

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, 2023, 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 Statements, 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, 2023, 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.



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 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, 2023, 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 4, 2023.
- b) Since we are the statutory auditors of the Company for the year ended March 31, 2023, 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, 2023 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, 2023.

- 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 also 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

ICAI Firm Registration No. 107014W

Uday

Uday D. Padia

Partner

Membership No. 602893

UDIN: 25602893BNFURI4132



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

ICAI Firm Registration No. 107014W

Uday



Uday D. Padia
Partner

Membership No. 602893

UDIN: 25602893BNFURI4132

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 31st March 2023
(All amounts in ₹ Million, unless otherwise stated)

Particulars	Note	31 March 2023	31 March 2022
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	147.53	155.08
(b) Capital Work-in-Progress		0.05	-
(c) Financial Assets			
- Non-Current Investments	4	-	0.51
- Other financial assets	5	5.89	4.52
(d) Deferred Tax Assets (Net)	6	5.44	5.80
Total Non-current assets		158.91	165.93
CURRENT ASSETS			
a) Inventories	7	1,018.17	690.00
b) Financial Assets			
- Trade Receivables	8	1,161.95	1,181.63
- Cash and Bank Equivalents	9	336.94	147.09
c) Current Tax Asset (Net)	10	13.75	5.33
d) Other Current Assets	11	115.07	129.03
Total Current assets		2,645.89	2,153.08
TOTAL ASSETS		2,804.80	2,319.00
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	12	41.50	41.50
Other equity	13	956.89	912.62
		998.39	954.12
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
(a) Borrowings	14	72.17	108.40
(b) Lease liabilities	15	6.42	2.53
Provisions			
(a) Provisions	16	8.81	10.71
Total Non-current liabilities		87.41	121.65
Current liabilities			
Financial liabilities			
(a) Borrowings	17	1,098.59	929.01
(b) Trade payables	18		
- due to Micro Enterprises and small enterprises		7.02	6.17
- dues to Creditors other than Micro Enterprises and Small Enterprises		515.37	286.10
Other current liabilities			
(a) Other current liabilities	19	93.13	20.16
Provisions			
(a) Provisions	20	4.90	1.79
Total Current liabilities		1,719.00	1,243.23
TOTAL EQUITY AND LIABILITIES		2,804.80	2,319.00

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

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

Shailesh H Sangani
Chairman and Managing Director
DIN: 00187474

Tushar A Mehta
Tushar A Mehta
Whole time Director and CFO
DIN: 00187368

Date: 22 APR 2025
Place: Mumbai

Date: 22 APR 2025
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 2023
(All amounts in ₹ Million, unless otherwise stated)

Particulars	Note	31 March 2023	31 March 2022
I. Revenue from operations	21	4,708.52	4,030.82
II. Other income	22	5.71	4.88
III. TOTAL REVENUE (I + II)		4,714.23	4,035.69
IV. EXPENSES			
Cost of raw material and components consumed	23	4,335.92	3,593.53
Changes in inventories of finished goods, work-in-progress and traded goods	24	(169.30)	(15.95)
Employee benefit expenses	25	105.14	90.04
Finance costs	26	83.63	82.32
Depreciation and amortisation	3	15.04	14.83
Other expenses	27	282.79	198.44
TOTAL EXPENSES (IV)		4,653.21	3,963.21
V. RE-STATE PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX [III - IV.]		61.02	72.48
VI. Exceptional Items		-	-
VII. RE-STATE PROFIT BEFORE TAX [V - VI]		61.02	72.48
Less: Tax expenses		15.70	18.16
- Current tax		0.36	0.60
- Deferred tax charge / (credit)		16.06	18.76
RE-STATE PROFIT/ (LOSS) AFTER TAX		44.95	53.72
VIII. OTHER COMPREHENSIVE INCOME:			
A. i) Items that will not be reclassified to profit and loss		0.69	0.44
ii) Income tax relating to items that will not be reclassified to profit or loss		0.00	0.07
B. i) Items that will be reclassified to profit and loss			
ii) Income tax relating to items that will be reclassified to profit or loss			
IX. TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR (V+VIII)		44.26	53.35
Earnings per equity share of ₹ 10 {Based on profit for the year}			
Basic	34	10.83	12.94
Diluted	34	10.83	12.94

Material accounting policies
See accompanying notes forming part of the financial statements

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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: 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: 00187368

Date: 22 APR 2025
Place: Mumbai

Aakriti Bhushan
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

Restated Cash Flow Statement

for the year ended 31st March 2023

(All amounts in ₹ Million, unless otherwise stated)

Particulars	31 March 2023	31 March 2022
A. Cash flow from operating activities		
Net profit before tax	61.02	72.48
Adjustments for :		
Deferred tax	(0.36)	(0.60)
Depreciation and amortisation	15.04	14.83
Finance Cost	83.63	82.32
Operating profit before working capital changes	159.32	169.03
Increase / (Decrease) in long-term provisions		(138.44)
Increase / (Decrease) in trade payables	230.12	(4.36)
Increase / (Decrease) in other current liabilities	76.08	116.52
(Increase) / Decrease in inventories	(328.18)	(6.04)
(Increase) / Decrease in trade receivables	19.68	(40.30)
(Increase) / Decrease in other current assets	13.96	(0.82)
(Increase) / Decrease in other Non current assets	(2.68)	
Cash (used in) / generated from operations	168.30	95.61
Less: Income tax paid (net)	21.44	15.32
Net cash flow (used in)/ from operating activities (A)	146.86	80.29
B. Cash flow from investing activities		
Bank balances not considered cash and cash equivalents	(89.47)	(100.07)
Purchase of Property, Plant and Equipment	(19.84)	(18.11)
Proceeds from sale of Property, Plant and Equipment	12.30	1.01
(Purchase)/Realisation of investments	(0.85)	10.54
Net cash from / (used in) investing activities (B)	(97.86)	(106.63)
C. Cash flow from financing activities		
Proceeds from short-term borrowings (Net)	169.58	8.20
Proceeds from long-term borrowings (Net)	(34.24)	(10.16)
Inc/(Dec) in item concerning net worth	(0.69)	(0.37)
Deferred tax	0.36	0.60
Finance cost paid	(83.63)	(82.32)
Net cash from / (used in) financing activities (C)	51.39	(84.05)
Net increase in cash and cash equivalents during the year (A-B+C)	100.38	(110.39)
Opening cash and cash equivalents	47.02	157.41
Closing cash and cash equivalents	147.40	47.02

