



S. B. & T. International Limited

Annual Report 2010 - 2011

Vision Statement

“To become the premier Jewellery Manufacturer
having an established distribution network
catering to retail market of Middle East,
Europe, U.K. & India.”

Contents

❖ Board of Directors	1
❖ Notice	2
❖ Director’s Report	8
❖ Corporate Governance Management Discussion and Analysis	15
❖ Financials – India Operations	
❖ Auditors Report	32
❖ Balance Sheet	36
❖ Profit and Loss Account	37
❖ Cash Flow Statement	38
❖ Schedules	39
❖ Statement relating to Subsidiary Companies	58
❖ Consolidated Accounts & Schedules thereto	59
❖ Statement pursuant to exemption under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies.	79

Chairman's Speech

Dear Shareholders,

On behalf of the entire Board of Directors of the company I welcome you to the 24th Annual General Meeting of our Company.

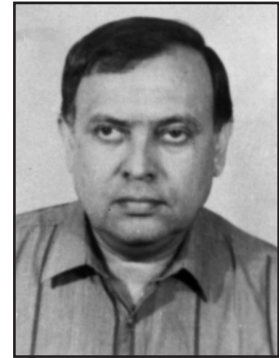
The core business of the company is going to be concentrated on growing your company's presence in the fast growing Indian diamond and jewellery market. There is continuous growth in trading of Cut and Polished Diamonds and Diamond Studded Jewellery business. There is enough potential in the Indian and Overseas market for the Companies engaged in diamond trade and export. The Company's policy is to maintain goodwill in the market and flawless perfection at all levels. Customer's satisfaction is the top most priority.

The Middle East operations have reached scale with the operations now covering the entire geographical sphere. The Middle East subsidiary opened 3 new outlets in the year taking the total retail outlets to 26 stores in the region. Your companies brand Karina Collection is also continuing to grow in strength and visibility.

Your company's retailing venture in UK, Geraldonline is growing at a slow pace.. The Company has decided to implement a new e-commerce platform for the business. This is to improve the efficiency of the search engines interface with the site and hence reduce our dependency on expensive sponsored links. As you are well aware that the retail business takes time to catch momentum but once the momentum is established the growth in sales and profitability is very swift and rewarding

I would like to assure you that your management will take all necessary steps to expand and respond promptly and appropriately to the changing business needs and bearing unforeseen circumstances. It will continue to follow the growth path in the current year.

Our thanks go out to all of you, our shareholders for making it convenient to attend this meeting and/or the faith and confidence you have reposed in the Company.



Shareholder Information

Date of Meeting	:	23 rd December, 2011
Time	:	10.00 a.m.
Venue	:	Hotel SunCity Residency, 16 th Road, MIDC, Marol, Andheri (E), Mumbai 400 093
Date Book Closure	:	20 th December, 2011 to 23 rd December, 2011

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Surendra Kumar Sethi

Chairman & Joint Managing Director

Mr. Varij Sethi

Managing Director

Mr. Vivek Tharaney

Whole Time Director (Production)

Mr. Ravi Khubchandani

Independent & Non-executive Director

Mr. Martin Feinstein

Independent & Non-executive Director

Mr. Sunil Barjatiya

Independent & Non – executive Director

AUDITORS :

M/s. M. M. Dubey & Co.,

Chartered Accountants,

Mumbai

BANKERS

The Federal Bank Limited

Axis Bank Limited

Union Bank of India

REGISTERED OFFICE

138, Shreeji Chambers, First Floor,

Tata Road No.2 ,

Opera House, Mumbai - 400 004.

Email: www.sbtindia.com

COMMITTEES OF BOARD

AUDIT COMMITTEE

Sunil Barjatiya

Ravi Khubchandani

Vivek Tharaney

SHAREHOLDERS GRIEVANCE COMMITTEE

Ravi Kubchandani

Martin Feinstein

Sunil Barjatiya

COMPENSATION / REMUNERATION COMMITTEE

Ravi Kubchandani

Martin Feinstein

Sunil Barjatiya

FACTORY

G - 3, Gems And Jewellery Complex - I

Seepz, Andheri (East)

Mumbai - 400 096.

Plot No. 96, Road No. 16,

MIDC Industrial Area,

Andheri (East), Mumbai - 400 096.

REGISTRARS & SHARE TRANSFER AGENTS:

M/s. System Support Services

209, Shivai Industrial Estate,

Near Park Davis,

89, Andheri - Kurla Road,

Sakinaka , Andheri (East),

Mumbai - 400 072.

NOTICE

NOTICE is hereby given that the TWENTY FOURTH ANNUAL GENERAL MEETING of the shareholders of S. B. & T INTERNATIONAL LIMITED will be held on FRIDAY, DECEMBER 23, 2011 at 10.00 a.m. at Hotel SunCity Residency 16th Road, MIDC, Marol, Andheri (E), Mumbai - 400 093 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2011 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare final dividend.
3. To appoint a Director in place of Mr. Ravi Gulab Khubchandani, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Martin Feinstein, who retires by rotation and, being eligible, offers himself for reappointment.
5. To re-appoint M/s. M. M. Dubey & Co., Chartered Accountants, bearing registration the retiring Auditors to hold office from the conclusion of the ensuing Annual General Meeting as Statutory Auditors until the conclusion of next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee in addition to reimbursement of out-of-pocket expenses in connection with the audit of the accounts of the Company for the year ending on 31st March, 2011.

SPECIAL BUSINESS:

6. Re-appointment of Mr. Vivek Tharaney:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special resolution:

“RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as approved and recommended by the Remuneration Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Vivek Tharaney, as Whole-Time Director (Production) of the Company, for a period of 1 year with effect from 27/03/2011 to 26/03/2012 on the terms & conditions including remuneration as are set out hereunder:

1. Period : 1 year with effect from date 27/03/2011 to 26/03/2012
2. Remuneration :
 - a) Salary: upto Rs. 45,000/- per month.
 - b) Gratuity at the rate not exceeding half month's salary for each completed year of service or part thereof in accordance with the rules and regulations of the Company.
 - c) The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, if any, paid to the Whole- Time Director (Production) will be in accordance with the rules and regulations of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - d) Perquisites: Restricted to an amount equal to the Annual Salary.
 - e) Medical Reimbursement: Expenses incurred for the Whole-Time Director (Production) subject to a ceiling of one month's salary in a year or as applicable under the Income Tax Act, 1961.
 - f) Leave travel concession: For the Whole-Time Director (Production) and his family once in a year incurred in accordance with the rules of the Company.

3. Provision of car for use of the Company's business and telephone at residence provided that personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole- Time Director (Production). The provision for car and telephone will not be considered as perquisites for the purpose of point in 2(d) above.

RESOLVED FURTHER THAT the terms and conditions of the above appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Whole-Time Director (Production) in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard and as may be agreed to by the Whole-Time Director (Production).

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the Whole-Time Director (Production), the Company has no profits or its profits are inadequate, the Company may pay to the Whole-Time Director (Production) the above remuneration as the minimum remuneration by way of salaries, perquisites and other allowances and benefits as specified above subject to the receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT Mr. Vivek Tharaney being a Director liable to retire by rotation, his re-appointment as such Director shall not be deemed to constitute a break in his appointment as a Whole-Time Director (Production)

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion, deem necessary or desirable in this regard.

