | 1.85            |
| Addition during the year /period   | 2.99            |
| Interest Cost  | 0.32            |
| Cash outflow towards payment of lease liabilities  | (2.63)          |
| Deletion during the year on account of termination of lease  | -               |
| <b>Closing lease liabilities</b>   | <b>2.53</b>     |
| <b>(iii) Maturity analysis of lease liabilities (on undiscounted basis)</b>                        |                 |
| Less than 1 year   | 1.52            |
| Between 1-5 years  | 1.24            |
| More than 5 years  | -               |
|  | <b>2.75</b>     |
| <b>(iv) Lease Liabilities included in statement of financial position</b>                          |                 |
| Current  |                 |
| Non Current  |                 |
| <b>(v) Impact on statement of Profit and Loss</b>  |                 |
| Interest on Lease Liabilities  | 0.32            |
| Depreciation on right of use assets  | 2.41            |
| <b>(vi) Rent Expenses</b>  | <b>2.63</b>     |



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

***2.9 Foreign Currency Transactions***

Foreign currency transactions are recorded at the exchange rates prevailing on the dates of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss of the year.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the closing exchange rates. The resultant exchange differences are recognised in the Statement of Profit and Loss.

Forward exchange contracts taken to hedge existing assets or liabilities are translated at the closing exchange rates and resultant exchange differences are recognised in the same manner as those on the underlying foreign currency asset or liability.

Apart from forward exchange contracts taken to hedge existing assets or liabilities, the Company also uses derivatives to hedge its foreign currency risk exposure relating to firm commitments and highly probable transactions. In accordance with the relevant announcement of the Institute of Chartered Accountants of India, the Company provides for losses in respect of such outstanding derivative contract at the balance sheet date by marking them to market. Net gain, if any is not recognised, The contracts are aggregated category-wise, to determine the net gain/loss.





***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

**2.10 Financials Assets and Liabilities**

**Financial Assets**

**Initial Recognition**

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. All financial assets, with the exception of trade receivables, are recognized at transaction price on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets are added to the transaction price, in case the financial assets are measured through the Amortized Cost Method or through the Fair Value Through Other Comprehensive Income (FVOCI) Method. In case they are measured through Fair Value Through Profit and Loss (FVTPL) Method, the transaction costs are recognized directly as expenses in the Statement of Profit and Loss.

**Subsequent Recognition**

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

**Financial Assets at 'Amortized Cost':**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

**Financial Assets at 'Fair Value Through Other Comprehensive Income (FVOCI)':**

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

For financial assets, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.





**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

**Financial Assets at 'Fair Value Through Profit and Loss (FVTPL)':**

Financial assets at fair value through profit or loss are carried in the Restated Statement of Assets and Liabilities at fair value with net changes in fair value recognised in the Restated Statement of Profit and Loss.

Financial Assets of the Company, with the exception of Sovereign Gold Bonds, are recognized at Amortized Cost. The investment in Sovereign Gold Bonds is recognized at Fair Value Through Other Comprehensive Income.

**Derecognition**

A company de-recognizes financial assets when rights to receive cash flows from the assets have expired or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its Re-stated Statement of Assets and Liabilities but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

**Financial Liabilities**

**Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., transaction price at the inception.

The Company's financial liabilities include trade and other payables, loans and borrowings.

**Subsequent Recognition**

For purposes of subsequent measurement, financial liabilities are using in two methods:

- a) Amortized Cost Method
- b) Fair Value Through Profit & Loss (FVTPL)

**Financial Liabilities at 'Amortized Cost':**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included as finance costs in the Restated Statement of Profit and Loss.

The Company measures all its financial liabilities through the Amortized Cost Method.

**Financial Liabilities at 'Fair Value Through Profit and Loss (FVTPL)':**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Since the Company holds Derivatives for the purposes of hedging, there are no financial liabilities that have been measured through FVTPL.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

***2.11 Employee Benefits***

**Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salaries, wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for the services rendered by employees is recognised as an expense during the period.

**Long-terms employment benefits**

**Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. Defined contribution plan comprise of contributions to superannuation scheme, provident





***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

fund scheme and labour welfare fund. The Company's contribution paid/payable under these schemes are recognised as expense in the Statement of Profit and Loss in the period in which the employee renders the related service.

**Defined benefit plans:**

The Company's gratuity benefit scheme and compensated absences are defined benefit plans. The Company's net obligation in respect of the gratuity benefit scheme and leave encashment is calculated by estimating the amount of future benefit that employees have earned in return for their services till date; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted.

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation at each balance sheet date by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Company recognises all actuarial gains and losses arising from defined benefit plans as Other Comprehensive Income. All other expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The obligation is measured at the present value of the estimated future cash flows. The discounting rate used for determining the present value of the obligation under the defined benefit plans are based on the market yields on Government Securities as at the Balance Sheet date. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment of a defined benefit plan when the curtailment or settlement occurs.



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, are based on the market yields on Government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in Other Comprehensive Income.

**Compensated absences :**

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise in the future service periods. Since the compensated absences are not expected to occur within twelve months after the end of the period in which the employee renders the related services, a liability is recognised at the present value of the defined benefit obligation at the Balance Sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance Sheet date. Company's liabilities towards compensated absences to employees are determined on the basis of valuations, as at balance sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

**2.12 Income Tax**

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expense is recognised in Statement of Profit or Loss except that tax expense related to items recognised directly in Other Comprehensive Income is also recognised in those Other Comprehensive Income.

**Current Tax**

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

**Deferred Tax**

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

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets





***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilized when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognized to the extent that it is probable that the unused tax credit can be utilized in the specified future period.

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

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

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



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

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

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

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

***2.13 Earnings per Share (EPS)***

The basic earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted earnings per equity share is computed using the weighted average number of equity and diluted equity equivalent shares outstanding during the year.





***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

***2.14 Provisions and Contingent Liabilities***

A provision is recognised when an enterprise has a present obligation as a result of past event and 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 their present values and are determined based on management 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 management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events not wholly within the control of the Company. When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. The company does not recognize a contingent liability but discloses its existence in financial statements.

In accordance with Ind AS 109, The company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at fair value Through Profit and loss (FVTPL).

**Expected Credit losses are measured through a loss allowance at an amount equal to:**

The 12-month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date);  
or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instruments).

For Trade receivables the company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables.





**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

The company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

In Determining the allowances for doubtful trade receivables, the management has used a practical approach by computing the ECL for trade receivables amounting to ₹ 1450 i.e., 0.1% of the Trade Receivables considered doubtful. Considering the fact that the amount of Trade Receivables considered doubtful remain the same throughout the year ended 31st March 2022, the Management, in its annual review has assessed that there is no requirement to increase or decrease the Expected Credit Loss in the above-mentioned period.



**Notes to the Restated Financial Information (Continued)**  
as at 31 March 2022  
(All amounts in ₹ Million, unless otherwise stated)