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

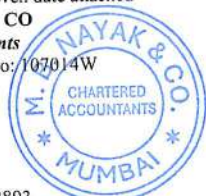
Firm's Registration No: 107014W

Uday D. Padia

Uday D. Padia
Partner

Membership No: 602893

Date: 22 APR 2025
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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

Restated Statement of Changes in Equity
for the year ended 31st March 2023
(All amounts in ₹ Million, unless otherwise stated)

A Equity Share Capital

For the year ending 31st March 2023

Particulars	Amount
Equity share capital issued, subscribed and fully paid	41.50
As at 1st April, 2022	-
Shares issued during the year	-
Shares bought back during the year	-
As at 31st March, 2023	41.50

For the year ending 31st March 2022

Particulars	Amount
Equity share capital issued, subscribed and fully paid	41.50
As at 1st April, 2021	-
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
Add: Profit for the year	-	44.95	-	44.95
Add: Other comprehensive income for the year	-	-	(0.69)	(0.69)
Add/(Less): Transfer to Retained Earnings	-	0.26	(0.26)	-
Balance as at 31st March, 2023	66.75	892.00	(1.86)	956.89

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: **22 APR 2025**
 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: **22 APR 2025**
 Place: Mumbai

Tushar A Mehta
Whole time Director and CFO
 DIN: 00187368

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

Notes to the Restated Financial Statements
for the years ended 31st March 2023
(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, Tamil nadu, Madurai and Thrissur.

2) Material accounting policies

2.1 Basis of Preparation of financial statements

For the year ended 31 March 2023 & 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 2023 & 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.

These re-stated financial statements of the Company comprise of Re-stated Statement of Assets & Liabilities as at 31st March 2023 & 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 years ended 31st March 2023 & 31st March 2022 and the Summary of Material Accounting Policies and explanatory notes (collectively, the 'Re-stated Financial statements').



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

Notes to the Restated Financial Statements
for the years ended 31st March 2023
(All amounts in ₹ Million, unless otherwise stated)

The Re-stated financial statements have been approved by the Board of Directors of the Company at their meeting held on 22nd 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 statements 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.

The 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



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

Notes to the Restated Financial Statements
for the years ended 31st March 2023
(All amounts in ₹ Million, unless otherwise stated)

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 re-stated financial statements in conformity with Indian Accounting Standards 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 re-stated financial statements and the reported amounts of revenues and expenses during the reported period. The estimates and assumptions used in the accompanying re-stated financial statements are based upon Management's evaluation of the relevant facts and circumstances as of the date of the re-stated financial statements which in Management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying re-stated financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

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.



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

Notes to the Restated Financial Statements
for the years ended 31st March 2023
(All amounts in ₹ Million, unless otherwise stated)

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 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 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.

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.



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

*Notes to the Restated Financial Statements
for the years ended 31st March 2023
(All amounts in ₹ Million, unless otherwise stated)*

2.4 Property, Plant & Equipments, depreciation and amortization

2.4.1 Tangible asset

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

Depreciation on Property, Plant & 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.

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'



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Class of Assets	Useful Life (in years)
Plant and Machinery	15
Furniture and fixtures	10
Vehicles	8-10
Office Equipments	5
Electrical Installation	10
Computers	3-6

2.4.2 Intangible assets

Ind AS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance. Hence, the purpose for which an entity holds an item with specified characteristics is not relevant to its classification as an intangible asset. Therefore, all such items will be within the scope of Ind AS 38.

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 expenditure required to obtain the 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.



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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 equipments 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.

2.5 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.



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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 and other miscellaneous income. No interest is charged on overdue invoices as per prevailing trade practices.

2.6 Investments

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.

2.7 Inventories

Inventories which comprises raw materials, work in progress, finished goods and stock in trade are carried at lower of cost and 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.



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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.

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.

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 and land. 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



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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.

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 2023	31st March 2022
(i) Carrying value of right of use assets at the end of the reporting period (Refer Note 3)	6.17	2.43
(ii) Analysis of Lease liability:		
<i>Movement of lease liabilities</i>		
Opening lease liabilities	2.53	1.85
Addition during the year /period	5.98	2.99
Interest Cost	0.54	0.32
Cash outflow towards payment of lease liabilities	(2.63)	(2.63)



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Deletion during the year on account of termination of lease	-	-
Closing lease liabilities	6.42	2.53
(iii) Maturity analysis of lease liabilities (on undiscounted basis)		
Less than 1 year	2.63	1.52
Between 1-5 years	4.94	1.24
More than 5 years	-	-
	7.57	2.75
(iv) Impact on statement of profit and loss		
Interest on lease liabilities	0.54	0.32
Depreciation on right of use assets	2.18	2.41
(v) Rent Expenses	2.63	2.63

2.9 Foreign Currency Transactions

Initial Recognition

On initial recognition, a foreign currency transaction is recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are translated using the closing rate. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange Differences

Exchange differences arising on the settlement of all monetary items, including long term foreign currency monetary items are recognized as income or expense in profit or loss in the current period.



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Exchange difference arising on translation on non monetary items to be recognized in the same manner as gain/loss arising on fair valuation of the item. Hence, gain/loss is recognized in profit or loss.