7. Re-appointment of Mr. Varij Sethi:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special resolution:

"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as approved and recommended by the remuneration committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Varij Sethi, as Managing Director of the Company, for a period of one year with effect from 01/12/2011 to 30/11/2012 on the terms & conditions including remuneration as are set out hereunder:

1. Period : One year with effect from 01/12/2011 to 30/11/2012
2. Remuneration:
 - a) Salary: upto Rs. 1,75,000/- per month. Commission @ 1% of the Net Profits of the Company for the year in addition to the salary; subject to the total remuneration being within the limits laid down under Schedule XIII to the Companies Act, 1956 as applicable from time to time.
 - b) Gratuity at the rate not exceeding half month's salary for each completed year of service or part thereof in accordance with the rules and regulations of the Company.
 - c) The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, if any, paid to the Managing Director will be in accordance with the rules and regulations of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - d) Perquisites: Restricted to an amount equal to the Annual Salary.
 - e) Medical Reimbursement: Expenses incurred for the Managing Director subject to a ceiling of one month's salary in a year or as applicable under the Income Tax Act, 1961.
 - f) Leave travel concession: For the Managing Director and his family once in a year incurred in accordance with the rules of the Company.

3. Provision of car for use of the Company's business and telephone at residence provided that personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director. The provision for car and telephone will not be considered as perquisites for the purpose of point in 2(d) above. Membership of two clubs

RESOLVED FURTHER THAT the terms and conditions of the above appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard and as may be agreed to by the Managing Director.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the above remuneration as the minimum remuneration by way of salaries perquisites and other allowances and benefits as specified above subject to the receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion, deem necessary or desirable in this regard.

8. **Re-appointment of Mr. Surendrakumar Sethi :**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special resolution:

"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as approved and recommended by the remuneration committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Surendra Kumar Sethi, as Chairman & Joint Managing Director of the Company, for a period of one year with effect from 01/12/ 2011 to 30/11/2012 on the terms & conditions including remuneration as are set out hereunder:

1. Period : One year with effect from 01/12/ 2011 to 30/11/2012
2. Remuneration :
 - a) Salary: upto Rs. 1,75,000/- per month
 - b) Gratuity at the rate not exceeding half month's salary for each completed year of service or part thereof in accordance with the rules and regulations of the Company.
 - c) The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, if any, paid to the Chairman & Joint Managing Director will be in accordance with the rules and regulations of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - d) Perquisites: Restricted to an amount equal to the Annual Salary.
 - e) Medical Reimbursement: Expenses incurred for the Chairman & Joint Managing Director subject to a ceiling of one month's salary in a year or as applicable under the Income Tax Act, 1961.
 - f) Leave travel concession: For the Chairman & Joint Managing Director and his family once in a year incurred in accordance with the rules of the Company.
3. Provision of car for use of the Company's business and telephone at residence provided that personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Chairman & Joint Managing Director. The provision for car and telephone will not be considered as perquisites for the purpose of point in 2(d) above. Membership of two clubs.

RESOLVED FURTHER THAT the terms and conditions of the above appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Chairman & Joint Managing Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard and as may be agreed to by the Chairman & Joint Managing Director.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the Chairman & Joint Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Chairman & Joint Managing Director the above remuneration as the minimum remuneration by way of salaries perquisites and other allowances and benefits as specified above subject to the receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion, deem necessary or desirable in this regard."

Place: Mumbai
Date: 29th November, 2011

By Order of the Board of Directors
Chairman

Registered Office:

138, Shreeji Chambers, 1st Floor,
Tata Road No. 2, Opera House,
Mumbai – 400 004.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. Under the Companies Act, 1956, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956 is appended hereto
3. Members /Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from December 20, 2011 to December 23, 2011 (both days inclusive) for the purpose of Annual General Meeting and Declaration of Dividend.
7. Members holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, may send their request in the prescribed Form 2B to the Registrar & Transfer Agents of the Company.
8. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General meeting.
9. Members desirous of obtaining any information on the Accounts and Operations of the Company are requested to write at least one week before the meeting so that the same could be compiled in advance.
10. Members are requested to notify changes, if any, in their registered addresses to the Company's Registrars.
11. Members are requested to bring their copy of Annual Report to the Meeting.
12. All documents referred to in the notice and explanatory statement are open for inspection at the registered office of the Company between 10.30 a.m. and 1.00 p.m. on all working days up to the date of the meeting.
13. Member are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, M/s. System Support Services, 209, Shivai Industrial Estate, Near Parke Davis, 89, Andheri- Kurla Road, Sakinaka, Andheri (East) Mumbai 400 072, Tel No: 2850 0835, Fax No.: 28501438, E-mail id: sysss72@yahoo.co.in
14. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer agents of the Company.
15. Members seeking any information or clarification on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting

INFORMATION UNDER CLAUSE 49 (IV) (G) (i) AND CLAUSE 49 (IV) (E) (v) OF THE LISTING AGREEMENT REGARDING RE - APPOINTMENT OF DIRECTORS

1. Mr. Ravi Gulab Khubchandani
Aged 44, is a non Executive Director. His specialisation in Project Management, International Trade, Logistics and Finance.
2. Mr. Martin Feinstein
Aged 66, is a non Executive Director. His area of expertise is marketing in the U.S.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5:-

Mr. Vivek Tharaney has been in the employment of the Company since 1991 and has been appointed as a Whole-Time Director for one year from 27/03/2010 to 26/03/2011 and therefore, it was felt in the interest of the Company to reappoint

Mr. Vivek Tharaney as the Whole-Time Director-Production for a period of one year w.e.f . 27/03/2011 to 26/03/2012.

A brief resume of Mr. Vivek Tharaney is annexed to this notice.

None of the Directors except Mr. Vivek Tharaney is interested in the said Resolution.

Item No. 6 & 7:-

Mr. Varij Sethi was appointed as Managing Director of the Company for a period of one year from 01/12/2010 on the terms and conditions as approved by the Shareholders. The tenure of his appointment expires on 30/11/2011.

The Board of Directors of the Company at its meeting held on 29th November, 2011 has recommended the re-appointment of Mr. Varij Sethi, as the Managing Director of the Company for a further period of 1 year from 01/12/2011 to 30/11/2012. Also, Mr. Surendra Kumar Sethi was appointed as the Chairman and Joint Managing Director of the Company for a period of one year from 01/12/2010 on the terms and conditions as approved by the Shareholders. The tenure of his appointment expires on 30/11/2011.

It is in the interest of the Company to continue availing the services of Mr. Varij Sethi as the Managing Director and Mr. Surendra Kumar Sethi as the Chairman and Joint Managing Director and renew their appointment. Mr. Surendrakumar Sethi has attained the age of 70 years and the Board proposes to appoint him subject to the approval of shareholders for further period of 1 year. The Remuneration Committee comprising of independent Directors namely Mr. Sunil Barjatiya, Mr. Ravi Khubchandani and Mr. Martin Feinstein, approved and recommended the remuneration payable to Mr. Varij Sethi and Mr. Surendra Kumar Sethi as set out in the body of the resolutions which the Board has agreed to offer by its resolutions dated 29th November, 2011.