3 Property, plant and equipment

| Description of assets            |                           | A) Tangible assets          |                        |                       |                        |                           |                     |                      |                    |                             |                    | B) Intangible assets |           | C) Right-of-use Asset |           |                    |  | Total<br>(A) + (B) + (C) |  |           |        |
|----------------------------------|---------------------------|-----------------------------|------------------------|-----------------------|------------------------|---------------------------|---------------------|----------------------|--------------------|-----------------------------|--------------------|----------------------|-----------|-----------------------|-----------|--------------------|--|--------------------------|--|-----------|--------|
|                                  |                           | Leasehold<br>land<br>(PGPL) | Buildings -<br>factory | Leasehold<br>premises | Plant and<br>machinery | Furniture and<br>fixtures | Air<br>conditioners | Office<br>equipments | Office<br>premises | Electrical<br>installations | Vehicles<br>(PGPL) | Computers            | Total (A) | Computer<br>software  | Total (B) | Seeyz<br>(2016-22) | Bharat<br>Diamond<br>Bourse<br>(2021-24) |                          | Bharat<br>Diamond<br>Bourse<br>(2018-21) | Total (C) |        |
| Gross carrying<br>value          | As at 1 April 2021        | 99.80                       | 61.80                  | 9.64                  | 75.08                  | 15.04                     | 10.13               | 7.43                 | 7.00               | 4.83                        | 7.12               | 1.95                 | 8.25      | 314.96                | 15.85     | 15.85              | -  | -                        | -  | 330.81    |        |
|                                  | Additions during the year | -                           | 0.68                   | -                     | 9.18                   | 1.08                      | 1.37                | 0.62                 | -                  | 0.04                        | -                  | -                    | 0.72      | 13.69                 | -         | -                  | 1.76                                     | 2.99                     | 0.09                                     | 4.85      | 18.53  |
|                                  | Deletion during the year  | -                           | -                      | -                     | 3.12                   | -                         | -                   | -                    | -                  | -                           | -                  | -                    | -         | -                     | -         | -                  | -  | -                        | -  | -         | 3.22   |
| Depreciation and<br>amortisation | As at 31 Mar 2022         | 99.80                       | 62.48                  | 9.64                  | 81.14                  | 16.12                     | 11.50               | 8.04                 | 7.00               | 4.87                        | 7.02               | 1.95                 | 8.97      | 325.43                | 15.85     | 15.85              | 1.76                                     | 2.99                     | 0.09                                     | 4.85      | 346.12 |
|                                  | As at 1 April 2021        | 16.54                       | 35.15                  | 8.44                  | 54.45                  | 13.50                     | 7.18                | 6.96                 | 4.54               | 4.49                        | 4.12               | 0.42                 | 7.71      | 163.49                | 14.92     | 14.92              | -  | -                        | -  | -         | 178.41 |
|                                  | For the year              | 1.74                        | 2.54                   | 0.96                  | 4.00                   | 0.38                      | 0.61                | 0.19                 | 0.26               | 0.02                        | 0.44               | 0.32                 | 0.70      | 12.17                 | 0.25      | 0.25               | 1.41                                     | 0.91                     | 0.09                                     | 2.41      | 14.83  |
| Closing net<br>carrying value    | Deletion during the year  | -                           | -                      | -                     | 2.21                   | -                         | -                   | -                    | -                  | -                           | -                  | -                    | -         | -                     | -         | -                  | -  | -                        | -  | -         | 2.21   |
|                                  | As at 31 Mar 2022         | 18.28                       | 37.70                  | 9.40                  | 56.24                  | 13.87                     | 7.79                | 7.15                 | 4.80               | 4.51                        | 4.57               | 0.74                 | 8.41      | 173.45                | 15.17     | 15.17              | 1.41                                     | 0.91                     | 0.09                                     | 2.41      | 191.04 |
|                                  | As at 31 Mar 2022         | 81.52                       | 24.79                  | 0.24                  | 24.89                  | 2.25                      | 3.71                | 0.89                 | 2.19               | 0.36                        | 2.45               | 1.21                 | 0.56      | 151.98                | 0.68      | 0.68               | 0.35                                     | 2.08                     | -  | 2.43      | 155.08 |



**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**

CIN: U52393MH2007PLC174977

**Notes to the Restated Financial Statement (Continued)**

for the year ended 31st March 2022

(All amounts in ₹ Million, unless otherwise stated)

| 4 Non-current investments    | 31 March 2022 |
|------------------------------|---------------|
| Trade Investments (unquoted) |               |
| Investment in Equity Shares  |               |
| Sovereign Gold Bond          | 0.51          |
|                              | 0.51          |

| 5 Other financial assets                                       | 31 March 2022 |
|--|---------------|
| * Deposits with maturity of more than 12 months (refer note 9) |               |
| Secured, considered good                                       | 1.61          |
| Security deposits**  | 2.91          |
|  | 4.52          |

\* Bank deposits includes carrying amount of ₹ 1.61 Millions being fixed deposit held against bank guarantees issued by the bank on behalf of the Company.

\*\* Security Deposits of the Company are recognized at Amortized Cost.

| 6 Deferred tax assets  | 31 March 2022 |
|--|---------------|
| Deferred tax assets  |               |
| - Provision for gratuity   | 2.62          |
| - Provision for compensated absences   | 0.40          |
| - Provision for doubtful debts and other receivables                                   | 0.36          |
| - Provision for bonus  | 1.29          |
| - Difference between book depreciation and depreciation under the Income tax Act, 1961 | 1.13          |
|  | 5.80          |

| 7 Inventories                                      | 31 March 2022 |
|--|---------------|
| (valued at lower of cost and net realisable value) |               |
| Raw material                                       | 376.01        |
| Work-in-progress                                   | 143.21        |
| Finished goods                                     | 170.78        |
|  | 690.00        |





| 8 Trade receivables<br>(Unsecured, considered good unless stated otherwise)                        | 31 March 2022 |
|--|---------------|
| Receivable outstanding for a period exceeding six months from the day they became due for payment: |               |
| - Considered good  | 19.04         |
| - Considered doubtful  | 1.45          |
| - Expected Credit Loss   | (0.00)        |
|  | 20.49         |
| Other receivables:   |               |
| - Considered good  | 1,161.15      |
|  | 1,181.63      |

Year Ended 31.03.2022

| Particulars   | Outstanding for following periods from due date of payment |                 |             |             |                   |  | Total           |
|---|--|-----------------|-------------|-------------|-------------------|--|-----------------|
|   | Less than 6 months   | 6 months-1 year | 1-2 year    | 2-3 year    | More than 3 years |  |                 |
| (i) Undisputed Trade receivables -considered good                                 | 1,164.21   | 3.81            | 5.00        | 5.25        | 1.91              |  | 1,180.19        |
| (ii) Undisputed Trade receivables -which have significant increase in credit risk | -  | -               | -           | 1.04        | 0.41              |  | 1.45            |
| (iii) Undisputed Trade receivables -credit impaired                               | -  | -               | -           | -           | -                 |  | -               |
| (iv) Disputed Trade receivables -considered good                                  | -  | -               | -           | -           | -                 |  | -               |
| (v) Disputed Trade receivables -which have significant increase in credit risk    | -  | -               | -           | -           | -                 |  | -               |
| (vi) Disputed Trade receivables -credit impaired                                  | -  | -               | -           | -           | -                 |  | -               |
| <b>Total</b>  | <b>1,164.21</b>  | <b>3.81</b>     | <b>5.00</b> | <b>6.29</b> | <b>2.32</b>       |  | <b>1,181.63</b> |

| 9 Cash and bank equivalent  | 31 March 2022 |
|---|---------------|
| <b>Cash and cash equivalents</b>  |               |
| Cash on hand  | 0.11          |
| <b>Balances with banks</b>  |               |
| - On current accounts   | 32.80         |
| - On deposits accounts (with original maturity of 3 months or less)                           | 14.11         |
|   | 47.02         |
| - HDFC Margin against Gold Loan   | 14.25         |
| - ICICI Margin against Gold Loan  | 0.46          |
| - Held as margin money deposit (with maturity of more than 3 months but less than 12 months)* | 48.45         |
| - Bank deposits (with maturity of more than 3 months but less than 12 months)*                | 36.91         |
|   | 100.07        |
|   | 147.09        |

\* Bank deposits includes carrying amount of ₹48.45 Millions being fixed deposits held as margin money, security/guarantees against bank guarantee issued to the bank on behalf of the Company.



| Details of bank balances/ deposits  | Amount |
|---|--------|
| Bank deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'                       | 14.11  |
| Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'                   | 36.91  |
| Margin Money due to mature within 12 months of the reporting date included under 'Other bank balances'                    | 48.45  |
| Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets (refer note 5) | 1.61   |
|   | 101.08 |

| 10 Current Tax Asset (Net)                                      | 31 March 2022 |
|---|---------------|
| Advance tax and tax deducted at source Net of Provision for Tax | 5.33          |
|   | 5.33          |

| 11 Other current assets   | 31 March 2022 |
|---|---------------|
| Interest accrued on bank deposits   | 4.98          |
|   | 4.98          |
| Advance to suppliers  | 55.06         |
| Advances for exhibitions  | 0.25          |
| Employee advances   | 3.23          |
| Prepaid expenses  | 5.58          |
| Balance with government and local authorities<br>(Unsecured, considered doubtful) | 48.29         |
| Forward Contract Premium Receivable   | 11.63         |
| Other Receivables   | 0.02          |
|   | 124.04        |
|   | 129.03        |

| 12 Share capital  | 31 March 2022 |
|---|---------------|
| <b>Authorised</b>   |               |
| 18.5 Million (31 March 2021 : 18.5 Million) equity shares of ₹ 10 each                | 185.00        |
| 3 Million (31 March 2021 : 3 Million) preference shares of ₹ 10 each                  | 30.00         |
|   | 215.00        |
| <b>Issued, subscribed and fully paid-up</b>   |               |
| 4.15 Million (31 March 2021 : 4.15 Million) equity shares of ₹ 10 each, fully paid-up | 41.50         |
|   | 41.50         |



Notes:

a. Reconciliation of the number of shares outstanding at the

| Equity shares                      | 31 March 2022<br>No. of shares<br>(No. in millions) | 31 March 2021<br>No. of shares<br>(No. in millions) |
|------------------------------------|---|---|
| At the commencement of the year    | 4.15  | 41.50   |
| Outstanding at the end of the year | 4.15  | 41.50   |

b. Rights, preferences and restrictions attached to equity shares :

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c. Equity shares in the Company held by each shareholder holding more than 5% shares.