Forward Transactions

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.

2.10 Financial Assets and Financial 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.



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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
- 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



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changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

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.

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.



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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.

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

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



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2.11 Retirement and Other 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 short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognized in the period in which the employee renders the related service.

Post employment employee 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 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.



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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.

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.

2.12 Taxation

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



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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 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:



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- 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:

- 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



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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)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated after adjusting effects of potential equity shares (PES). PES are those shares which will convert into equity shares at a later stage. Profit / loss is adjusted by the expenses incurred on such PES. Adjusted profit/loss is divided by the weighted average number of ordinary plus potential equity shares.

2.14 Provision 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



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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.

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 analyzed.

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 a 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 2023 and 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 any of the above-mentioned period(s).



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3 Property, plant and equipment

Description of assets		A) Tangible assets										B) Intangible assets		C) Right-of-use Asset				Total (A) + (B) + (C)					
		Leasehold land	Leasehold land (PGPL)	Buildings - factory	Leasehold premises	Plant and machinery	Furniture and fixtures	Air conditioners	Office equipments	Office premises	Electrical installations	Vehicles (PGPL)	Computers	Total (A)	Computer software	Total (B)	Secpz - SEZ (2016-22)		Secpz - SEZ (2022-27)	Bharat Diamond Bourse (2021-24)	Total (C)		
Gross carrying value	As at 1 April 2022	99.80	6.91	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	7.25	-	2.99	10.24	351.52	
	Additions during the year	-	-	-	-	5.57	-	0.45	0.06	0.24	-	0.01	0.81	-	0.28	7.43	0.98	0.98	-	5.98	-	5.98	14.39
Depreciation and amortisation	Deletion during the year	-	6.91	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	As at 31 Mar 2023	99.80	-	62.48	9.64	86.71	16.57	11.56	8.28	7.00	4.88	7.83	1.95	9.25	325.96	16.82	16.82	7.25	5.98	2.99	16.22	359.01	
	As at 1 April 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	6.97	-	0.91	7.88	196.50	
	For the year	1.74	-	2.32	0.24	4.91	0.41	0.55	0.30	0.23	0.02	0.46	0.25	0.51	11.94	0.86	0.86	0.28	0.90	1.00	2.18	14.98	
Closing net carrying value	Deletion during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	As at 31 Mar 2023	20.02	-	40.02	9.64	61.15	14.28	8.34	7.46	5.03	4.53	5.03	0.99	8.92	185.40	16.02	16.02	7.25	0.90	1.91	10.06	211.48	
	As at 31 Mar 2022	79.78	-	22.46	-	25.56	2.29	3.22	0.83	1.96	0.35	2.81	0.96	0.33	140.56	0.80	0.80	-	5.08	1.08	6.17	147.53	
	As at 31 Mar 2022	81.52	6.91	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	

Leasehold land (PGPL) sold during the year

Notes to the Restated Financial Information (Continued)
as at 31 March 2023
(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 (A) + (B) + (C)					
		Leasehold land	Leasehold land (PGPL)	Buildings - factory	Leasehold premises	Plant and machinery	Furniture and fixtures	Air conditioners	Office equipments	Office premises	Electrical installations	Vehicles (PGPL)	Computers	Total (A)	Computer software	Total (B)		Secpz (2016-22)	Bharat Diamond Bourse (2018-21)	Total (C)		
Gross carrying value	As at 1 April 2021	99.80	6.91	61.80	9.64	75.08	15.04	10.13	7.43	7.00	4.81	7.12	1.95	314.96	15.85	15.85	-	-	-	330.81		
	Additions during the year	-	-	-	-	9.18	1.08	1.37	0.63	-	-	-	-	-	-	-	1.76	2.99	0.09	4.85		
	Deletion during the year	-	-	-	-	3.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.22	
Depreciation and amortisation	As at 31 Mar 2022	99.80	6.91	62.48	9.64	81.14	16.12	11.50	8.04	7.00	4.87	7.02	1.95	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	
	Deletion during the year	-	-	-	-	2.21	-	-	-	-	-	-	-	-	2.21	-	-	-	-	-	2.21	14.83
	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	173.45	15.17	15.17	1.41	0.91	0.09	2.41	191.04	
Closing net carrying value	As at 31 Mar 2022	81.52	6.91	24.79	0.24	24.89	2.25	3.71	0.89	2.19	0.36	2.45	1.21	151.98	0.68	0.68	0.35	2.08	2.43	155.08		



Notes to the financial statements (Continued)

for the year ended 31st March 2023

(All amounts in ₹ Million, unless otherwise stated)

4 Non-current investments	31 March 2023	31 March 2022
Trade Investments (unquoted)		
Sovereign Gold Bond	-	0.51
	-	0.51
5 Other financial assets	31 March 2023	31 March 2022
* Deposits with maturity of more than 12 months (refer note 9)		
Secured, considered good	1.03	1.61
Security deposits	4.86	2.91
	5.89	4.52

* Bank deposits includes carrying amount of ₹ 1.03 Million (31 March 2022: ₹ 1.61 Million) 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 2023	31 March 2022
Deferred tax assets		
- Provision for gratuity		
- Provision for compensated absences	3.03	2.62
- Provision for doubtful debts and other receivables	0.29	0.40
- Provision for bonus	0.36	0.36
- Difference between book depreciation and depreciation under the Income tax Act, 1961	1.05	1.29
	0.71	1.13
	5.44	5.80

7 Inventories (valued at lower of cost and net realisable value)	31 March 2023	31 March 2022
Raw material		
Work-in-progress	534.89	376.01
Finished goods	261.94	143.21
	221.35	170.78
	1,018.17	690.00

