

Date: 26th June, 2021

To,
The Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 523826

Dear Sir / Madam,

SUB: OUTCOME OF BOARD MEETING

REF: REGULATION 33(3) OF THE SEBI (LODR) REGULATIONS, 2015

The Board Meeting of the Company was held on 26th June, 2021. The Board of Directors at their Board Meeting have approved and taken on record the Audited Annual Financial Results for the quarter and financial year ended 31st March, 2021.

Please find enclosed herewith the following:

1. Audited Annual Financial Results for the quarter and financial year ended 31st March, 2021.
2. Statement of Assets and Liabilities as on 31st March, 2021.
3. Cash Flow Statement for the financial year ended 31st March, 2021.
4. Audit Report for the financial year ended 31st March, 2021.

The information and papers are being filed pursuant to Regulation 33(3) of the SEBI (LODR) Regulations, 2015.

Please take the aforesaid on your records and acknowledge the receipt.

Thanking You,

Yours Faithfully,

For **SOVEREIGN DIAMONDS LIMITED**


AJAY GEHANI
MANAGING DIRECTOR

Encl: As Above

SOVEREIGN DIAMONDS LIMITED

Regd. Off. : Sovereign House, 11-A, Mahal Indl. Estate, Mahakali Caves Road, Andheri (E), Mumbai - 400093

CIN : L36912MH1974PLC017505, Tel No.022 6692 3871 Fax No: 022 6692 3880

Statement of Audited Financial Results for the Quarter and Year Ended 31st March, 2021

Particulars	Quarter Ended			Year Ended	
	31-03-2021	31-12-2020	31-03-2020	31-03-2021	31-03-2020
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1. Income from Operations					
(a) Net Sales / Income from Operations	503.37	553.66	921.89	1496.65	3243.68
(b) Other Operating Income	15.14	16.88	23.45	63.03	47.95
Total Income (net)	518.49	570.55	945.34	1559.67	3291.63
2. Expenses					
(a) Cost of Materials Consumed	412.75	438.77	643.55	1220.16	3293.63
(b) Changes in inventories of finished goods and work-in-progress	-51.70	40.70	73.08	70.15	-656.85
(c) Employee benefits expense	45.52	41.02	44.81	127.52	194.09
(d) Finance Costs	22.18	22.28	29.36	96.49	119.53
(e) Depreciation and amortisation expense	12.11	6.91	8.37	45.14	45.93
(f) Other expenses	47.59	53.19	55.74	146.49	287.90
Total Expenses	488.43	602.88	854.90	1705.95	3284.22
3. Profit / (Loss) from ordinary activities before exceptional items (1-2)	30.07	-32.33	90.44	-146.27	7.40
4. Exceptional Items	0.00	0.00	0.00	0.00	0.00
5. Profit / (Loss) from ordinary activities before tax (3 + 4)	30.07	-32.33	90.44	-146.27	7.40
6. Tax Expense					
a) Current Tax	0.00	0.00	2.96	0.00	2.96
b) Deferred Tax	3.49	-1.28	-0.41	2.61	0.87
7. Net Profit / (Loss) from ordinary activities after tax (5-6)	26.58	-31.05	87.89	-148.88	3.57
8. Extraordinary items	0.00	0.00	0.00	0.00	0.00
9. Net Profit / (Loss) for the period (7+8)	26.58	-31.05	87.89	-148.88	3.57
10. Other Comprehensive Income (OCI)					
a) Items that will not be Reclassified to Profit Or Loss	0.54	-7.45	7.34	1.42	0.49
b) Income Tax Relating To Items That Will Not Be Reclassified to Profit of Loss	0.00	0.00	0.00	0.00	0.00
c) Items that will Be Reclassifies to Profit Or Loss	0.00	0.00	0.00	0.00	0.00
d) Income Tax Relating to Items that will be Reclassified to Profit or Loss	0.00	0.00	0.00	0.00	0.00
11. Total Comprehensive Income for the period (9+10)	27.12	-38.50	95.23	-147.46	4.06



12. Paid-up Equity Share Capital, Equity Shares of ₹10/- each	578.80	578.80	578.80	578.80	578.80
13.i. Earnings per Share (Before Extraordinary items of ₹ 10 each) (Not Annualised):					
a) Basic	0.46	-0.54	1.52	-2.57	0.06
b) Diluted	0.46	-0.54	1.52	-2.57	0.06
13.ii. Earnings per Share (After Extraordinary items of ₹ 10 each) (Not Annualised):					
a) Basic	0.46	-0.54	1.52	-2.57	0.06
b) Diluted	0.46	-0.54	1.52	-2.57	0.06
See accompanying note to the financial results					