|  | 31 March 2022<br>No. of Share<br>(No. in Millions) | %      |
|--|--|--------|
| Mrs Manisha Sangani                          | 1.80   | 43.37% |
| Mr Shailesh Sangani                          | 1.35   | 32.53% |
| Ms Aditi Sangani                             | 0.50   | 12.05% |
| M/s Priority Retail Ventures Private Limited | 0.50   | 12.05% |

d Promoter's Shareholding

| Shares held by promoters at the end of the year 31st March 2022 |                 |                     |                             |
|---|-----------------|---------------------|-----------------------------|
| Promoter Name   | No. of Shares** | % of total shares** | % Change during the year*** |
| Shailesh Sangani  | 1.35            | 32.53               | Nil                         |
| Manisha Sangani   | 1.80            | 43.37               | Nil                         |
| Aditi Motla   | 0.50            | 12.05               | Nil                         |
| Priority Retail Ventures Private Limited                        | 0.50            | 12.05               | Nil                         |
| <b>Total</b>  | <b>4.15</b>     | <b>100.00</b>       |                             |

| Shares held by promoters at the end of the year 31st March 2021 |                 |                     |                             |
|---|-----------------|---------------------|-----------------------------|
| Promoter Name   | No. of Shares** | % of total shares** | % Change during the year*** |
| Shailesh Sangani  | 1.35            | 32.53               | Nil                         |
| Manisha Sangani   | 1.80            | 43.37               | Nil                         |
| Aditi Motla   | 0.50            | 12.05               | Nil                         |
| Priority Retail Ventures Private Limited                        | 0.50            | 12.05               | Nil                         |
| <b>Total</b>  | <b>4.15</b>     | <b>100.00</b>       |                             |

e Statement of Changes in Equity

| (1) Current Reporting Period ended 31.03.2022 | Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period error | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|---|--|---|---|---|--|
|   | 4.15   | Nil   | Nil   | Nil   | 4.15   |





13 Other equity

| Share application pending allotment                       | Reserves and Surplus       |                   | Other items of Other Comprehensive Income | TOTAL  |
|---|----------------------------|-------------------|---|--------|
|   | Capital Redemption Reserve | Retained Earnings |   |        |
| Balance at the beginning of reporting period              | 66.75                      | 793.07            | (0.55)                                    | 859.27 |
| Changes in accounting policy or prior period errors       | -                          | -                 | -   | -      |
| Restated balance at the beginning of the reporting period | 66.75                      | 793.07            | (0.55)                                    | 859.27 |
| Total comprehensive income for the year                   | -                          | 53.72             | (0.37)                                    | 53.35  |
| Dividends   | -                          | -                 | -   | -      |
| Transfer to retained earnings                             | -                          | -                 | -   | -      |
| Utilization for buy-back                                  | -                          | -                 | -   | -      |
| Utilization for income tax on buy-back of equity shares   | -                          | -                 | -   | -      |
| Capital Redemption Reserve on account of buy-back         | -                          | -                 | -   | -      |
| Balance at the end of the reporting period                | 66.75                      | 846.79            | (0.92)                                    | 912.62 |

- \*\* Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to capital redemption reserves or transfers from Other Comprehensive Income.  
 \*\* Other Comprehensive Income (OCIs) include Actuarial Gains/Losses from Defined Benefit Obligations as well as profit on sale of sovereign gold bonds.  
 \*\* Capital Redemption Reserve is created as per Companies Act, 2013 in the event of buy-back of shares from shareholders.

14 Borrowings - non-current

| Secured  | Non current portion<br>31 March 2022 | Current portion*<br>31 March 2022 |
|--|--------------------------------------|-----------------------------------|
| Vehicle loans from HDFC Bank Ltd                   | 0.41                                 | 0.77                              |
| Emergency Credit Line Guarantee Scheme (ECLGS T/L) | 108.00                               | 34.16                             |
|  | <b>108.40</b>                        | <b>34.93</b>                      |

\* Amounts disclosed under "Borrowings - Current", refer note 17

# as on 31st March, 22 vehicle loan amounting to ₹ 1.176 Millions outstanding which is repayable in thirty six monthly installments and carries interest rate @7.5% on reducing balance method. The equated monthly installments is amounting to ₹ 0.069 Millions. The last installment for the vehicle loan is due in the month of september 2023.

\$ Details of loan and security are mentioned below:

| Bank Name | Amount           | Int Rate          | Security   |
|-----------|------------------|-------------------|--|
| Axis Bank | ₹ 33.50 Millions | 4% over Repo rate | Second charge on current assets of company<br>Collateral: Second charge on<br>a) All movable FA except vehicles<br>b) Fixed Deposit of ₹ 14.70 Millions<br>c) Fixed Deposit of ₹ 12.30 Millions<br>d) Land & Building constructed thereon at plot 121, MIDC, Andheri |
| Yes Bank  | ₹ 37.30 Millions | 1% Over EBLR      |  |
| HDFC Bank | ₹ 71.30 Millions | 1 % Over EBLR     |  |

Note: Tenor is 5 Years from the date of first disbursement. Moratorium period is 1 year and repayment of the principal shall be repaid in 48 instalments after completion of moratorium.



| 15 Lease liabilities            | 31 March 2022 |
|---------------------------------|---------------|
| Seepz - SEZ (2016-22)           | 0.37          |
| Seepz - SEZ (2022-27)           | 0.00          |
| Bharat Diamond Bourse (2018-21) | 0.00          |
| Bharat Diamond Bourse (2021-24) | 2.16          |
|                                 | 2.53          |

| 16 Provisions - non-current                      | 31 March 2022 |
|--|---------------|
| Provision for employee benefits (refer note 29): |               |
| Gratuity   | 9.39          |
| Compensated absences                             | 1.32          |
|  | 10.71         |

| 17 Borrowings - Current                               | 31 March 2022 |
|---|---------------|
| <b>Secured</b>  |               |
| From banks  |               |
| Export Packing Credit *                               | 322.73        |
| Gold loans **   | 157.65        |
| Cash credit from banks ***                            | 413.69        |
| <b>Unsecured</b>                                      |               |
| From Directors ##                                     | 0.01          |
| Current maturities of long term debts (refer note 14) | 34.93         |
|   | 929.01        |

\* Packing Credit Finance are taken from various Banks for a period ranging between 150 - 180 days and carry interest ranging between 3.10% to 10.50% (P.Y. 4.20% - 8.50%) which is computed monthly on the outstanding amount and are repayable on demand.

\*\* Gold loans are taken from various banks for a period of 180-270 days and carry interest ranging between 2.75% to 3.75% (P.Y. 2.75% to 3.75%) against standby letter of credit (SBLC).

\*\*\* Working Capital facilities are secured against;

- 1) First hypothecation charge on entire current assets of the company on pari passu basis with all consortium members.
- 2) First pari passu charge on entire movable fixed assets of the company present and future except vehicles.
- 3) Lien on fixed deposit.
- 4) Land & building at plot no 121, MIDC, Andheri (East)

## Indian rupee loan from Directors amounting to ₹ 0.01 Millions is interest free. There is no tenor for the loan, however, it is repayable on demand.



| 18 Trade payables           | 31 March 2022 |
|-----------------------------|---------------|
| Dues to:                    |               |
| Micro and small enterprises | 6.17          |
| Other Creditors             | 286.10        |
|                             | 292.27        |

| Year Ended 31.03.2022       | Outstanding for following periods from due date of payment |             |             |                   |               |
|-----------------------------|--|-------------|-------------|-------------------|---------------|
| Particulars                 | Less than 1 year   | 1-2 years   | 2-3 years   | More than 3 years | Total         |
| (i) MSME                    | 6.06   | 0.05        | 0.02        | 0.04              | 6.17          |
| (ii) Others                 | 282.92   | 1.93        | 0.74        | 0.52              | 286.10        |
| (iii) Disputed dues- MSME   |  |             |             |                   | -             |
| (iv) Disputed dues - Others |  |             |             |                   | -             |
| <b>Total</b>                | <b>288.98</b>  | <b>1.97</b> | <b>0.75</b> | <b>0.57</b>       | <b>292.27</b> |

**Disclosure for Small, Medium & Small Enterprises:**

|  |      |
|--|------|
| <i>Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.</i>  |      |
| <b>2022</b>  |      |
| Principal amount remaining unpaid to any supplier as at the year end   | 6.17 |
| Interest due thereon   | Nil  |
| Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period  | Nil  |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period ) but without adding the interest specified under the MSMED  | Nil  |
| Amount of interest accrued and remaining unpaid at the end of the accounting period  | Nil  |
| Amount of further interest remaining and due payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006 | Nil  |

| 19 Other current liabilities   | 31 March 2022 |
|--------------------------------|---------------|
| Provision for Interest Payable | 1.73          |
| Unearned Revenue               | -             |
| Statutory dues payable         | -             |
| - Tax deducted at source       | 1.41          |
| - Profession tax               | 0.04          |
| - Employees' state insurance   | 0.07          |
| - Provident fund               | 0.46          |
| Employee benefits payable      | 10.13         |
| Unamortized Forward Premium    | 6.32          |
|                                | <b>20.16</b>  |

| 20 Provisions - Current                           | 31 March 2022 |
|---|---------------|
| Provision for employee benefits :(refer note 29): |               |
| Gratuity  | 1.00          |
| Compensated absences                              | 0.27          |
| Other provisions:                                 |               |
| Provision for Value added tax (refer note 40)     | 0.52          |
|   | <b>1.79</b>   |