8 Trade receivables (Unsecured, considered good unless stated otherwise)	31 March 2023	31 March 2022
Receivable outstanding for a period exceeding six months from the day they became due for payment:		
- Considered good	25.56	19.04
- Considered doubtful	1.45	1.45
- Expected credit loss	(0.00)	(0.00)
	27.01	20.49
Other receivables:		
- Considered good	1,134.94	1,161.15
	1,161.95	1,181.63

Year Ended 31.03.2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 year	2-3 year	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	1,134.94	17.65	2.29	3.84	1.78	1,160.50
(ii) Undisputed Trade receivables -which have significant increase in credit risk	-	-	-	-	1.45	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	-	-	-	-	-	-
Total	1,134.94	17.65	2.29	3.84	3.23	1,161.95

Year Ended 31.03.2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 year	2-3 year	More than 3 years	Total
(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	-	-	-	-	-	-
Total	1,164.21	3.81	5.00	6.29	2.32	1,181.63



9 Cash and cash equivalents	31 March 2023	31 March 2022
Cash and cash equivalents		
Cash on hand	0.91	0.11
Balances with banks		
- On current accounts	101.63	32.80
- On deposits accounts (with original maturity of 3 months or less)	44.85	14.11
	147.40	47.02
Bank Balances other than cash and cash equivalent above		
- HDFC Margin against Gold Loan	107.95	14.25
- Axis Margin against Gold Loan	-	-
- ICICI Margin against Gold Loan	0.46	0.46
- YES Margin against Gold Loan	18.89	-
- Held as margin money deposit (with maturity of more than 3 months but less than 12 months)*	56.52	48.45
- Bank deposits (with maturity of more than 3 months but less than 12 months)*	5.73	36.91
	189.54	100.07
	336.94	147.09
* Bank deposits includes carrying amount of ₹ 56.52 Million (31 March 2022: ₹ 48.45 Million) 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		
Bank deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	44.85	14.11
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	5.73	36.91
Margin Money due to mature within 12 months of the reporting date included under 'Other bank balances'	56.52	48.45
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets (refer note 5)	1.03	1.61
	108.12	101.08
10 Current Tax Assets (Net)	31 March 2023	31 March 2022
Advance tax and tax deducted at source Net of Provision for Tax	13.75	5.33
	13.75	5.33
11 Other current assets	31 March 2023	31 March 2022
Interest accrued on bank deposits	0.40	4.98
	0.40	4.98
Advance to suppliers	24.51	55.06
Advances for exhibitions	0.45	0.25
Short Term Loans	5.65	3.23
Prepaid expenses	3.70	5.58
Balance with government and local authorities	74.36	48.29
(Unsecured, considered doubtful)	5.96	11.63
Forward Contract Premium Receivable	0.02	0.02
Other Receivables	114.66	124.04
	115.07	129.03



12 Share capital

	31 March 2023	31 March 2022
Authorised		
18.50 Million (31 March 2022 : 18.5 Million) equity shares of ₹10 each	185.00	185.00
3 Million (31 March 2022 : 3 Million) preference shares of ₹10 each	30.00	30.00
Issued, subscribed and fully paid-up	215.00	215.00
4.15 Million (31 March 2022 : 4.15 Million) equity shares of ₹10 each, fully paid-up	41.50	41.50
	41.50	41.50

Notes:

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

Equity shares	31 March 2023 No. of shares (No. in Millions)	31 March 2023 Amount	31 March 2022 No. of shares (No. in Millions)	31 March 2022 Amount
At the commencement of the year	4.15	41.50	4.15	41.50
Add: CCD Converted during the year	-	-	-	-
Less: Buyback of Equity Shares during the year	-	-	-	-
Outstanding at the end of the year	4.15	41.50	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.

Equity shares of Rs. 10 each fully paid up held by:	31 March 2023 No. of Shares (No. in Millions)	%	31 March 2022 No. of Shares (No. in Millions)	%
Mrs Manisha Sangani	1.80	43.37%	1.80	43.37%
Mr Shailesh Sangani	1.35	32.53%	1.35	32.53%
Ms Aditi Sangani	0.50	12.05%	0.50	12.05%
M/s Priority Retail Ventures Private Limited	0.50	12.05%	0.50	12.05%

d. Promoter's Shareholding

Shares held by promoters at the end of the year 31st March 2023

Promoter Name	No. of Shares** (No. in Millions)	% of total shares**	% Change during the year***
Shailesh Sangani	1.35	32.53	Nil
Manisha Sangani	1.8	43.37	Nil
Aditi Motla	0.5	12.05	Nil
Priority Retail Ventures Private Limited	0.5	12.05	Nil
Total	4.15	100.00	

Shares held by promoters at the end of the year 31st March 2022

Promoter Name	No. of Shares** (No. in Millions)	% of total shares**	% Change during the year***
Shailesh Sangani	1.35	32.53	Nil
Manisha Sangani	1.8	43.37	Nil
Aditi Motla	0.5	12.05	Nil
Priority Retail Ventures Private Limited	0.5	12.05	Nil
Total	4.15	100.00	

e. Statement of Changes in Equity

(1) Current Reporting Period ended 31.03.2023	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
(2) Previous 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

For the year ending 31st March 2023

Share application pending allotment	Reserves & Surplus		Other items of Other Comprehensive Income	TOTAL
	Capital Redemption Reserve	Retained Earnings		
Balance at the beginning of reporting period	66.75	846.79	(0.92)	912.62
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	66.75	846.79	(0.92)	912.62
Total comprehensive income for the year	-	44.95	(0.69)	44.26
Dividends	-	-	-	-
Transfer to retained earnings	-	-	-	-
Utilization for buy-back	-	0.26	(0.26)	-
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	892.00	(1.86)	956.89

For the year ending 31st March 2022

Particulars	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			
	31 March 2023		31 March 2022	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Vehicle loans from HDFC Bank Ltd	-	0.41	-	0.77
Emergency Credit Line Guarantee Scheme (ECLGS T/L)	72.17	108.00	35.82	34.16
	72.17	108.40	36.23	34.93