The remuneration is within the ceiling limits of remuneration under applicable statutory provisions and schedule XIII of the Companies Act, 1956. The Company has not made any default in repayment of any of its debts (including deposits) or debentures or interest payable thereon for continuous period of 30 days in the preceding financial year before the date of re-appointment of the Managing Director and the Chairman and Joint Managing Director.

The Board recommends these special resolutions for your approval.

By Order of the Board of Directors

Place: Mumbai
Date: 29th November, 2011

Chairman

Registered Office:
138, Shreeji Chambers, 1st Floor,
Tata Road No. 2, Opera House,
Mumbai – 400 004.

DIRECTORS' REPORT

The Members of

S.B. & T INTERNATIONAL LIMITED

Your Directors present with pleasure the Twenty Fourth Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2011.

1. FINANCIAL RESULTS

Particulars	(Rs. In Million)	
	2010-2011	2009-2010
Gross Profit	6.06	11.95
Less: Depreciation	2.32	2.83
Profit before Tax	3.74	9.12
Provision for Tax – Current	(1.64)	(5.27)
Deferred	0.10	(0.14)
Profit after Tax	2.20	3.71
Add: Balance brought forward	43.20	41.80
Profit available for appropriation	45.40	45.51
Appropriations		
Proposed Final Dividend	1.69	1.69
Corporate Dividend Tax	0.34	(0.62)
Balance carried to Balance Sheet	43.37	43.20

2. OPERATIONS

Turnover of the Company is Rs. 1293.63 million for the year ended 31st March, 2011 as compared to Rs. 1286.18 million for the year ended 31st March, 2010.

3. CAPITAL

The Paid up Capital of the Company for the financial year ended 31st March, 2011 is Rs. 168,500,000 divided into 16,850,000 shares of Rs. 10 each.

4. DIVIDEND

Your Directors recommend dividend at the rate of 1% of the paid up capital of Rs.168,500,000/- consisting of 16,850,000 equity shares of Rs.10/- each fully paid up for the financial year ended 31st March, 2011 aggregating to Rs. 1,685,000/- and Tax on dividend of Rs. 3,36,547/-. The dividend is free of tax in the hands of the recipient.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) INDUSTRY STRUCTURE AND DEVELOPMENTS

The gems and jewellery industry had a fabulous growth during the financial year 2010-11. Gems and jewellery export grew by 16% to \$28.41 billion during the year. The growth was primarily due to revival in demand from markets in the U.S.A. and Europe.

The diamond production recorded increase during the year recovering from global slowdown in the previous year.

Cut and polished diamond exports were the main drivers of the growth in financial year 2010-2011 which accounted for about 62% of total share of gems and jewellery industry. The gold jewellery accounted for 31% of the total share.

The performance of gems and jewellery industry is paramount since its contribution to India's total merchandise exports is about 13%. It is anticipated that global consumer demand for luxury goods will recover leading to further growth of the sector.

The Indian gems and jewellery market continues to be dominated by the unorganised sector. There are over 15000 players across the country in the gold processing industry, of which only about 80 players have a turnover of over US\$ 4.15 million (Rs. 200 million). There are about 450,000 goldsmiths spread throughout the country. India was one of the first countries to start making fine jewellery from minerals and metals and even today, most of the jewellery made in India is hand made. The industry is dominated by family jewellers, who constitute nearly 96 percent of the market.

b) SWOT ANALYSIS OF INDIAN GEMS & JEWELLERY INDUSTRY

STRENGTHS:

- About one million craftsmen are associated with this industry. Their skills can be utilized for designing and making modern Jewellery
- Availability of abundance of cheap and skilled labour in India.
- Presence of excellent marketing network spread across the world.
- Supportive government industrial/ EXIM policy.

WEAKNESSES :

- Small firms lacking technological/ export information expertise.
- Low productivity compared to labour in china, Thailand and Sri Lanka.
- As the major raw material requirements need to be imported, companies normally stock huge quantities of inventory resulting high inventory carrying costs.

OPPORTUNITIES :

- New markets in Europe & Latin America
- Growing demand in South Asian & Far East countries.
- Rupee value depreciating resulting in a windfall increase in the profitability.
- Scope of value addition in terms of capacity building at the domestic front, quality management and professionalism.

THREATS :

- China, Israel and Belgium 's entry in small diamond segment
- Infrastructure bottlenecks, absence of latest technology
- Unusual increase in the prices of gold and rough diamonds
- Quality of workmanship and technological development (technical expertise) of China.

c) SEGMENT-WISE PERFORMANCE

Refer to Note # 12 of Schedule 18 of the financial statements attached herewith.

d) FUTURE OUTLOOK

As industry survey stated, there has been a slowdown in the economy specially in the developed economies and it may continue for sometime due to demand contraction in the developed markets such as the US

and the European Union,. However, very recent figures and increase in consumer confidence across globe have boosted the industry confidence and experts are hoping for quick revival of consumer demand and growth in industry. All India Gem and Jewellery Trade Federation (GJF) are targeting growth from US \$ 16.79 billion to US \$ 26.23 billion by the year 2012.

India possesses the world's most competitive gems and jewellery market due to its low cost of production and availability of skilled labour. As per the new research report "Indian Gems and Jewellery Market - Future Prospects to 2011", highly skilled and low cost manpower, along with strong government support in the form of incentives and establishment of SEZs, has been the major driver for the Indian gems and jewellery market. The market also plays a vital role in the Indian economy as it is a leading foreign exchange earner and accounts for more than 12% of India's total exports. Currently the Indian market remains highly fragmented, but is rapidly transforming into an organized sector.

The Indian Diamond Industry is witnessing a divergent trend in the demand for cut and polished diamonds and maintaining its Global Presence. The Jewellery Industry is also having its presence felt in the local as well as global market. The new Government and its economic policies will have an impact on the economic reforms and also on the Gem and Jewellery Industry. The Rupees / Dollar fluctuations is having a lot of impact on the performance of the industry and continues to do so in future also because the exports are linked to dollar. The overall demand in the world market is excellent but due to problems faced by the U.S. economy the demand will be sluggish until and unless there is improvement in the oil price. Revaluation of Yuan of China will have cost bearing effect in the labour market. This will open up the market for Indian Diamond and Jewellery and increase its presence. The cash flow of the company is very encouraging with the significant growth in terms of turnover as well as profitability. Currently, the industry is facing a slowdown due to global economic turmoil. But due to various government efforts and incentives coupled with private sector initiatives, the Indian gems and jewellery sector is expected to grow at a CAGR of around 14% from 2009 to 2012. At present, the Indian gems and jewellery market is dominated by the unorganized sector; however, the trend is set to change in near future with the branded jewellery market growing at an expected CAGR of more than 41% in the coming four years.