**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

**Notes to the Restated Financial Statement (Continued)**  
*for the year ended 31st March 2022*  
*(All amounts in ₹ Million, unless otherwise stated)*

| 21 | Revenue from operations          | 31 March 2022   |
|----|----------------------------------|-----------------|
|    | <b>Sale of products</b>          |                 |
|    | <b>Finished goods:</b>           |                 |
|    | Domestic sales                   |                 |
|    | Finished Jewellery               | 981.54          |
|    | Diamonds & other Precious stones | 659.83          |
|    | Export sales                     |                 |
|    | Finished Jewellery               | 409.05          |
|    | Diamonds & other Precious stones | 1,775.21        |
|    | <b>Total finished goods</b>      | <b>3,825.64</b> |
|    | <b>Sale of services</b>          |                 |
|    | Jobwork charges                  | 142.44          |
|    |                                  | <b>142.44</b>   |
|    | <b>Operating Income</b>          |                 |
|    | Net Foreign Exchange fluctuation | 56.58           |
|    | Interest on bank deposits        | 4.17            |
|    | Other operating revenues         | 1.99            |
|    |                                  | <b>62.74</b>    |
|    |                                  | <b>4,030.82</b> |

**A. Reconciliation of revenue from sale of services and sale of goods from contracted price**

| Particulars   | 31 March 2022   |
|---|-----------------|
| Contracted Price  | 3,968.08        |
| Less: Rebate and discount                                 | -               |
| <b>Revenue recognised in statement of profit and loss</b> | <b>3,968.08</b> |

**B. Disaggregation as per geography**

| Particulars                         | 31 March 2022   |
|-------------------------------------|-----------------|
| <b>Sales in India</b>               |                 |
| To areas other than SEZ             | 1,785.80        |
| To SEZ                              | -               |
| <b>Middle Eastern Countries</b>     |                 |
| To Middle East Countries            | 286.05          |
| <b>Other Countries</b>              |                 |
| To countries other than Middle East | 1,898.22        |
|                                     | <b>3,970.07</b> |

| 22 | Other income                       | 31 March 2022 |
|----|------------------------------------|---------------|
|    | Interest income on others          | 0.80          |
|    | Profit/Loss on sale of Fixed Asset | 0.02          |
|    | Excess Provision Reversed          | 3.21          |
|    | Sundry Balance Write back          | 0.16          |
|    | Miscellaneous income               | 0.68          |
|    |                                    | <b>4.88</b>   |



**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

**Notes to the Restated Financial Statement (Continued)**

for the year ended 31st March 2022

(All amounts in ₹ Million, unless otherwise stated)

| 23 | Cost of raw material and components consumed     | 31 March 2022   |
|----|--|-----------------|
|    | <b>Raw materials and components consumed</b>     |                 |
|    | Stock at the beginning of the year               | 508.48          |
|    | Add: Purchases                                   | 3,461.06        |
|    |  | 3,969.54        |
|    | Less: Stock at the end of the year               | 376.01          |
|    |  | <b>3,593.53</b> |
|    | <b>Break up of cost of raw material consumed</b> |                 |
|    | Gold   | 647.94          |
|    | Alloy and silver                                 | 4.71            |
|    | Platinum   | 108.56          |
|    | Diamonds and precious stones                     | 2,832.32        |
|    |  | <b>3,593.53</b> |
|    | <b>Break up of inventory - raw materials</b>     |                 |
|    | Raw material and components                      |                 |
|    | Gold   | 172.88          |
|    | Alloy and silver                                 | 1.50            |
|    | Platinum   | 8.21            |
|    | Diamonds and precious stones                     | 193.42          |
|    |  | <b>376.01</b>   |

| 24 | Changes in inventories of finished goods, work in progress and traded goods | 31 March 2022  |
|----|---|----------------|
|    | <b>Stock at the beginning of the year</b>                                   |                |
|    | Work-in-progress  | 81.60          |
|    | Finished goods  | 216.44         |
|    |   | 298.04         |
|    | <b>Stock at the end of the year</b>   |                |
|    | Work-in-progress  | 143.21         |
|    | Finished goods  | 170.78         |
|    |   | 313.99         |
|    | <b>(Increase) / decrease in stock</b>                                       | <b>(15.95)</b> |
|    | <b>Details of inventory</b>   |                |
|    | Finished goods  |                |
|    | Diamond studded jewellery   | 170.78         |
|    |   | <b>170.78</b>  |
| 25 | Employee benefits expenses  | 31 March 2022  |
|    | Salaries, wages and bonus   | 82.46          |
|    | Contribution to provident fund and other funds (refer note 29)              | 3.44           |
|    | Gratuity (refer Note 29)  | 1.93           |
|    | Staff welfare charges   | 2.21           |
|    |   | <b>90.04</b>   |



**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

**Notes to the Restated Financial Statement (Continued)**

for the year ended 31st March 2022

(All amounts in ₹ Million, unless otherwise stated)

| 26 Finance cost                   | 31 March 2022 |
|-----------------------------------|---------------|
| Interest on                       |               |
| - Cash credit                     | 50.51         |
| - Gold loans                      | 5.26          |
| - Bill discounting                | 17.29         |
| - Vehicle loan                    | 0.12          |
| - Others                          | 3.21          |
| Bank facilitation charges         | 5.61          |
| Interest on lease liability       |               |
| - Seepz SEZ (2016-22)             | 0.10          |
| - Bharat Diamond Bourse (2021-24) | 0.22          |
| - Bharat Diamond Bourse (2018-21) | 0.00          |
|                                   | <b>82.32</b>  |

| 27 Other expenses   | 31 March 2022 |
|---|---------------|
| Power and fuel  | 7.45          |
| Water charges   | 0.99          |
| Consumables and packing materials                                 | 23.42         |
| <b>Repairs and maintenance:</b>                                   |               |
| - Buildings   | 0.47          |
| - Plant and machinery   | 1.73          |
| - Others  | 2.28          |
| Labour charges  | 82.79         |
| Freight and forwarding charges                                    | 6.64          |
| Commission and service charges                                    | 5.46          |
| Web Server Hosting Charges  | 0.50          |
| Bank charges  | 1.15          |
| Insurance   | 0.73          |
| Travelling and conveyance expenses                                | 3.24          |
| Rent  | 1.11          |
| Rates and taxes   | 11.45         |
| Legal and professional fees                                       | 18.09         |
| Postage, telegrams and telephone charges                          | 0.70          |
| Printing and stationery   | 1.01          |
| Payment to auditors (refer note 27.1)                             | 0.80          |
| Vehicle expenses  | 1.65          |
| Designing charges   | 14.93         |
| Testing charges   | 6.35          |
| Exhibition expenses   | 1.85          |
| Sundry balances written off                                       | 0.62          |
| Miscellaneous expenses  | 3.01          |
| Expected Credit Loss  | 0.00          |
|   | <b>198.44</b> |
| <b>27.1 Payment to auditors (excluding Goods and Service Tax)</b> |               |
| <b>As auditor</b>   |               |
| Statutory audit   | 0.60          |
| Tax audit   | 0.20          |
|   | <b>0.80</b>   |





***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

**28) Capital Commitments and Contingent Liabilities**

| <b>Claims against the company not acknowledged as debt</b> | <b>31 March 2022</b> |
|--|----------------------|
| Income tax matters in dispute                              | 13.47                |
| Sales tax matters in dispute                               | 1.82                 |
| Customs \$   | 28.46                |
| Bank guarantee   | 12.50                |

**Vivad Se Vishwas Scheme**

The Vivad se Vishwas (VsV) Scheme was announced during the Union Budget, 2020, to provide for dispute resolution in respect of pending income tax litigation. The objective of Vivad se Vishwas is to inter alia reduce pending income tax litigation and benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process. The Company has opted for Vivad se Vishwas scheme for its pending Income Tax case pertaining to AY 2009-10, AY 2010-11, AY 2013-14, AY 2015-16 & AY 2016-17 and the relevant taxes were paid during the year. Closure orders from income tax department are awaited.

During earlier years, Company has made exports of goods using Gold metal taken under Gold metal loan scheme. As foreign trade policy have prescribed certain norms for value addition on export of goods which is variably interpreted by custom authorities while releasing the duty bonds on export performance, thus it is more probable that certain outflow of money in lieu of fulfillment of value addition norms need to be provided by company. Accordingly, company has placed fixed deposits with banking institutions to compensate the duty portion whenever liability will arise in future.