* Amounts disclosed under "borrowings-current", refer note 17

as on 31st March, 23 vehicle loan amounting to ₹1.18 Million 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 ₹0.07 Million. 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
Axis Bank	₹ 33.50 Million	4% over Repo rate

Security:

Second charge on current assets of company

a) All movable FA except vehicles

b) Fixed Deposit of Rs 1.47 Crores

c) Fixed Deposit of Rs 1.20 Crores

d) Land & Building constructed thereon at plot 121, MIDC, Andheri

Collateral: Second charge on

Yes Bank ₹ 37.30 Million 1% Over EBLR

HDFC Bank ₹ 71.30 Million 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 2023	31 March 2022
Seepz - SEZ (2016-22)	(0.00)	0.37
Seepz - SEZ (2022-27)	5.25	-
Bharat Diamond Bourse (2018-21)	-	0.00
Bharat Diamond Bourse (2021-24)	1.18	2.16
	6.42	2.53

16 Provisions - non-current

	31 March 2023	31 March 2022
Provision for employee benefits (refer note 29):		
Gratuity	7.84	9.39
Compensated absences	0.97	1.32
	8.81	10.71



17 Borrowings - current	31 March 2023	31 March 2022
Secured		
From banks		
Export Packing Credit *	394.27	322.73
Gold loans **	265.51	157.65
Cash credit from banks ***	276.27	413.69
Unsecured		
From Directors ##	126.31	0.01
Current maturities of long term debts (refer note 14)	36.23	34.93
	1,098.59	929.01

* Packing Credit Finance are taken from various Banks for a period ranging between 150 - 180 days and carry interest ranging between 5.10% to 9.50% (P.Y. 3.10% - 10.50%) 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 ₹. 126.31 Million (31 March 2022 ₹ 0.01 Million) is interest free. There is no tenor for the loan, however, it is repayable on demand.

18 Trade payables	31 March 2023	31 March 2022
Dues to:		
Micro and small enterprises	7.02	6.17
Other Creditors	515.37	286.10
	522.39	292.27

Year Ended 31.03.2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	5.94	0.95	0.07	0.05	7.02
(ii) Others	508.53	0.52	0.01	6.31	515.37
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	514.47	1.47	0.08	6.37	522.39

Year Ended 31.03.2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(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	-	-	-	-	-
Total	288.98	1.97	0.75	0.57	292.27

Disclosure for Small, Medium & Small Enterprises:

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.

	31 March 2023	31 March 2022
Principal amount remaining unpaid to any supplier as at the year end	7.02	6.17
Interest due thereon	Nil	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	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	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting period	Nil	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	Nil

19 Other current liabilities	31 March 2023	31 March 2022
Provision for Interest Payable	2.31	1.73
Unearned Revenue	71.30	-
Statutory dues payable		
- Value added tax	-	-
- Tax deducted at source	-	-
- Profession tax	2.21	1.41
- Employees' state insurance	0.04	0.04
- Provident fund	0.06	0.07
Employee benefits payable	0.49	0.46
Unamortized Forward Premium	14.12	10.13
	2.60	6.32
	93.13	20.16

20 Provisions - current	31 March 2023	31 March 2022
Provision for employee benefits : (refer note 29):		
Gratuity	4.21	1.00
Compensated absences	0.17	0.27
Other provisions:		
Provision for Value added tax (refer note 40)	6.52	0.52
	4.90	1.79



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

Notes to the financial statements (Continued)

for the year ended 31st March 2023

(All amounts in ₹ Million, unless otherwise stated)

21 Revenue from operations	31 March 2023	31 March 2022
Sale of products		
Finished goods:		
Domestic sales		
Finished Jewellery	1,175.70	981.54
Diamonds & other Precious stones	951.34	659.83
Export sales		
Finished Jewellery	561.04	409.05
Diamonds & other Precious stones	1,746.12	1,775.21
Total finished goods	4,434.20	3,825.64
Sale of services		
Jobwork charges	202.12	142.44
Operating income	202.12	142.44
Net Foreign Exchange fluctuation	62.63	56.58
Interest income on bank deposits	4.29	4.17
Other operating revenues	5.28	1.99
	72.20	62.74
	4,708.52	4,030.82

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

Particulars	31st March 2023	31st March 2022
Contracted Price	4,636.32	3,968.08
Less: Rebate and discount	-	-
Revenue recognised in statement of profit and loss	4,636.32	3,968.08

B Disaggregation as per geography

Particulars	31st March 2023	31st March 2022
Sales in India		
To areas other than SEZ	2,091.21	1,785.80
To SEZ	-	-
Middle Eastern Countries		
To Middle East Countries	652.17	286.05
Other Countries		
To countries other than Middle East	1,898.22	1,898.22
	4,641.60	6,154.33



22 Other income	31 March 2023	31 March 2022
Interest income from others	0.02	0.80
Profit/Loss on sale of Fixed Asset	4.63	0.02
Excess Provision Reversed	0.45	3.21
Sundry Balance Write back	0.02	0.16
Miscellaneous income	0.57	0.68
	5.71	4.88

23 Cost of raw material and components consumed	31 March 2023	31 March 2022
Raw materials and components consumed		
Stock at the beginning of the year	376.01	508.48
Add: Purchases	4,494.80	3,461.06
	4,870.81	3,969.54
Less: Stock at the end of the year	534.89	376.01
	4,335.92	3,593.53
Break up of cost of raw material consumed		
Gold	884.30	647.94
Alloy and silver	7.69	4.71
Platinum	104.52	108.56
Diamonds and precious stones	3,339.41	2,832.32
	4,335.92	3,593.53
Break up of inventory - raw materials		
Raw material and components		
Gold	240.38	172.88
Alloy and silver	1.41	1.50
Platinum	6.11	8.21
Diamonds and precious stones	286.99	193.42
	534.89	376.01