NOTES

1	The above results as reviewed by the Audit Committee have been approved at the meeting of the Board of Directors held on 26th June, 2021.
2	In accordance with the requirements of Ind AS 18, Revenue for the quarter ended 31st March, 2021 is net of Goods and Service Tax (GST).
3	As the Company's business activity falls within a single business segment viz. 'Jewellery', the disclosure requirement of the Indian Accounting Standard (AS) 108 "Operating Segment" notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 are not applicable.
4	The COVID-19 pandemic is rapidly spreading throughout the world. The operations of the company were impacted, due to shutdown of plants and offices following lockdown as per directives from the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no major significant impact on its financial statements as at 31st March, 2021. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions. In view of lock down, the profitability during 1st quarter (April to June) is likely to be impacted. As the business situation is very dynamic, the company is closely monitoring it.
5	The figures of the quarter ended 31st March, 2021 are balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter ended 31st December, 2020 which were subject to limited review.
6	The figures of previous periods are regrouped / rearranged wherever considered necessary to correspond with the current period presentation.
7	The figures in ₹ Lakhs are rounded off to two decimals.

For Sovereign Diamonds Limited

Place : Mumbai
Date : 26th June, 2021

Mr. Ajay R. Gehani
(Managing Director)

SOVEREIGN DIAMONDS LIMITED		
Audited Financial statements as at and for the year ended 31st March, 2021		
	₹ In Lakhs	
Particulars	As at 31st March, 2021	As at 31st March, 2020
A Assets		
1 Non-current assets		
a) Property, plant and equipment	364.95	329.72
b) Financial assets		
i) Loans	4.06	3.68
c) Deferred tax assets (net)	10.12	12.73
Total non-current assets	379.14	346.13
2 Current assets		
a) Inventories	1,753.84	1,982.66
b) Financial assets		
i) Trade Receivables	392.40	988.30
ii) Cash and cash equivalents	128.45	1.45
c) Other current assets	40.58	32.65
Total current assets	2,315.27	3,005.06
Total Assets	2,694.40	3,351.19
B Equity and Liabilities		
1 Equity		
a) Equity Share capital	578.80	578.80
b) Other Equity	700.37	847.83
Total Equity	1,279.17	1,426.63
Liaibilities		
2 Non-current liabilities		
a) Financial Liaibilities		
i) Borrowings	205.11	-
ii) Other Financial Liabilities	39.66	39.66
Total non-current liabilities	244.77	39.66
3 Current Liabilities		
a) Financial Liaibilities		
i) Borrowings	1,002.98	1,198.39
ii) Trade payables	134.16	650.82
b) Other current liabilities	18.76	16.40
c) Provisions	14.57	19.29
Total current liabilities	1,170.46	1,884.90
Total Liaibilities	2,694.40	3,351.19
For Sovereign Diamonds Limited		
Place : Mumbai	  Mr. Ajay R. Gehani (Managing Director)	
Date : 26th June, 2021		

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021 MANUFACTURERS OF 18K FINE JEWELLERY