***Notes to the Restated Financial Statements***

*for the years ended 31st March 2022*

*(All amounts in ₹ Million, unless otherwise stated)*

**Interest payable to MSMED suppliers**

The vendors and the Company have a long-standing relationship/mutual understanding owing to which no interest is charged by them on their dues beyond 45 days. Therefore, on the basis of this review, the management has estimated that there is no requirement of creation of a provision in this regard.

**Bank guarantee provided**

The Company is required to furnish bank guarantees as part of the business. As at 31st March, 2022, the Company has provided bank guarantees (including letter of credit) amounting to ₹ 12.5 million.

**29) Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits'**

**a) Defined contribution plans**

The Company makes contributions determined as a specific percentage of employee salaries, in respect of qualifying employees towards provident fund, employees state insurance scheme ('ESIS') and Contribution to Maharashtra labour welfare fund which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contribution is charged to the statement of profit and loss as it accrues.

- i) Contribution to provident fund
- ii) Contribution to employees state insurance corporation
- iii) Contribution to Maharashtra labour welfare fund



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

| <b>The Company has recognised the following amounts in the Statement of Profit and Loss for the year:</b> | <b>31 March 2022</b> |
|---|----------------------|
| Employers' Contribution to Provident Fund *   | 2.75                 |
| Employers Contribution to Employees State Insurance Corporation *   | 0.68                 |
| Employers' Contribution to Maharashtra labour Welfare Fund *  | 0.01                 |
| Total   | 3.44                 |

Included in Contribution to Provident and Other Funds (Refer Note "25" Employee benefit expenses)

**b) Defined benefit plans**

**i) Gratuity(Funded)**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service.

The estimates of future salary increases, considered in an actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

In accordance with the Indian Accounting Standard 19 actuarial valuation has been done in respect of defined benefit plan of gratuity based on the following assumptions:-





***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

|   | 31 March 2022   |
|---|---|
|   | Gratuity  |
| Discount rate (p.a.)                                      | 6.33%   |
| Expected rate of return on plan assets (p.a.)             | 6.33%   |
| Salary escalation rate (p.a.)                             | 5.00%   |
| Expected average remaining lives of the employees (years) | 9   |
| Attrition Rate  | For service 4 years and below 17.00 % p.a & For service 5 years and above 7.00% p.a |
| Mortality Rate  | Indian Assured Lives Mortality ( 2006-08)   |
| <b>Change in Present Value of Obligation</b>              |   |
| Present value of obligation as at 1 April 2021            | 10.18   |
| Interest cost   | 0.64  |
| Current service cost                                      | 1.30  |
| Benefits paid directly by Employer                        | (1.92)  |
| Benefits paid from the Fund                               | (0.00)  |
| Actuarial losses / (gain)                                 | 0.44  |
| <b>Present value of obligation as at 31 March 2022</b>    | <b>10.65</b>  |

**c) Defined Benefit Plans**

|  | 31 <sup>st</sup> March 2022 |
|--|-----------------------------|
|  | Gratuity                    |
| <b>i)Change in Fair Value of Plan Assets</b>           |                             |
| Fair value of plan Assets at the beginning of the year | 0.25                        |
| Contributions by the Employer                          | 0.00                        |
| Expected Return on Plan Asset                          | 0.02                        |
| Benefits paid from the Fund                            | 0.00                        |



**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

**Notes to the Restated Financial Statements**

*for the years ended 31st March 2022*

*(All amounts in ₹ Million, unless otherwise stated)*

|   |              |
|---|--------------|
| Actuarial Gains/(Losses) on Plan Assets - Due to Experience   | (0.00)       |
| <b>Fair value of plan Assets at the end of the year</b>   | <b>0.26</b>  |
|   |              |
| <b>ii) Amount recognized in the balance sheet</b>   |              |
| Present Value Obligation as at 31 <sup>st</sup> March 2022  | 10.65        |
|   |              |
| <b>Net Liability recognised as on 31<sup>st</sup> March 2022</b>  | <b>10.65</b> |
|   |              |
| <b>Classification into Current/Non current</b>  |              |
| <b>The asset/liability in respect of each of the two plans comprises of the following non-current and current portions:</b> |              |
| Current   | 1.00         |
| Non current   | 9.39         |
|   | <b>10.39</b> |
| <b>iii) Expenses recognised in the statement of Profit and Loss</b>   |              |
| Current Service Cost  | 1.30         |
| Interest on defined benefit obligation  | 0.63         |
| Expected return on plan asset   | 0.00         |
| <b>Total Expenses</b>   | <b>1.93</b>  |
| <b>iv) Expenses recognised in the Other Comprehensive Income</b>  |              |
| Net actuarial losses / (gains) recognised in the current year   | 0.44         |



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

**Experience Adjustments**

| <b>Gratuity(Funded)</b>                    | <b>31<sup>st</sup> March 2022</b> |
|--|-----------------------------------|
| Defined benefit Obligation                 | 10.65                             |
| <b>Plan Assets</b>                         |                                   |
| Surplus/(Deficit)                          | 10.65                             |
| Experience Adjustments on plan liabilities | 0.44                              |
| Experience adjustment on plan assets       |                                   |

**d) Other Long term employee benefits**

Other long term employee benefits include compensatory absences. Provision for compensatory absences is made on actuarial basis based on the following actuarial assumptions:

**Classification into current/ non-current**

|   |                                   |
|---|-----------------------------------|
| <b>The asset / liability in respect of compensated absences comprises of the following non-current and current portions based on actuarial valuation as required by Indian Accounting Standard (Ind AS 19) prescribed in the Companies (Accounts) Rules, 2014 issued by Central Government.</b> | <b>31<sup>st</sup> March 2022</b> |
| Current   | 0.27                              |
| Non-Current   | 1.32                              |
|   | <b>1.59</b>                       |





*Notes to the Restated Financial Statements*  
*for the years ended 31st March 2022*  
*(All amounts in ₹ Million, unless otherwise stated)*

**30) Expenditure in foreign currency**

| Particulars                       | 31 <sup>st</sup> March 2022 |
|-----------------------------------|-----------------------------|
| Designing charges                 | 14.93                       |
| Travelling and conveyance charges | 0.53                        |
| Total                             | 15.46                       |

**31) Earnings in foreign currency**

| Particulars   | 31 <sup>st</sup> March 2022 |
|---------------|-----------------------------|
| FOB of Export | 2,179.77                    |

**32) Details of imported and indigenous of raw materials consumed and percentage of each to total consumption during the financial year**

|                          | Percentage                        | Value                             |
|--------------------------|-----------------------------------|-----------------------------------|
| <b>Raw Material</b>      | <b>31<sup>st</sup> March 2022</b> | <b>31<sup>st</sup> March 2022</b> |
| Imported                 | 99.99%                            | 53.60                             |
| Indigenous               | 0.01%                             | 0.00                              |
|                          | <b>100.00%</b>                    | <b>53.60</b>                      |
|                          |                                   |                                   |
| <b>Stores and Spares</b> |                                   |                                   |
|                          |                                   |                                   |
| Imported                 | 19.45%                            | 4.56                              |
| Indigenous               | 80.55%                            | 18.86                             |
|                          | <b>100.00%</b>                    | <b>23.42</b>                      |



**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**

**CIN: U52393MH2007PLC174977**

***Notes to the Restated Financial Statements***

*for the years ended 31st March 2022*

*(All amounts in ₹ Million, unless otherwise stated)*

**33) Value of Imports calculated on CIF basis (on accrual basis)**

| <b>Particulars</b> | <b>31<sup>st</sup> March 2022</b> |
|--------------------|-----------------------------------|
| Raw Materials      | 53.60                             |
| Finished Goods     | 0.00                              |
| Stores and Spares  | 4.56                              |
| <b>Total</b>       | <b>58.15</b>                      |

**34) Earnings per Share(EPS)**

| <b>Particulars</b>  | <b>31<sup>st</sup> March 2022</b> |
|---|-----------------------------------|
| Profit after tax attributable to equity shareholders                                  | 53.72                             |
| Number of equity shares outstanding at the end of the year (No. in Millions)          | 4.15                              |
| Weighted average number of equity shares outstanding during the year.                 | 4.15                              |
| Weighted average number of dilutive equity shares outstanding at the end of the year. | 4.15                              |
| Diluted earnings per share (₹)  | 12.94                             |
| Basic earnings per share (₹)  | 12.94                             |



*Notes to the Restated Financial Statements  
for the years ended 31st March 2022  
(All amounts in ₹ Million, unless otherwise stated)*

**35) Derivative Instruments**

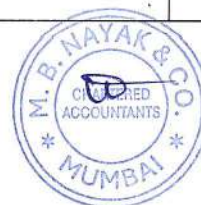
The Company uses forward exchange contracts to hedge its exposure to movement in foreign exchange rates