24 Changes in inventories of finished goods, work in progress and traded goods	31 March 2023	31 March 2022
Stock at the beginning of the year		
Work-in-progress	143.21	81.60
Finished goods	170.78	216.44
	313.99	298.04
Stock at the end of the year		
Work-in-progress	261.94	143.21
Finished goods	221.35	170.78
	483.29	313.99
(Increase) / decrease in stock	(169.30)	(15.95)
Details of inventory		
Finished goods	-	-
Diamond studded jewellery	221.35	170.78
	221.35	170.78

25 Employee benefits expenses	31 March 2023	31 March 2022
Salaries, wages and bonus	96.06	82.46
Contribution to provident fund and other funds (refer note)	3.63	3.44
Gratuity (refer Note 29)	1.84	1.93
Staff welfare charges	3.60	2.21
	105.14	90.04

26 Finance cost	31 March 2023	31 March 2022
Interest on		
- Cash credit	30.37	50.51
- Gold loans	3.90	5.26
- Bill discounting	24.29	17.29
- Vehicle loan	0.06	0.12
- Others	20.42	3.21
Bank facilitation charges	4.04	5.61
Interest on lease liability		
- Seepz SEZ (2016-22)	0.01	0.10
- Seepz SEZ (2022-27)	0.38	-
- Bharat Diamond Bourse (2021-24)	0.15	0.22
- Bharat Diamond Bourse (2018-21)	-	0.00
	83.63	82.32



27 Other expenses	31 March 2023	31 March 2022
Power and fuel	8.52	7.45
Water charges	1.35	0.99
Consumables and packing materials	29.21	23.42
Repairs and maintenance:		
- Buildings	0.38	0.47
- Plant and machinery	2.17	1.73
- Others	3.29	2.28
Labour charges	129.50	82.79
Advertisement and sales promotion	0.20	-
Freight and forwarding charges	6.08	6.64
Commission and service charges	4.32	5.46
Web Server Hosting Charges	0.54	0.50
Bank charges	1.02	1.15
Insurance	0.92	0.73
Travelling and conveyance expenses	5.74	3.24
Rent	0.81	1.11
Rates and taxes	13.01	11.45
Legal and professional fees	19.73	18.09
Postage, telegrams and telephone charges	0.56	0.70
Printing and stationery	1.11	1.01
Payment to auditors (refer note 27.1)	0.80	0.80
Vehicle expenses	1.50	1.65
Designing charges	23.87	14.93
Testing charges	8.31	6.35
Exhibition expenses	7.18	1.85
Sundry balances written off	2.89	0.62
Corporate Social Responsibility expenses (Refer Note 38)	5.69	-
Security Expenses	2.30	-
Miscellaneous expenses	1.78	3.01
Expected Credit Loss	-	0.00
	282.79	198.44
27.1 Payment to auditors (excluding Goods and Service Tax)		
As auditor		
Statutory audit	0.60	0.60
Tax audit	0.20	0.20
	0.80	0.80



Notes to the Restated Financial Statements
for the years ended 31st March 2023
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28. Capital commitments and Contingent liabilities

Claims against the company not acknowledged as debt	31 March 2023	31 March 2022
Income tax matters in dispute	13.47	13.47
Sales tax matters in dispute	1.82	1.82
Customs \$	20.08	28.46
Bank Guarantee	12.5	12.5

\$ Custom duty on exported goods

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.

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, 2023 the Company has provided bank guarantees (including letter of credit) amounting to ₹.12.5 million.



Notes to the Restated Financial Statements
for the years ended 31st March 2023
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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

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:	31 March 2023	31 March 2022
Employers' Contribution to Provident Fund *	3.06	2.75
Employers Contribution to Employees State Insurance Corporation *	0.56	0.68
Employers' Contribution to Maharashtra labour Welfare Fund *	0.01	0.01
	3.63	3.63

* 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.



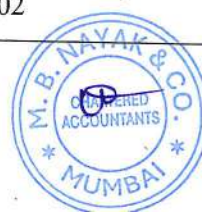
Priority Jewels Limited (formerly known as Priority Jewels Private Limited)
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*Notes to the Restated Financial Statements
for the years ended 31st March 2023
(All amounts in ₹ Million, unless otherwise stated)*

	31 March 2023	31 March 2022
	Gratuity	Gratuity
Discount rate (p.a.)	6.96%	6.33%
Expected rate of return on plan assets (p.a.)	6.96%	6.33%
Salary escalation rate (p.a.)	5.00%	5.00%
Expected average remaining lives of the employees (years)	9	9
Attrition Rate	For service 4 years and below 17.00 % p.a & For service 5 years and above 7.00% p.a	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 (2012-14)	Indian Assured Lives Mortality (2006-08)
Change in Present Value of Obligation		
Present value of obligation as at 1 April 2023	10.65	10.18
Interest cost	0.65	0.64
Current service cost	1.21	1.30
Benefits paid directly by Employer	(0.87)	(1.92)
Benefits paid from the Fund	-	-
Actuarial losses / (gain)	0.68	0.44
Present value of obligation as at 31 March 2023	12.32	10.65

c. Defined benefit plans (Continued)

	31 March 2023	31 March 2022
i) Change in Fair Value of Plan Assets		
Fair value of plan Assets at the beginning of the year	0.26	0.25
Contributions by the Employer	-	-
Expected Return on Plan Asset	0.02	0.02