The outlook for the Industry and consequently for the Company during the current financial year is reasonably good, subject however, to the effects of prevailing disturbed scenario in the different parts of the world. The Company is putting a lot of efforts to strengthen its financial position by increasing its working capital so as to expand its operations and export business. In view of the demand for Cut and Polished Diamonds and Diamond Studded Jewellery there is a continuous, growth in diamond business. There is enough potential in the Indian and Overseas market for the Companies engaged in diamond trade and export. The Company's policy is to maintain goodwill in the market and flawless perfection at all levels. Customer's satisfaction is the top most priority.

e) RISK MANAGEMENT

The company considers risk management to be one of the most critical components of its business framework. During the year, risk management systems were further strengthened and fine-tuned to effectively manage the risks confronted by the company. Similarly, well-established and documented systems and procedures provide defence against the operational risk. The Company assesses the risk on quarterly basis.

f) INTERNAL CONTROLS

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

The Company's internal control systems governed by well framed policies and guidelines is supplemented by well-established audit processes that assists management in identifying issues and associated risks and ensure that all assets are safeguarded and protected against any loss.

Internal audit, an independent appraisal function, examines and evaluates the adequacy and effectiveness of the internal control systems, appraises periodically about activities and audit findings to the Audit Committee, statutory auditors and the management.

g) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Turnover of the Company is Rs. 1293.63 million for the year ended 31st March, 2011 as compared to Rs. 1286.18 million for the year ended 31st March, 2010. Net Profits after Tax has decreased from Rs. 3.71 million for the year ended 31st March 2010 to Rs. 2.20 million for the year ended 31st March, 2011.

h) HUMAN RESOURCE – THE BIGGEST COMPETITIVE EDGE

The Company regards its human resources as one of its prime and critical resources. The Company proactively reviews policies and processes by creating a work environment which encourages initiative, provides challenges & opportunities and recognises the performance and potentials of its employees.

Comprehensive on-going training is offered to the employees to increase their competence level and job capability. There is a strong focus on team work and team building. Employee relations continue to be cordial.

People are our most vital resources of the Company. The success or failure of the organization is directly linked to the talent of the work force that it is able to attract, retain & engage. We have created a favourable work environment that encourages innovation and meritocracy in our employees which are our greatest resource of sustainable competitive advantage.

We believe that to enhance the market presence of the Company, it is important that new personnel entering the organization are highly skilled, qualified and emotionally attached to the organization. The rollout of this initiative has been extremely well received by the target audience and also by customers, opinion leaders and the media.

In our Company the key focus has been to change the mindset from “Human resource utilization” to “Nurturing and leveraging Talent” Employee engagement remains a key focus of HR initiatives undertaken by our Company. The company helps employees to build new skills and competencies and also promotes knowledge sharing and team building. Harmonious and constructive relations between the management and workmen help to maintain a cordial work atmosphere and achieve business growth.

i) CODE OF CONDUCT

The Board of Directors has adopted the Code of Conduct setting out the rules, ethical codes and honor codes outlining the responsibilities of or proper practices for the Directors and the Company. The Code of Conduct of the Company lays down the principles, values, standards and rules of behavior that guide the decisions, procedures and systems of the Company in a way that (a) it contributes to the welfare of its stakeholders, and (b) respects the rights of all constituents affected by its operations The Code of Conduct is reviewed from time to time by the Board.

The Code of Conduct of the Company has also been posted on the Company’s website – www.sbtindia.com

j) CAUTIONARY STATEMENT

The statements made in this report describe the Company’s objectives, expectations and projections that may be forward looking statements. The actual results might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors, which are beyond the control of the Company and Management.

6. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Vivek Tharaney and Mr. Sunil Barjatiya, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

7. FIXED DEPOSITS

During the year under review, the Company has not accepted any deposit from public as the Company has stopped accepting deposits w.e.f. 12th September 2003 as per the resolution passed by the Board of Directors. Total amount of deposits as on 31st March, 2011 was Rs.50,000/- (Rupees Fifty Thousand Only). There were no outstanding or unclaimed fixed deposits as on 31st March, 2011.

8. Subsidiary Companies

The Ministry of Corporate Affairs vide its General Circular No. 2 / 2011 dated 8th February, 2011 granted general exemption to the Companies from attaching a copy of the Balance Sheet, the Profit and Loss Account and other documents of its subsidiary companies as required to be attached under Section 212 of the Companies Act, 1956 to the Balance Sheet of the Company subject to fulfillment of conditions stipulated in the circular.

Therefore, the said documents of the following subsidiary companies viz. (1) S.B.&T Designs Ltd. (2) Mimansa Jewellery P. Ltd. (3) S.B.&T Holding Limited (4) Soft Touch Jewellers LLC (5) S.B.&T (U.K.) Ltd. will not be attached to the Annual report. However, the aforesaid documents relating to the subsidiary companies and the related detailed information will be made available upon request by any member or investor of the Company. Further, the Annual Accounts of the subsidiary companies will be kept open for inspection by a member or an investor at the Registered Office of the Company or the respective subsidiary company.

As required under the exemption, a statement containing the requisite information for each subsidiary is attached with this Report.

9. CONSOLIDATED FINANCIAL STATEMENTS.

The Consolidated Financial Statements of SB&T International Limited and its subsidiaries SB&T Holding Limited, Mimansa Jewellery Private Limited, Soft Touch Jewelers LLC, SB&T Designs Limited and SB&T (UK) Limited prepared in accordance with Accounting Standard 21 is annexed.

10. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) A rule, 1988 is annexed hereto and forms part of this report.

11. PARTICULARS OF EMPLOYEES

Since none of the employees of the Company was drawing remuneration in excess of limits laid down pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, details therewith are not furnished.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2011; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2011 and of the profit of the Company for that year.
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (iv) that the Directors have prepared the Annual Accounts for the year ended March 31, 2011, on a going concern basis.

COST AUDIT

The company is not required to undertake the cost audit as required under Section 233 B of the Companies Act, 1956.

AUDITORS

M/s. M. M. Dubey & Co., Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

CORPORATE GOVERNANCE

Report on Corporate Governance is furnished as a part of the Directors' Report and forms part of this report. Certificate from the Company's Auditors regarding compliance is annexed hereto and forms part of this report.

PERSONNEL

Your Directors place on record their appreciation to the sincere and dedicated services put in by the employees of the Company at all the levels and in all the departments of the Company.

BANKERS

The Directors place on record their appreciation for the support and co-operation received from all the Bankers.

For and on behalf of the Board of Directors

Place : Mumbai

Date : 29th November, 2011

**Surendra Kumar Sethi
Chairman**

Registered Office:
138, Shreeji Chambers, First Floor,
Tata Road No. 2, Opera House,
Mumbai - 400 004

Statement pursuant to section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011.

(A) CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

Appropriate measures have been initiated to conserve energy. The Company has always been conscious about the need for conservation of energy.

(b) Additional investments and proposals, if any, being implemented for reduction of energy consumption:

The efforts for conservation of energy are on an ongoing basis throughout the year.

(c) The impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The measures taken have resulted in savings in the cost of production.

(B) TECHNOLOGY ABSORPTION**(a) Efforts made in technology absorption :**

Research & Development (R & D)

1. Specific areas in which R & D carried out by the Company:

The Company's technical collaboration with S. B. & T. Gems Imports Inc. USA provides for ongoing transfer of technology. Through Company's R & D emphasis has been laid on adaptation of technology to suit local conditions mainly in areas of process improvement, optimisation of material usage and development of new designs.