**I. Hedged Foreign Currency Exposures**

| Foreign currency exposure on account of trade receivables hedged by derivative instruments is as follows: |                             |  |               |
|---|-----------------------------|--|---------------|
|   | 31 <sup>st</sup> March 2022 |  |               |
|   | Foreign<br>Currency         | Amount in millions<br>foreign currency | Rupees        |
| Trade Receivables(Rs in Million)  | USD                         | 8.38                                   | 631.21        |
| <b>Total</b>  |                             | <b>8.38</b>                            | <b>631.21</b> |

**II. Unhedged Foreign Currency Exposures**

| Foreign currency exposure on account of trade receivables not hedged by derivative instruments is as follows: |                             |  |               |
|---|-----------------------------|--|---------------|
|   | 31 <sup>st</sup> March 2022 |  |               |
|   | Foreign<br>Currency         | Amount in millions<br>foreign currency | Rupees        |
| Trade Receivables   | USD                         | 1.78                                   | 134.17        |
| <b>Total</b>  |                             | <b>1.78</b>                            | <b>134.17</b> |
|   | Foreign<br>Currency         | Amount in millions<br>foreign currency | Rupees        |
| Trade Payables  | USD                         | 0.10                                   | 7.55          |
| <b>Total</b>  |                             | <b>0.10</b>                            | <b>7.55</b>   |





**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**

**CIN: U52393MH2007PLC174977**

***Notes to the Restated Financial Statements***

*for the years ended 31st March 2022*

*(All amounts in ₹ Million, unless otherwise stated)*

**36) Segment Reporting**

The Company is engaged in manufacturing and selling of jewellery which is the primary business segment based on the nature of products manufactured and sold. There are no other primary reportable segments.

The above business segment has been identified considering :

- The nature of the product
- The differing risk and returns
- The internal financial reporting systems

**Secondary segment information**

The Company's operations are managed from India. The principal geographical areas in which the Company operates are India and Europe, Middle East, Asia, USA & Other Countries. Segment assets do not include income tax assets.

| <b>Geographical Segments</b> | <b>Composition</b>                                |
|------------------------------|---|
| Domestic                     | All over India                                    |
| International                | Primarily to Middle East Countries, Hongkong, USA |

Secondary segment information with respect to geographical location has been undertaken to be disclosed. Thus, the segment revenue, segment asset, segment result, total carrying amount of segment assets and total carrying amount of segment liabilities during the year are as reflected in financial statements for the year ended 31 March 2022. Accordingly, the segment information as required by Ind AS 108 on "Operating Segments" is disclosed and given below:



**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

*Notes to the Restated Financial Statements*  
*for the years ended 31st March 2022*  
*(All amounts in ₹ Million, unless otherwise stated)*

| <b>Sales Revenue by Geographical Market</b>         |                                   |
|---|-----------------------------------|
|   | <b>31<sup>st</sup> March 2022</b> |
| Sales India   | 1,785.80                          |
| Sales to SEZ India                                  | 0.00                              |
| Sales to Middle East Countries                      | 286.05                            |
| Sales to countries other than Middle East countries | 1,898.22                          |
|   | <b>3,970.07</b>                   |
| <b>Carrying Amount of segment assets*</b>           |                                   |
| India   | 1,530.57                          |
| SEZ India   | 4.87                              |
| Middle East Countries                               | 223.27                            |
| Other than Middle East Countries                    | 542.21                            |
|   | <b>2,300.92</b>                   |
| <b>Capital Expenditure</b>                          |                                   |
| India   | 14.24                             |
| SEZ India   | 2.44                              |
| Middle East Countries                               | 0.00                              |
| Other than India                                    | 0.00                              |
|   | <b>16.68</b>                      |

\*Segment assets excludes Tax Assets



**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

**Notes to the Re-stated Financial Statement (Continued)**  
for the year ended 31 March 2022  
(All amounts in ₹ Million, unless otherwise stated)

**37 Disclosures as required by the Indian Accounting Standard - 24 on 'Related Party Disclosures' are given below (Continued) :**

| Nature of Relationship   | Name of Related Party  |
|--|--|
| Subsidiary companies   | Priority Creations Private Limited<br>Priority Gold & Jewellery DMCC   |
| Key managerial personnel   | Mr. Shailesh Sangani<br>Mrs. Manisha Sangani<br>Mr. Tushar Mehta   |
| Relatives of key managerial personnel  | Mrs. Aditi Karan Motla, daughter of Shailesh and Manisha Sangani<br>Mrs. Aashna Parikh, daughter of Shailesh and Manisha Sangani |
| Entities over which key managerial personnel and / or their relatives exercise significant influence | VM Jewellery   |

\* Priority Creations Private Limited was a subsidiary of the Company till the reporting period ending 31st March 2022, holding 60% of its equity share capital. This investment was divested during the financial year ending 31st March 2022.

**Transactions with related parties and outstanding balances as on the year end.**

| Nature of transaction                      | Key Managerial Personnel | Relatives of Key Managerial Personnel | Entities over which Key Managerial personnel and/or their relatives exercise significant influence | Subsidiaries |
|--|--------------------------|---------------------------------------|--|--------------|
|  | 2021-22                  | 2021-22                               | 2021-22  | 2021-22      |
| <b>Transaction for the year</b>            |                          |                                       |  |              |
| <b>Sales</b>                               |                          |                                       |  |              |
| Priority Gold Private Ltd                  | -                        | -                                     | -  | -            |
| <b>Managerial Remuneration</b>             |                          |                                       |  |              |
| Shailesh Sangani                           | 4.80                     | -                                     | -  | -            |
| Tushar Mehta                               | 2.10                     | -                                     | -  | -            |
| Aditi Karan Motla                          | -                        | 0.28                                  | -  | -            |
| Aashna Parikh Sangani                      | -                        | 0.30                                  | -  | -            |
| <b>Loans taken (non interest bearing)</b>  |                          |                                       |  |              |
| Shailesh Sangani                           | 4.87                     | -                                     | -  | -            |
| Manisha Sangani                            | -                        | -                                     | -  | -            |
| <b>Loan repaid (non interest bearing)</b>  |                          |                                       |  |              |
| Shailesh Sangani                           | 6.97                     | -                                     | -  | -            |
| Manisha Sangani                            | 0.03                     | -                                     | -  | -            |
| <b>Closing balance</b>                     |                          |                                       |  |              |
| <b>Loans payable</b>                       |                          |                                       |  |              |
| Manisha Sangani                            | -                        | -                                     | -  | -            |
| Shailesh Sangani                           | 0.01                     | -                                     | -  | -            |
| <b>Employee benefits payable</b>           |                          |                                       |  |              |
| Shailesh Sangani                           | 0.05                     | -                                     | -  | -            |
| Tushar Mehta                               | 0.04                     | -                                     | -  | -            |
| <b>Trade payables</b>                      |                          |                                       |  |              |
| Priority Marketing Private Limited         | -                        | -                                     | -  | -            |
| Efficient Laser Technology Private Limited | -                        | -                                     | -  | -            |
| <b>Trade receivables</b>                   |                          |                                       |  |              |
| Priority Gold Private Ltd                  | -                        | -                                     | -  | -            |
| V.M Jewellery                              | -                        | -                                     | -  | -            |
| <b>Investment</b>                          |                          |                                       |  |              |
| Priority Creations Private Limited         | -                        | -                                     | -  | -            |
| Priority Gold & Jewellery DMCC             | -                        | -                                     | -  | -            |





**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

**38) Corporate Social Responsibility**

As per Section 135 of Companies Act Current year Net worth/Turnover/Net Profit is below the prescribed threshold Limit. Hence no CSR expenditure incurred by company during the year.

Information with regard to the other additional information and other disclosures to be disclosed by way of notes to the statement of profit and loss as specified in the Schedule III of the Act, is either 'nil' or 'not acceptable' to the Company for the year.