Priority Jewels Limited (formerly known as Priority Jewels Private Limited)
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Notes to the Restated Financial Statements
for the years ended 31st March 2023
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Assets Transferred out/Disinvestments	-	-
Benefits paid from the Fund	-	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(0.01)	(0.00)
Fair value of plan Assets at the end of the year	0.27	0.26
ii) Amount recognised in the Balance Sheet		
Present value of obligation as at 31 March	12.32	10.65
Net liability recognised as on 31 March	12.32	10.65
Classification into Current / non-current		
The asset/liability in respect of each of the two plans comprises of the following non-current and current portions:		
Current	4.21	1.00
Non-current	7.84	9.39
	12.05	10.39
iii) Expenses recognised in the Statement of Profit and Loss		
Current service cost	1.21	1.30
Interest on defined benefit obligation	0.63	0.63
Expected return on plan assets	-	-
Total Expenses	1.84	1.93
iv) Expenses in Other Comprehensive Income		
Net actuarial losses / (gains) recognised in the current year	0.69	0.44
	0.69	0.44



Notes to the Restated Financial Statements
for the years ended 31st March 2023
(All amounts in ₹ Million, unless otherwise stated)

Experience Adjustment

Gratuity (funded)	31 st March 2023	31 st March 2024
Defined Benefit Obligation	12.32	10.65
Plan Assets		
Surplus/ (deficit)	12.32	10.65
Experience adjustments on plan liabilities	0.68	0.44
Experience adjustments 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

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.

	31 March 2023	31 March 2022
Current	0.17	0.27
Non-current	0.97	1.32
	1.14	1.59



Notes to the Restated Financial Statements
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30. Expenditure in foreign currency

Particulars	31 March	31 March
	2023	2022
Designing charges	23.87	14.93
Travelling expenses	0.47	0.53
Membership & Subscription charges	0.08	-
Demat charges	0.02	-
Total	24.44	15.46

31. Earnings in foreign currency

Particulars	31 March	31 March
	2023	2022
F.O.B of export	2,303.62	2,179.77

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

Raw material	Percentage		Value	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Imported	1.55%	99.99%	67.35	53.60
Indigenous	98.45%	0.01%	4268.57	0.00
Total	100.00%	100.00%	4335.92	53.60
Stores & Spares				
Imported	14.44%	19.45%	4.22	4.56
Indigenous	85.56%	80.55%	24.99	18.86
Total	100%	100.00%	29.21	23.42



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*Notes to the Restated Financial Statements
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33. Value of Imports calculated on CIF basis (on accrual basis)

Particulars	31 March 2023	31 March 2022
Raw materials	67.35	53.60
Finished Goods	-	-
Stores and spares	4.22	4.56
Total	71.57	58.15

34. Earnings per share (EPS)

Particulars	31 March 2023	31 March 2022
Profit after tax attributable to equity shareholders (₹ in Millions)	44.95	53.72
Number of equity shares outstanding at the end of the year (in millions)	4.15	4.15
Weighted average number of equity shares outstanding during the year.	4.15	4.15
Weighted average number of dilutive equity shares outstanding at the end of the year.	4.15	4.15
Basic earnings per share (₹)	10.83	12.94
Diluted earnings per share (₹)	10.83	12.94

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:

	Foreign currency	31 March 2023		31 March 2022	
		Amount in Millions foreign currency	Rupees	Amount in Millions Foreign Currency	Rupees
Trade receivables	USD	6.13	500.77	8.38	631.21
Total		6.13	500.77	8.38	631.21



Notes to the Restated Financial Statements
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II Unhedged foreign currency exposures

Foreign currency exposure on account of trade receivables not hedged by derivative instruments is as follows:

	Foreign currency	31 March 2023		31 March 2022	
		Amount in Millions foreign currency	Rupees	Amount in Millions Foreign Currency	Rupees
Trade receivables	USD	3.07	249.95	1.78	134.17
Total		3.07	249.95	1.78	134.14

Foreign currency exposure on account of trade payables and working capital borrowings not hedged by derivative instruments is as follows:

	Foreign currency	31 March 2023		31 March 2022	
		Amount in Millions foreign currency	Rupees	Amount in Millions Foreign Currency	Rupees
Trade payables	USD	0.05	4.29	0.10	7.55
Total		0.05	4.29	0.10	7.55

36. Segment information

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.



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Notes to the Restated Financial Statements
for the years ended 31st March 2023
(All amounts in ₹ Million, unless otherwise stated)

Geographical Segments	Composition
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 2023 and 31 March 2022. Accordingly, the segment information as required by "Ind-AS 108 Operating Segments" is disclosed and given below:

Sales revenue by geographical market		
	31 March 2023	31 March 2022
Sales India	2,091.21	3,970.06
Sales to SEZ India	-	-
Sales to Middle East Countries	652.17	286.05
Sales to Countries other than Middle East	1,898.22	1,898.22
	4,641.60	6,154.33
Carrying amount of segment assets *		
India	2,002.53	1,530.57
SEZ India	-	4.87
Middle East Countries	293.42	223.27
Other than Middle East Countries	459.47	542.21
	2,755.42	2,300.92
Capital expenditure		
India	12.40	14.24
SEZ India	2.00	2.44
Middle East Countries	-	-
Other than Middle East Countries	-	-
	14.39	16.68

* Segment assets excludes Tax assets



Notes to the Restated Financial Statement (Continued)

for the year ended 31 March 2023

(All amounts in ₹ Million, unless otherwise stated)

37 Disclosures as required by the Ind- AS-24 on 'Related Party Disclosures' are given below (Continued) :

Nature of Relationship	Name of Related Party
Key managerial personnel	Mr. Shailesh Sangani Mrs. Manisha Sangani Mr. Tushar Mehta
Relatives of key managerial personnel	Mrs. Aditi Karan Motla, daughter of Shailesh and Manisha Sangani Mrs. Aashna Parikh, daughter of Shailesh and Manisha Sangani
Entities over which key managerial personnel and / or their relatives exercise significant influence	VM Jewellery