2. Benefits derived as a result of above R & D:

Cost reduction

Technology upgradation

Development of new designs in products and processes

3. Future plan of action:

Continuation of the present work in R & D for introduction of new products and processes, and improvement in the existing products and processes in various areas in which the Company is operating.

4. Expenditure on R & D:

As part of its development process the Company incurs ongoing expenditure of a revenue nature on developing new products. This expenditure forms part of the general factory overheads of the Company, hence the precise amount is not quantifiable.

(b) Technology absorption, adoption and innovation:**1. Efforts, in brief, made towards technology absorption, adaptation and innovation:**

Imparting training to personnel by visiting technicians of the Foreign Collaborators in various manufacturing techniques. The Company is also constantly investing in new equipments from time to time to keep abreast with international standards and technology.

2. Benefits derived as a result of above efforts:

Improvement of systems in existing products/processes in related manufacturing areas, Cost reduction, Introduction of new products.

(c) Foreign Exchange Earnings and Outgo:

Efforts are being made to develop new products keeping in view the international market which is sensitive to changing fashions.

The Company's forward integration plans through its wholly owned subsidiary S B & T Holding Limited will facilitate the business to grow globally and reaching the consumers directly.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29th November, 2011

Surendra Kumar Sethi
(Chairman)

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At S.B. & T, Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence. The Corporate Governance philosophy is scripted as:

"As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success."

Corporate governance is about maximizing shareholder value legally, ethically and on a sustainable basis, while ensuring fairness to every stakeholder - our customers, employees, investors, vendor-partners, the governments of the countries in which we operate, and the community. Thus, corporate governance is a reflection of our culture, policies, our relationship with stakeholders and our commitment to values.

Our objective is and always has been to make sure that our financial information is transparent, timely, complete and accurate. We also believe it is essential to have clear policies assuring that all involved in the process of managing the company, from the Board on down, are able to act in the best interest of stockholders.

The public must have confidence that corporations are lead by ethical leaders who play by the rules and who follow strong internal practices and policies

CORPORATE GOVERNANCE PHILOSOPHY :

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law
- Corporate governance standards should go beyond the law
- Be transparent and maintain a high degree of disclosure levels
- Make a clear distinction between personal conveniences and corporate resources
- Communicate externally, in a truthful manner, about how the Company runs internally
- Comply with the laws of all the countries in which the Company operates
- Have a simple and transparent corporate structure driven solely by business needs
- Management is the trustee of the shareholders' capital and not the owner

Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions

Your Board of Directors presents the Corporate Governance Report for the year 2010- 11.

2. BOARD OF DIRECTORS

The Board of Directors (the Board) is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

a) Size and Composition of Board

The Composition of Board of Directors is a combination of Executive and Non Executive Directors. The Composition of the Board and Category of Directors are as follows:

Category	Name of the Directors
Chairman & Joint Managing Director	Mr. Surendra Kumar Sethi

Managing Director	Mr. Varij Sethi
Whole time Director - Production	Mr. Vivek Tharaney
Independent & Non Executive Director	Mr. Ravi Khubchandani
Independent & Non Executive Director	Mr. Martin Feinstein
Independent & Non Executive Director	Mr. Sunil Barjatiya

- b) The following table gives the number of other Directorships and Chairmanships / Membership of Committees of each Director in various Companies as on 31st March, 2011.

Name of the Directors	Category	No. of Directorship(s) in other Companies*		No. of Membership / Chairmanship of other Board Committees**
		Private	Public	Member/ Chairman
Mr. Surendra Kumar Sethi	Chairman & Joint Managing Director	7	0	0
Mr. Varij Sethi	Managing Director	6	1	0
Mr. Vivek Tharaney	Whole time Director - Production	0	0	1
Mr. Ravi Khubchandani	Independent & Non Executive Director	7	0	3
Mr. Martin Feinstein	Independent & Non Executive Director	0	0	2
Mr. Sunil Barjatiya	Independent & Non Executive Director	0	1	3

Notes

* Excluding Directorship in foreign companies.

** Including Audit and Investors Grievance Committees of Public Limited Company

c) Board Meetings

During the accounting year 2010-2011, 8 Board Meetings were held on 30th April, 2010, 14th May, 2010, 30th July, 2010, 13th August, 2010, 14th August, 2010, 8th September 2010, 12th November 2010, and 28th February, 2011.

The details of Directors attendance at Board Meeting held during the year commencing 1st April, 2010 to 31st March, 2011 and the last AGM held on 30th September, 2010.

Name of Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Surendra Kumar Sethi	08	PRESENT
Mr. Varij Sethi	08	PRESENT
Mr. Vivek Tharaney	08	ABSENT
Mr. Ravi Khubchandani	08	ABSENT
Mr. Martin Feinstein	-	ABSENT
Mr. Sunil Barjatiya	04	ABSENT

d) Board's Functioning & Procedures:-

The Board has complete access to any information within the Company. At meetings of the Board, it welcomes the presence of Managers who can provide additional insights into the items being discussed.

The items placed at the Meeting of the Board include the following:-

- Un-audited Quarterly/Half yearly financial results and Audited Annual Accounts of the Company including segment wise revenue, results and capital employed, for consideration and approval,
- Minutes of meetings of Audit Committee, Share Holders Grievance Committee, Remuneration Committee,
- Abstracts of Circular Resolutions passed,
- General Notices of Interest,
- Sale and/or Purchase of investments, fixed assets,
- Review compliance of all laws applicable to the Company including the requirements of the Listing Agreement with the Stock Exchanges and steps taken by the Company to rectify instances of non compliances, if any,
- Related party transactions,
- Reviewing the Company's financial and risk management policies,
- Reviewing the operations of the Subsidiary Company,
- Reviewing the business plan and strategy of the Company,
- Minutes of the Board of Directors of Subsidiary Companies,
- Financial Results of Subsidiary Company.

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial /business plans, financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.

e Post - meeting follow up system:-

The governance process in the Company includes effective post - meeting follow-up, review and reporting process for action taken / pending on decisions of the Board and the Board Committees.

The Minutes of the Meetings of the Board are circulated to all Directors and confirmed at the subsequent Meeting. The Minutes of the Audit Committee, Remuneration Committee and Shareholders' Grievance Committee are also individually given to the Board of Directors and thereafter tabled for discussion at the subsequent Board Meeting. The Minutes of the Board of Directors Meetings of the Subsidiary Company are also circulated to all Directors and thereafter tabled for discussion at the subsequent Board Meeting.

COMMITTEES OF THE BOARD

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of Committees with specific terms of reference/scope. The Committees operate as empowered agents of the Board as per their Charter/ terms of reference. Targets set by them as agreed with the Management are reviewed periodically and mid-course corrections are also carried out. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions / noting. The composition, role and functions of the Committees are as detailed below:

3 AUDIT COMMITTEE :

Audit Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors. Audit Committee is organized for the purposes of assisting the Board in oversight of:

- (1) the integrity of the financial statements of the Company,
- (2) the compliance by the Company with legal and regulatory requirements,

- (3) the independent auditor's qualifications and independence and
- (4) the performance of the Company's internal audit function(s) and independent auditors.