Particulars		As at 31 st March, 2021	As at 31 st March, 2020
A	Cash flow from operating activities :		
	Profit before tax	-146.27	7.41
	Adjustment for :		
	Depreciation and amortization for the year	45.14	45.93
	Actuarial gain/(loss) forming part of OCI	1.42	0.49
	Net unrealised foreign exchange (gain)/ loss	-	-
	Net (profit)/loss on disposal of property, plant and equipment	3.54	-3.54
	Finance cost	96.49	119.53
	Interest income	-0.04	-0.06
	Operating Profit before working capital changes	0.26	169.75
	Operating profit before working capital changes		
	Adjustments for:		
	Decrease/Increase in inventories	228.82	-6.16
	Decrease/(increase) in non-current financial assets	-0.38	0.42
	Decrease/(increase) in other non current assets	-	-
	Decrease/(increase) in current financial assets	-	-
	Decrease/(increase) in other current assets	5.02	1.70
	Increase in trade receivables	595.90	-181.21
	Increase in trade payables	-516.66	207.01
	Increase in current financial liabilities	-	-
	Increase in non-financial liabilities	-	24.66
	Increase in provisions-non current	-	-
	Increase in provisions-current	-4.72	1.15
	Increase in other current liabilities	2.36	-3.38
	Cash generated from operating activities	310.61	213.94
	Direct Taxes (net)	-12.96	-19.49
	Income Tax Adjustments		
	Net cash generated from operating activities	297.65	194.46
B	Cash flow from investing activities:		
	Purchase of property, plant and equipment	-102.82	-100.59
	Proceeds from disposal of property, plant and equipment	18.91	11.75
	Interest received	0.04	0.06
	Net cash used in investing activities	-83.86	-88.79
C	Cash flow from financing activities:		
	(Repayment)/proceeds of non current borrowings, net	205.11	-
	(Repayment)/proceeds of current borrowings, net	-195.42	8.71
	Interest Paid	-96.49	-119.53
	Net cash generated from financing activities	-86.79	-110.82
	Net increase in cash and cash equivalents (A+B+C)	126.99	-5.15
	Cash and cash equivalents at the beginning of the year	1.45	6.60
	Cash and cash equivalents at the end of the year	128.45	1.45

Note :

- Figures in bracket represent cash outflow.
- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

For Sovereign Diamonds Limited

Mr. Ajay R. Gehani
(Managing Director)

Place : Mumbai
Date : 26th June, 2021

Regd. Office : Sovereign House, 11-A, Mahal Ind. Estate, Mahakali Caves Road, Andheri (E), Mumbai 400 093, India.
CIN No. L36912MH1974PLC017505 ☐ GST No. 27AAACS8558C1Z9
Tel.: (91-22) 6692 3871 / 72 ☐ Fax : (91-22) 6692 3880 ☐ Email : sovereignjewellery@hotmail.com

Pulindra M. Patel
B.Com. F.C.A, Inter C.S.

PULINDRA PATEL & CO.
CHARTERED ACCOUNTANTS

307, Gold Mohur Co.Op.Society,
174, Princess Street, Mumbai- 2.

Tel No.: 22056233

Mobile : 9322268243

e mail : pulindra_patel@hotmail.com

Independent Auditor's Report on Annual Financial Results of Sovereign Diamonds Limited Pursuant To Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,
The Board of Directors,
SOVEREIGN DIAMONDS LIMITED,
Sovereign House, 11-A Mahal Industrial Estate,
Mahakali Caves Road, Andheri (East)
Mumbai – 400 093

Opinion

We have audited the accompanying statement of standalone financial results of SOVEREIGN DIAMONDS LIMITED (the company) for the, Quarter and year ended March 31, 2021 (“the Statement”), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

(i) is presented in accordance with requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended in this regard; and

(ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the quarter and the year ended March 31, 2021.



Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of standalone financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

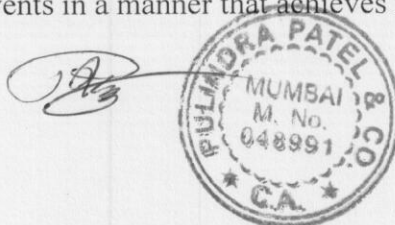


Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

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 standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements on whether the company has adequate internal financial controls with reference to standalone 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.



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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year.

Place : Mumbai
Date : 26th June, 2021



Yours faithfully,
For PULINDRA PATEL & Co.
Chartered Accountants
FRN No. 0115187W
Pulindra m.p.
(Pulindra Patel)
Proprietor
Membership No. 048991
UDIN : 21048991AAAAIO4864

Date: 26th June, 2021

To,
The Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

Scrip Code: 523826

Dear Sir / Madam,

SUB: DECLARATION IN RESPECT OF UNMODIFIED OPINION ON AUDITED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

In terms of SEBI Circular CIR/CFD/CMD/56/2016 dated 27th May 2016, we hereby declare and confirm that the Statutory Auditors of the Company *M/s. Pulindra Patel & Co.*, Chartered Accountants, have issued an Unmodified Audit Report on Audited Annual Financial Results of the Company for the financial year ended 31st March, 2021.

Kindly disseminate the information on the official website of the Exchange for the information of all Members of the Exchange and Investors.

Thanking You,

Yours Faithfully,

For **SOVEREIGN DIAMONDS LIMITED**


AJAYGEHANI
MANAGING DIRECTOR