**39) Disclosure under Section 186 of the companies act,2013**

The details of loans, guarantees and investments under section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows.

| Particulars  | 31 <sup>st</sup> March 2022 |
|--|-----------------------------|
| Investment in Equity Shares  |                             |
| Balance as at the beginning of the year (Priority Gold Private Limited & Priority Creations Private Limited) | 0.00                        |
| Less: Priority Creations Pvt Ltd. Strike off application made during the year                                | 0.00                        |
| Balance as at the year end   | 0.00                        |
| Investments in Equity Shares   |                             |
| Balance as at the beginning of the year (Priority Gold & Jewellery DMCC)                                     | 10.93                       |
| Add: Investments made during the year (Priority Gold & Jewellery DMCC)                                       | 0.00                        |
| Less: Disinvestment during the year  | 10.93                       |
| Balance as at the year end   | 0.00                        |



***Notes to the Restated Financial Statements***  
***for the years ended 31st March 2022***  
***(All amounts in ₹ Million, unless otherwise stated)***

**40) 'Disclosures relating to provisions**

'Provision in respect of Value added tax matters

'The Company has made provisions for Value Added Tax related matters, which will be settled on completion of the assessment

'Summary of the movement in the provisions is given below

| <b>Particulars</b>                  | <b>Amount</b> |
|-------------------------------------|---------------|
| Opening Balance as on 01 April 2021 | 0.52          |
| Additions during the year           | -             |
| Utilisations                        | -             |
| Reversals                           | -             |
| Closing Balance as on 31 March 2022 | 0.52          |

**41) Debtors and Creditors are subject to confirmation**

**42) Other Statutory Information**

- i) The Company does not have any Benami Property and there are no proceeding against the Company for holding any benami property under the Benami Transactions Prohibition Act ,1988(45 of 1988) and the rules made thereunder
- ii) The Company has not traded or invested in crypto currency or virtual currency during the current year and previous year
- iii) There Company does not have any transactions which are not recorded in the books of account that have been surrendered or disclosed as income in the tax assessments under the Income Tax Act 1961 during the current year and previous year.



**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

*Notes to the Restated Financial Statements*  
*for the years ended 31st March 2022*  
*(All amounts in ₹ Million, unless otherwise stated)*

iv) There are no Schemes of Arrangements which are either pending or have been approved by the competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the current year and previous year.

**43) 'Previous year's figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / presentation.

**44) An Amount of Subsidy received from government of Maharashtra is reduced from the block of Vehicle in Fixed Assets.**

**45) Investment in Priority Gold & Jewellery DMCC has been repatriated during the Financial Year 2021-22, on account of closure of Company.**

For **MB NAYAK & CO**  
*Chartered Accountants*

Firm's Registration No:  
107014W

*Uday D. Padia*

**Uday D. Padia**

*Partner*

Membership No: 602893



For and on behalf of the Board of Directors of  
**Priority Jewels Limited**  
(formerly known as Priority Jewels Private Limited)

*S.H. Sangani*

**Shailesh H. Sangani**

*Chairman & Managing Director*

DIN: 00187474

*Tushar A. Mehta*

**Tushar A. Mehta**

*Whole Time Director & CFO*

DIN: 00187368

Date: **22 APR 2025**

Place: Mumbai

Date: **22 APR 2025**

Place: Mumbai

Date: **22 APR 2025**

Place: Mumbai

*Aakriti Bhushan*

**Aakriti Bhushan**

*Company Secretary & Compliance Officer*

Membership No. A67952

Date: **22 APR 2025**

Place: Mumbai





**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
CIN: U52393MH2007PLC174977

**Notes to the Restated Financial Information (Continued)**  
for the year ended 31 March 2022

**Note 46: Ratios**

| No. | Particulars                            | Numerator   | Denominator  | Ratio            |
|-----|--|---|--|------------------|
|     |  |   |  | As at 31.03.2022 |
| 1   | <b>Current Ratio</b>                   | Current Assets  | Current Liabilities  | 1.73             |
| 2   | <b>Debt Equity Ratio</b>               | Total Debt (Long term Borrowings & Short Term Borrowings) | Shareholders Equity (i.e. Share Capital + Reserve & Surplus) | 1.09             |
| 3   | <b>Debt Service Coverage Ratio</b>     | PAT + Depreciation + Interest                             | Interest + Installment due within 1 year                     | 0.15             |
| 4   | <b>Return on Equity Ratio</b>          | Net Profit after Tax                                      | Shareholders Equity (i.e. Share Capital + Reserve & Surplus) | 5.63%            |
| 5   | <b>Inventory Turnover Ratio</b>        | Sales   | Average Inventory  | 5.39             |
| 6   | <b>Trade Receivable Turnover Ratio</b> | Sales (Total Op Income)                                   | Average Receivable   | 3.42             |
| 7   | <b>Trade Payable Turnover Ratio</b>    | Purchases on Credit                                       | Average Payables   | 9.94             |
| 8   | <b>Net Capital Turnover Ratio</b>      | Sales (Total Op Income)                                   | Working Capital  | 4.43             |
| 9   | <b>Net Profit Ratio</b>                | Net Profit after Tax                                      | Sales (Total Op Income)                                      | 1.33%            |
| 10  | <b>Return on Capital Employed</b>      | Net Profit after Tax + Finance Cost                       | Total Assets - Current Liabilities                           | 12.65%           |
| 11  | <b>Return on Investment</b>            | Net profit after Tax                                      | Cost of Investment   | -                |

For MB NAYAK & CO  
Chartered Accountants

Firm's Registration No: 107014W

Uday D. Padia  
Partner

Membership No: 602893

Date: 22 APR 2025  
Place: Mumbai



For and on behalf of Board of Directors of  
Priority Jewels Limited  
(formerly known as Priority Jewels Private Limited)

S.H. Sangani  
Shailesh H Sangani  
Chairman and Managing Director  
DIN: 00187474

Date: 22 APR 2025  
Place: Mumbai

Tushar A Mehta  
Whole Time Director and CFO  
DIN: 00187398

Date: 22 APR 2025  
Place: Mumbai

Aakriti Bhushan  
Company Secretary and Compliance Officer  
Membership No: A67952

Date: 22 APR 2025  
Place: Mumbai



**Priority Jewels Limited (formerly known as Priority Jewels Private Limited)**  
**CIN: U52393MH2007PLC174977**

**A Reconciliation of the assets and liabilities presented in the balance sheet prepared as per audited financial statements and as per the restated financial information**

| Particulars  | Note   | Balance Sheet as at March 31, 2022 |                                |                 |
|--|--------|------------------------------------|--------------------------------|-----------------|
|  |        | IGAAP                              | Effect of transition to Ind-AS | Ind-AS          |
| <b>ASSETS</b>  |        |                                    |                                |                 |
| <b>Non-Current Assets</b>  |        |                                    |                                |                 |
| a) Property, Plant & Equipment   |        |                                    |                                |                 |
| Tangible Asset   |        | 151.98                             | -                              | 151.98          |
| Intangible Assets  |        | 0.68                               | 0.00                           | 0.68            |
| b) Capital Work-in-progress  |        | -                                  | -                              | -               |
| c) Right of Use Asset  | Note-1 | -                                  | 2.43                           | 2.43            |
| <b>d) Financial Assets</b>   |        |                                    |                                |                 |
| Non current Investment   | Note-2 | 0.26                               | 0.25                           | 0.51            |
| Other Financial Asset  | Note-3 |                                    | 4.52                           | 4.52            |
| Long term loans and advances   | Note-4 | 18.63                              | (18.63)                        | -               |
| Other Non current Asset  | Note-3 | 4.52                               | (4.52)                         | -               |
| e) Deferred Tax Assets (Net)   |        | 5.80                               | (0.00)                         | 5.80            |
| <b>Total non-current assets</b>  |        | <b>181.88</b>                      | <b>(15.96)</b>                 | <b>165.92</b>   |
| <b>Current Assets</b>  |        |                                    |                                |                 |
| a) Inventories   |        | 690.00                             | 0.00                           | 690.00          |
| b) Financial assets  |        |                                    |                                |                 |
| (i) Trade receivables  | Note-5 | 1,181.64                           | (0.01)                         | 1,181.63        |
| (ii) Cash and cash equivalents   |        | 147.09                             | (0.00)                         | 147.09          |
| c) Current Tax Asset(Net)  | Note-4 | -                                  | 5.33                           | 5.33            |
| d) Other current assets  | Note-6 | 16.63                              | 112.40                         | 129.03          |
| Short term loans and advances  | Note-6 | 112.40                             | (112.40)                       | -               |
| <b>Total Current assets</b>  |        | <b>2,147.75</b>                    | <b>5.33</b>                    | <b>2,153.08</b> |
| <b>TOTAL ASSETS</b>  |        | <b>2,329.63</b>                    | <b>(10.63)</b>                 | <b>2,319.00</b> |
| <b>EQUITY AND LIABILITIES</b>  |        |                                    |                                |                 |
| <b>Equity</b>  |        |                                    |                                |                 |
| Equity Share Capital   |        | 41.50                              | -                              | 41.50           |
| Other Equity   | Note-7 | 912.47                             | 0.15                           | 912.62          |
| <b>Total Equity</b>  |        | <b>953.97</b>                      | <b>0.15</b>                    | <b>954.12</b>   |
| <b>Liabilities</b>   |        |                                    |                                |                 |
| <b>Non-Current Liabilities</b>   |        |                                    |                                |                 |
| <b>Financial liabilities</b>   |        |                                    |                                |                 |
| a) Borrowings  | Note-1 | 108.40                             | (0.00)                         | 108.40          |
| b) Lease Liabilities   |        | -                                  | 2.53                           | 2.53            |
| <b>Provisions</b>  |        |                                    |                                |                 |
| a) Provisions  |        | 10.71                              | (0.00)                         | 10.71           |
| <b>Total Non-Current Liabilities</b>                                   |        | <b>119.12</b>                      | <b>2.53</b>                    | <b>121.65</b>   |
| <b>Current Liabilities</b>   |        |                                    |                                |                 |
| <b>Financial Liabilities</b>   |        |                                    |                                |                 |
| a) Borrowings  | Note-8 | 894.08                             | 34.93                          | 929.01          |
| b) Trade Payables  |        |                                    |                                |                 |
| - due to Micro Enterprises and small enterprises                       |        | 6.17                               | 0.00                           | 6.17            |
| - dues to Creditors other than Micro Enterprises and Small Enterprises |        |                                    | (0.00)                         |                 |
|  |        | 286.10                             |                                | 286.10          |
| <b>Other current liabilities</b>                                       |        |                                    |                                |                 |
| a) Other current liabilities   | Note-8 | 55.09                              | (34.93)                        | 20.16           |
| <b>Provisions</b>  |        |                                    |                                |                 |
| a) Provisions  | Note-9 | 15.10                              | (13.31)                        | 1.79            |
| <b>Total Current Liabilities</b>                                       |        | <b>1,256.54</b>                    | <b>(13.31)</b>                 | <b>1,243.23</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    |        | <b>2,329.63</b>                    | <b>(10.63)</b>                 | <b>2,319.00</b> |