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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Transaction for the year								
Labour Charges								
VM Jewellery	-	-	-	-	-	-	-	-
Managerial Remuneration/Salary								
Shailesh Sangani	4.80	4.80	-	-	-	-	-	-
Tushar Mehta	2.10	2.10	-	-	-	-	-	-
Aditi Karan Motla	-	-	0.30	0.28	-	-	-	-
Aashna Parikh Sangani	-	-	0.30	0.30	-	-	-	-
Loan repayment								
Priority Gold Private Limited	-	-	-	-	-	-	-	-
Loans taken (non interest bearing)								
Shailesh Sangani	190.44	4.87	-	-	-	-	-	-
Manisha Sangani	-	-	-	-	-	-	-	-
Loan repaid (non interest bearing)								
Shailesh Sangani	64.14	6.97	-	-	-	-	-	-
Manisha Sangani	0.00	0.03	-	-	-	-	-	-
Share application money refunded								
Priority Creation Private Limited	-	-	-	-	-	-	-	-
Closing balance								
Loans payable								
Shailesh Sangani	126.31	0.01	-	-	-	-	-	-
Manisha Sangani	-	0.00	-	-	-	-	-	-
Employee benefits payable								
Shailesh Sangani	2.83	0.05	-	-	-	-	-	-
Tushar Mehta	0.66	0.04	-	-	-	-	-	-
Trade payables								
Priority Marketing Private Limited	-	-	-	-	-	-	-	-
Efficient Laser Technology Private Limited	-	-	-	-	-	-	-	-
Trade receivables								
Priority Gold Private Ltd	-	-	-	-	-	-	-	-
V.M Jewellery	-	-	-	-	-	-	-	-



Notes to the Restated Financial Statements
for the years ended 31st March 2023 & 31st March 2022
(All amounts in ₹ Million, unless otherwise stated)

38. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profits of the immediately preceding three financial years on the Corporate Social Responsibility (CSR) activities. The areas provided for CSR activities are for promoting education, art and culture, healthcare, environment sustainability and rural development projects.

The funds utilized throughout the year on these activities which are specified in Schedule VII of the Companies Act.

Sr No.	Particular	(₹ in Millions)/ Compliance
1	Net profit of the immediately preceding financial year	72.48
2	Whether CSR applicable in FY 2022-23	Yes
3	Required minimum CSR expenditure [2% of Net Profits of FY 2022-2023, 2021-2022 and 2020-2021]	0.96
4	Whether made the above expenditure	Yes
5	Amount actually Spent by PJPL	5.69
6	If the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed (i.e. 3 years)	4.73
7	PJPL can carried forward till	FY 2023-24 – FY 2025-26
8	PJPL can carried forward till	FY 2023-24 – FY 2025-26

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

	31 March 2023	31 March 2022
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)	-	-
Less: Disinvestment during the year	-	10.93
Balance as at the year end	-	-



Notes to the Restated Financial Statements
for the years ended 31st March 2023 & 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

Particulars	Amount
Opening Balance as on 01 April 2022	0.52
Additions during the year	-
Utilisations	-
Reversals	-
Closing Balance as on 31 March 2023	0.52

41. Debtors and Creditors are subject to confirmation

42. Other Statutory Information

- 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
- The Company has not traded or invested in crypto currency or virtual currency during the current year and previous year
- The 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.
- 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.



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*Notes to the Restated Financial Statements
for the years ended 31st March 2023 & 31st March 2022
(All amounts in ₹ Million, unless otherwise stated)*

43. Previous year's figures

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

For **MB NAYAK & CO**
Chartered Accountants
Firm's Registration No: 107014W

Uday

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: US2393MH2007PLC174977

Notes to the financial statements (Continued)

for the year ended 31st March 2023

Note 44: Ratios

No.	Particulars	Numerator	Denominator	Ratio		% Change as at 31.03.2023
				As at 31.03.2023	As at 31.03.2022	
1	Current Ratio	Current Assets	Current Liabilities	1.54	1.73	-11.12%
2	Debt Equity Ratio	Total Debt (Long term Borrowings & Short Term Borrowings)	Shareholders Equity (i.e. Share Capital + Reserve & Surplus)	1.17	1.09	7.85%
3	Debt Service Coverage Ratio	PAT + Depreciation + Interest	Interest + Installment due within 1 year	0.12	0.15	-18.57%
4	Return on Equity Ratio	Net Profit after Tax	Shareholders Equity (i.e. Share Capital + Reserve & Surplus)	4.50%	5.63%	-20.03%
5	Inventory Turnover Ratio	Sales	Average Inventory	5.51	5.39	2.34%
6	Trade Receivable Turnover Ratio	Sales (Total Op Income)	Average Receivable	4.02	3.42	17.49%
7	Trade Payable Turnover Ratio	Purchases on Credit	Average Payables	10.64	9.94	7.08%
8	Net Capital Turnover Ratio	Sales (Total Op Income)	Working Capital	5.08	4.43	14.67%
9	Net Profit Ratio	Net Profit after Tax	Sales (Total Op Income)	0.95%	1.33%	-28.37%
10	Return on Capital Employed	Net Profit after Tax + Finance Cost	Total Assets - Current Liabilities	11.95%	12.65%	-5.49%
11	Return on Investment	Net profit after Tax	Cost of Investment	N.A.	N.A.	N.A.

Note: Explanation for change in ratio by more than 25%

9 Decrease in Net Profit Ratio is due to decrease in Turnover during the year

For MB NAYAK & CO
Chartered Accountants

Firm's Registration No: 1070149



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

Tushar A Mehta

Whole time Director and CFO

DIN: 00187368

Date: 22 APR 2025
Place: Mumbai

Date: 22 APR 2025
Place: Mumbai



Aakriti Bhushan

Aakriti Bhushan

Company Secretary and Compliance officer

Membership No: A67952

Date: 22 APR 2025
Place: Mumbai