The primary objective of the Audit Committee is to provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures.

a) Constitution and Composition of Committee

Audit Committee was formed on 19th March, 2002 with Mr. Abhishek Jain as the Chairman and Mr. Sanjiv Chainani and Mr. Ravi Khubchandani as its members.

Mr. Abhishek Jain, ceased to be the Chairman of the Committee and Mr. Sanjiv Chainani was appointed as the Chairman with effect from 20th July, 2006.

Mr. Sanjiv Chainani, Chairman of the Audit Committee resigned from the Directorship of the Company with effect from 12th June, 2008. Due to his resignation, there was a change in the constitution of Audit Committee with effect from 12th June, 2008 with Mr. Ravi Khubchandani as the Chairman of the Audit Committee and Mr. Vivek Tharaney and Mr. Abhishek Jain as its members.

Mr. Abhishek Jain, Member of the Audit Committee resigned with effect from 1st January, 2009 and Mr. Sunil Barjatiya was appointed as a member of the Audit Committee of the Company with effect from January 01, 2009.

b. Attendance at the Audit Committee Meetings

During the accounting year 2010-11 Five Audit Committee Meetings were held on 14th May, 2010, 10th August, 2010, 14th August, 2010, 12th November, 2010, 11th February, 2011.

Name of Directors	Designation	Category	No. of Audit Committee Meetings attended
Mr. Ravi Khubchandani	Chairman*	Independent & Non Executive Director	5
Mr. Vivek Tharaney	Member	Executive	5

On 12th June, 2008 Mr. Ravi Khubchandani was appointed as a Chairman of the Audit Committee and Mr. Vivek Tharaney , Whole Time Director (Production) was appointed as a Member of Audit Committee.

** Mr. Sunil Barjatiya was appointed as a Member of the Committee with effect from January 31, 2009

a. The functions of the Audit Committee include the following: -

- Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible,
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other expenses,
- Reviewing with management the annual / half-yearly / quarterly financial statements before submission to the Board,
- Reviewing with management, external and internal auditors, the adequacy of the internal control systems,
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading of the department, reporting structure coverage and frequency of internal audit,
- Discussion with external auditors before the audit, any significant findings and follow up thereon,
- Reviewing the findings of any internal investigations by internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board,

- Discussions with external auditors before the audits commence nature and scope of audit as well as have post-audit discussion to ascertain any area of concern,
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors,
- Related party transactions,
- To review the matters included in the Director's Responsibility Statement, Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956,
- To review the Management discussion and analysis of financial condition and results of operations,
- Disclosures made under the CEO and CFO certification to the Board and investors,
- To review the accounts of the subsidiaries,
- To take note of the report confirming payments of all Statutory Liabilities and other compliances with the various statutes, regulations etc.

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial results and detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Member to enable the Committee to take informed decisions.

The Minutes of the Meetings of the Committee are circulated to all Members and confirmed at the subsequent Meeting.

The Statutory Auditors and Managing Director are invitees to the Audit Committee Meetings.

The Compliance Officer acted as the Secretary to the Audit Committee.

The Members of the Committee are well versed in finance / accounts, legal matters and general business practices.

4 REMUNERATION COMMITTEE:

REMUNERATION COMMITTEE:

The Remuneration Committee of the Board has been constituted on 19th March, 2002 to recommend/review the remuneration package of the Executive Directors, key managerial personnels and the senior most level of management immediately below the Executive Directors.

a. Size and Composition:-

Name of Directors	Designation	Category	No. of Remuneration Committee Meetings attended
Mr. Ravi Khubchandani	Chairman	Independent & Non Executive Director	1
Mr. Martin Feinstein	Member	Independent & Non- Executive Director	NIL
Mr. Sunil Barjatiya	Member	Independent & Non Executive Director	1

b. The functions of the Remuneration Committee include the following:

c. Attendance at the Remuneration Committee Meetings

During the Accounting year 2010 - 11 one Compensation / Remuneration Committee meeting was held on September 08, 2010.

Disclosure of Remuneration paid:-

At present Non-executive and Independent Directors are not paid any remuneration except sitting fees for attending Board Meetings

Details of remuneration paid to Directors during the accounting year ended March 31, 2011 are as under:

Names	Sitting fees Amount (Rs.)	Remuneration including Salary & Perquisites Amount (Rs.)	Total
Mr. Surendra Kumar Sethi	0	175000	175000
Mr. Varij Sethi	0	175000	175000
Mr. Vivek Tharaney	0	45000	45000
Mr. Ravi Khubchandani	16000	-	16000
Mr. Martin Feinstein	0	-	0
Mr. Sunil Barjatiya	8000	-	8000

5 INVESTORS / SHAREHOLDERS GRIEVANCE COMMITTEE:

a) Shareholders Grievances Committee has been constituted:

- to review, redress shareholders grievances,
- to approve all share transfers.
- to ensure proper controls at Registrar and Share Transfer Agent;
- to look into the redressing of the shareholders complaints and queries;
- to review movement in shareholdings and ownership structure;

a. Size and Composition:-

Name of Directors	Designation	Category of Director	Nos. of meetings attended
Mr. Ravi Khubchandani	Chairman	Independent & Non Executive	4
Mr. Sunil Barjatiya	Member	Independent & Non Executive	4
Mr. Martin Feinstein	Member	Independent & Non Executive	0
Mr. Vipul Gandhi	Compliance Officer	4	

The Committee comprised of Mr. Ravi Khubchandani, Non-Executive Independent Director as the Chairman, and two Independent, Non-Executive Directors viz, Mr. Martin Feinstein and Mr. Sunil Barjatiya as its members. Mr. Vipul Gandhi - Manager Banking is the Compliance Officer of the Company.

Mr. Ravi Khubchandani was appointed as Chairman of the Committee by the Board of Directors at their meeting held on 15th December, 2007.

Mr. Sunil Barjatiya was appointed as a member of the Committee with effect from January 01, 2009.

Meeting of the Shareholders' Grievance / Share Transfer Committee Meetings:-

During the accounting year 2010-11, four meetings of the Members of the Committee were held on 14th May, 2010, 14th August, 2010, 12th November, 2010, 11th February, 2011.

b. The functions of the Shareholders' Grievance Committee include the following:-

- Transfer /transmission of shares,
- Redressal of the Complaints of the share holders,

- Issue of duplicate share certificates,
- Review of shares dematerialized and all other related matters,
- Monitors expeditious redressal of investors' grievances,
- Non receipt of Annual Report and declared dividend,
- Non receipt of Notices, Share Certificates, Annual reports, Dividends,
- All other matters related to shares.

Number of complaints received and resolved to the satisfaction of Investors during the year under review and their break-up are as under:

Nature of Complaints	Opening	Received	Resolved	Outstanding as at 31st March, 2011.
Non Receipt of Refund orders and /or non credit of shares in demat account	0	46	38	8

During the accounting year ended 31st March, 2011, 46 complaints were received from shareholders. All valid share transfers applications received during accounting year ended 31st March, 2011 have been acted upon and no transfers were pending for more than 30 days.