**B Reconciliation of the income and expenses presented in the statement of profit and loss prepared as per audited financial statements and as per restated financial information is as follows:**

| Particulars   | Note    | Year ended March 31,2022 |                                |                 |
|---|---------|--------------------------|--------------------------------|-----------------|
|   |         | IGAAP                    | Effect of transition to Ind-AS | Ind-AS          |
| Revenue from Operations   | Note 10 | 3,970.07                 | 60.75                          | 4,030.82        |
| Other income, net   | Note 10 | 65.63                    | (60.75)                        | 4.88            |
| <b>Total Income</b>   |         | <b>4,035.69</b>          | <b>0.00</b>                    | <b>4,035.69</b> |
| <b>Expenses</b>   |         |                          |                                |                 |
| Cost of materials consumed  |         | 3,593.53                 | 0.00                           | 3,593.53        |
| Changes in inventories of finished goods  |         | (15.95)                  | 0.00                           | (15.95)         |
| Employee benefits expense   | Note-11 | 90.48                    | (0.44)                         | 90.04           |
| Finance costs   | Note-12 | 82.00                    | 0.32                           | 82.32           |
| Depreciation and amortization expense (excluding wind mill depreciation)          | Note-12 | 12.42                    | 2.41                           | 14.83           |
| Other expenses  | Note-12 | 201.08                   | (2.63)                         | 198.44          |
| <b>Total Expenses</b>   |         | <b>3,963.55</b>          | <b>(0.34)</b>                  | <b>3,963.21</b> |
| <b>Profit before Exceptional Items, Exchange Gain / (Loss) and Tax</b>            |         | <b>72.14</b>             | <b>0.34</b>                    | <b>72.48</b>    |
| Exchange Gain/(Loss)  |         | -                        | -                              | -               |
| Exceptional Items (net)   |         | -                        | -                              | -               |
| <b>Profit before Tax</b>  |         | <b>72.14</b>             | <b>0.34</b>                    | <b>72.48</b>    |
| <b>TAX EXPENSES</b>   |         |                          |                                |                 |
| (a) Current tax   |         | 18.16                    | 0.00                           | 18.16           |
| (b) Deferred tax  |         | 0.60                     | 0.00                           | 0.60            |
| (c) Tax expense relating to prior years   |         | -                        | -                              | -               |
| <b>Total tax expenses</b>   |         | <b>18.76</b>             | <b>-</b>                       | <b>18.76</b>    |
| <b>Profit after Tax</b>   |         | <b>53.38</b>             | <b>0.34</b>                    | <b>53.72</b>    |
| <b>OTHER COMPREHENSIVE INCOME</b>   |         |                          |                                |                 |
| A) (i) Item that will not be reclassified to profit or loss                       | Note-11 | 0.00                     | 0.44                           | 0.44            |
| (ii) Income Tax relating to items that will not be reclassified to profit or loss |         | -                        | -                              | -               |
| B) (i) Item that will be reclassified to profit or loss                           | Note-12 | 0.00                     | 0.07                           | 0.07            |
| (ii) Income Tax relating to items that will be reclassified to profit or loss     |         | -                        | -                              | -               |
| <b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>                             |         | <b>53.38</b>             | <b>(0.03)</b>                  | <b>53.35</b>    |
| Earnings per share of Rs. 10- each :  |         |                          |                                |                 |
| (a) Basic   |         | 12.86                    |                                | 12.94           |
| (b) Diluted   |         | 12.86                    |                                | 12.94           |





Note 1

#### Adjustment of the Right-of-use Asset

As per Ind-AS 116, Leases, any lessee who has undertaken a lease obligation is required to recognize a lease liability at the Present Value of the future lease payments. A corresponding Right-of-use Asset is recognized at the same amount. As per Ind-AS 101, First Time Adoption of Indian Accounting Standards, the Company chose the option to prospectively show the lease liability and right-of-use asset from the date of transition.

Note 2

#### Non-current investments

As per Ind-AS 109, Financial Instruments, the investment in Sovereign Gold Bond held by the Company fit into the definition of a 'Financial Asset'. Ind-AS 101 requires the Fair Value as on the date of transition to be the deemed cost of that Asset for Re-statement.

Note 3

#### Re-classification to Financial Assets

Security Deposits & Deposits with a maturity of more than 12 months have been re-classified into this category as they fall in the definition of being Financial Assets as per Ind-AS 109. They were recognized under the head of "Other non-current Assets" in the IGAAP.

Note 4

#### Re-classification as per Ind-AS Framework

In the earlier audited financial statements, 'Advance tax and TDS paid' was classified in the category of 'Long-term loans and advances'. Since, the Ind-AS framework requires a more precise classification, these have been classified under 'Current Tax Asset (Net)'.

Note 5

#### Trade Receivables

Since Ind-AS 109 dictates that any asset with a contractual cash inflow is deemed to be a Financial Asset, Trade Receivables held by the Company also fall in this gambit. Thus, the requirement of recognizing an Expected Credit Loss as per Ind-AS 109 applies to Trade Receivables as well. The difference between amounts as per IGAAP and as per Ind-AS are due to the recognition of the Expected Credit Loss of Rs. 1450/-.

Note 6

#### Other Current Assets

Items earlier classified as 'Short-term Loans & Advances' have been re-classified into 'Other Current Assets' as per Ind-AS Framework. Following are the items that were earlier classified as 'Short-term Loans and Advances':

| Particulars                                   | 31st March, 2022 |
|---|------------------|
| Advance to suppliers                          | 55.06            |
| Advances for exhibitions                      | 0.25             |
| Loans to employees                            | 3.23             |
| Prepaid expenses                              | 5.58             |
| Balance with government and local authorities | 48.29            |
| <b>Total</b>                                  | <b>112.40</b>    |

Note 7

#### Other Equity

Difference in the Other Equity is due to the introduction of a reserve called 'Other Comprehensive Income' which was not present in the IGAAP framework as well as certain differences arising due to re-classification of certain expenses and incomes from the Profit and Loss Account to the Other Comprehensive Income.

Note 8

#### Short-term borrowings

The current maturities of long-term borrowing fall due within a period of 12 months and thus are 'Current' in nature and as re-classified from 'Other Current Liabilities' in the IGAAP Audited Financial Statements to 'Current Borrowings' in the Ind-AS Statement of Assets & Liabilities.

Note 9

#### Short-term Provisions

Provision for tax has been netted-off from the Current Tax Asset in line with the requirement of Ind-AS.

Note 10

#### Revenue from Operations

As per Ind-AS 115, Revenue from Contracts with Customers, any revenue from a contract with a Customer shall be recognized as Revenue from Operations. Following items were thus considered to be 'Revenue' as per Ind-AS 115:

| Particulars                      | 31st March, 2022 |
|----------------------------------|------------------|
| Net Foreign Exchange fluctuation | ₹ 56.58          |
| Interest income on Bank Deposits | ₹ 4.17           |
| <b>TOTAL</b>                     | <b>₹ 60.75</b>   |

Note 11

#### Actuarial Losses from Defined Benefit Obligation as per Ind-AS 19

As per Ind-AS 19, Employee Benefits, the Company is required to recognize Actuarial Gains/(Losses) through the Other Comprehensive Income and not expense it in the Statement of Profit & Loss.

Note 12

#### Adjustment for Lease Liabilities and Right-of-use Asset

Ind-AS 116 states that a contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has thus recognized Lease Liabilities and Right-of-use Assets. The Ind-AS requires amortization of the Right-of-use Asset as well as the unwinding of the Lease Liabilities.