8 GENERAL BODY MEETINGS:

The particulars of last Three Annual General Meetings are as under:-

Financial Year	Day and Date	Location of AGM	Time
2009 - 2010	30/09/2010	Hotel Tunga Paradise, MIDC Central Road, Andheri (E), Mumbai - 400 093	11.00 A.M
2008 - 2009	19/12/09	Hotel Tunga Paradise, MIDC Central Road, Andheri (E), Mumbai - 400 093	09.00 A.M.
2007 - 2008	30/09/08	Hotel Tunga Paradise, MIDC Central Road, Andheri (E), Mumbai - 400 093	10.30 A.M

Details of Special Resolution passed in the previous three Annual General Meetings:

At the Annual General Meeting of the Shareholders held on September 30th, 2010, the following special resolutions were passed:

- Re-appointment of Mr. Vivek Tharaney as whole Time Director of the Company
- Re appointment of Varij Sethi as a Managing Director of the Company
- Re appointment of Surendrakumar Sethi as Chairman & Joint Managing Director of the Company

At the Annual General Meeting of the Shareholders held on 19/12/09, the following special resolutions were passed:

- Appointment of Mr. Varij sethi as the Managing Director of the Company for a period of 1year with effect from 1st December, 2009 upto 30th November, 2010.
- Appointment of Mr. Surendra Kumar Sethi as Chairman & Joint Managing Director of the Company for 1 year from 1st December, 2009 upto 30th November, 2010 on a remuneration of upto Rs. 2 Lacs per month.

- Appointment of Mr. Vivek Tharaney as Whole - Time Director (Production) of the Company for 1 year from 27th March, 2009 upto 26th March, 2010 on a remuneration of Rs. 25,000/- per month.

At the Annual General Meeting of the Shareholders held on 30/09/2008 the following special resolutions were passed.

- Mr. Varij Sethi, the Managing Director of the Company was paid a remuneration upto Rs. 2 Lacs per month (proportionately for 2 months) from 30th September, 2008 upto 30th November, 2008.
- At the Annual General Meeting of the Shareholders held on September 30, 2008 Mr. Surendrakumar Sethi, the Chairman and Joint Managing Director, was paid a remuneration upto Rs. 2 Lac per month (proportionately for 2 months) from 30th September, 2008 upto 30th November, 2008.
- At the Annual General Meeting of the Shareholders held on September 30, 2008, Mr. Surendrakumar Sethi was re-appointed as the Chairman and Joint Managing Director of the Company for 1 year from 1st December, 2008 upto 30th November, 2008 was paid a remuneration of upto Rs. 2 Lacs per month.
- At the Annual General Meeting of the Shareholders held on September 30, 2008, Mr. Vivek Tharaney was appointed as the Whole-time Director (Production) for 1year from 27th March, 2008 upto 26th March, 2009 During the Year 2010 -2011, No Extraordinary General Meeting was held.

9 DISCLOSURES:

- Disclosures on materially significant related party transactions i.e. transaction of the Company of material nature, with its promoter, the Director or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

Note No. 18 B (13) at notes to accounts states materially significant related party transactions. Though there are materially significant related party transactions, they are not potentially conflicting with the interest of the Company.

- Details of non compliance by the Company, penalties, and restrictions imposed on the Company by Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets during the last three years:

The Company has complied with all the requirements of Regulatory Authorities and no penalties were imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities on any matter related to the capital market during the last three years.

- During the year the following amount was required to be transferred to the Investor Education and Protection Fund, however the same is transferred.

Particulars	Amount (Rs.)
Unclaimed Dividend for the financial year 2002-2003	108,515.00
Unclaimed Public Fixed Deposit for the financial year 2002-2003	36,000.00

- Trading in the Company's Shares by Directors and Designated Employees:

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 1992, our Company has appointed Mr. Vipul Gandhi as the Compliance Officer who is responsible for setting policies, procedures for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code of Conduct for Prevention of Insider Trading.

- Subsidiary Company's Monitoring Framework:

The Minutes of the Meetings of the Board of Subsidiary Company are circulated to all Directors and confirmed at the subsequent Meeting. The Audit Committee reviews the quarterly accounts of the subsidiaries.

1. MEANS OF COMMUNICATION:

It is the Management's belief that all shareholders should have access to complete information regarding its position to enable them to accurately access its future potential. Thus, the information related to the Company displayed as under:

Newspaper wherein quarterly results are published	Free Press Journal & Navshakti
Website, where displayed	www.sbtindia.com
Whether it displays official news releases and presentations made to institutional investors or to the analysts	Yes
Whether Management Discussion and Analysis Report is a part of Annual Report	Yes

2. CODE OF CONDUCT

The Board of Directors has adopted the Code of Business conduct and Ethics for Directors and Senior Management. The Code is reviewed from time to time by the Board. The Code of Conduct has been communicated to the Directors and Members of the Senior Management. The Code of Conduct has also been posted on the Company's website: www.sbtindia.com

3. GENERAL SHAREHOLDER INFORMATION**a) Annual General Meeting:**

Date	Time	Venue
December 23, 2011	10.00 am	Hotel SunCity Residency 16th Road, MIDC, Marol, Andheri (E), Mumbai - 400 093

b) Financial Calendar:

- Financial reporting for the quarter ending:
 - Quarter ending June 30, 2011 : August 12, 2011
 - Quarter/Half year ending September 30, 2011 : 14th November 2011
 - Quarter ending December 31 , 2011 : By 15th february 2012
 - Quarter/Year ending March 31, 2012 : By 15th May 2012
- Date of Book Closure : December 20, 2011 to December 23, 2011
- Dividend Payment date : On or after December, 2011 but within the statutory time limit of 30 days, subject to shareholders approval.

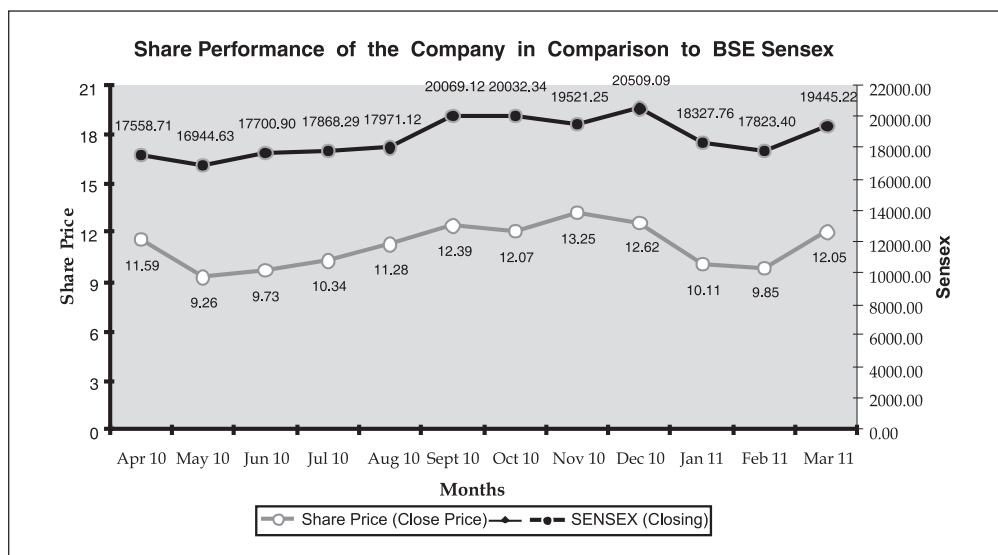
c) Market Information:

- **Listing on the Stock Exchange** : Bombay Stock Exchange Limited and National Stock Exchange of India Limited
- The Company has paid Listing fees for the year 2010-2011 to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- **Stock Code** :- 13583 on Bombay Stock Exchange Limited and SB&TINTL on the and National Stock Exchange of India Limited
- **ISIN number for NSDL & CDSL** : INE465B01015
- **Market Price Data:**

Stock Market Data: High / Low price during each month of 2010-11 on Bombay Stock Exchange Limited and National Stock Exchange of India Limited are as under:

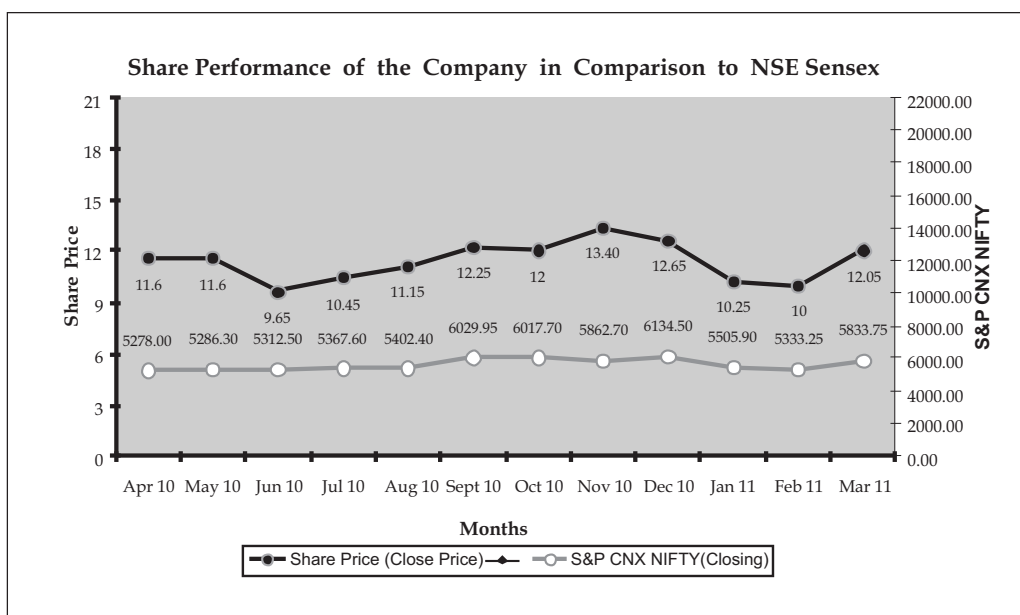
S.B. & T INTERNATIONAL LIMITED								BSE Sensex		
Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares	No. of Trades	Net T/O (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)
2010										
Apr	9.80	13.00	9.61	11.59	6,41,635	2,398	75,81,106	18,407.86	17,276.80	17,558.71
May	11.00	12.00	9.00	9.26	1,82,735	1,058	18,85,899	17,536.86	15,960.15	16,944.63
Jun	9.56	10.40	9.00	9.73	1,66,486	782	16,02,793	17,919.62	16,318.39	17,700.90
Jul	9.60	12.10	9.26	10.34	5,17,619	2,128	57,77,839	18,237.56	17,395.58	17,868.29
Aug	10.80	13.90	10.58	11.28	10,28,332	3,881	1,26,75,724	18,475.27	17,819.99	17,971.12
Sept	11.60	14.10	11.12	12.39	4,60,551	2,031	56,97,770	20,267.98	18,027.12	20,069.12
Oct	12.25	15.50	11.80	12.07	8,30,498	2,584	1,05,16,912	20,854.55	19,768.96	20,032.34
Nov	12.80	16.15	12.00	13.25	13,51,809	5,212	1,92,84,576	21,108.64	18,954.82	19,521.25
Dec	12.88	13.95	11.05	12.62	3,17,661	1,380	40,77,534	20,552.03	19,074.57	20,509.09
2011										
Jan	13.40	13.40	9.54	10.11	1,77,585	799	21,04,302	20,664.80	18,038.48	18,327.76
Feb	10.20	11.10	7.90	9.85	1,15,330	478	10,80,885	18,690.97	17,295.62	17,823.40
Mar	9.30	15.10	9.30	12.05	6,73,354	2,228	85,89,624	19,575.16	17,792.17	19,445.22

	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sept 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11
Share Price (closing)	11.59	9.26	9.73	10.34	11.28	12.39	12.07	13.25	12.62	10.11	9.85	12.05
BSE Sensex (closing)	17558.71	16944.63	17700.90	17868.29	17971.12	20069.12	20032.34	19521.25	20509.09	18327.76	17823.40	19445.22



S.B. & T INTERNATIONAL LIMITED						NSE S&P CNX Nifty			
	Open	High	Low	Close	No. of Shares Traded	Net T/O (Rs.) (In Lacs)	High	Low	Close
Date	(Rs.)	(Rs.)	(Rs.)	(Rs.)			(Rs.)	(Rs.)	(Rs.)
2010 Apr	9.65	13.10	9.65	11.60	384760	45.96	5399.65	5160.90	5278
May	9.65	13.10	9.65	11.60	233789	24.14	5278.70	4786.45	5286.30
Jun	9.55	10.40	8.65	9.65	97449	9.41	5366.75	4961.05	5312.50
Jul	9.80	12.40	9.35	10.45	454220	50.63	5477.50	5225.60	5367.60
Aug	10.80	14.00	10.60	11.15	1116006	140.42	5549.80	5348.90	5402.40
Sept	10.75	13.40	10.25	12.25	471105	58.14	6073.50	5403.05	6029.95
Oct	12.15	13.75	10.90	12.00	596588	75.82	6284.10	5937.10	6017.70
Nov	12.55	16.20	11.50	13.40	1748203	251.46	6338.50	5690.35	5862.70
Dec	12.55	13.90	11.10	12.65	402806	51.69	6147.30	5721.15	6134.50
2011 Jan	12.80	13.15	9.65	10.25	174951	20.57	6181.05	5416.65	5505.90
Feb	10.10	10.60	7.85	10.00	136269	12.92	5599.25	5177.70	5333.25
Mar	9.50	15.15	9.50	12.05	604295	78.50	5872.00	5348.20	5833.75

	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sept 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11
Share Price (closing)	11.60	11.60	9.65	10.45	11.15	12.25	12.00	13.40	12.65	10.25	10.00	12.05
S&P CNX NIFTY (closing)	5278.00	5286.30	5312.50	5367.60	5402.40	6029.95	6017.70	5862.70	6134.50	5505.90	5333.25	5833.75



d) Share Transfer System and other related matters:

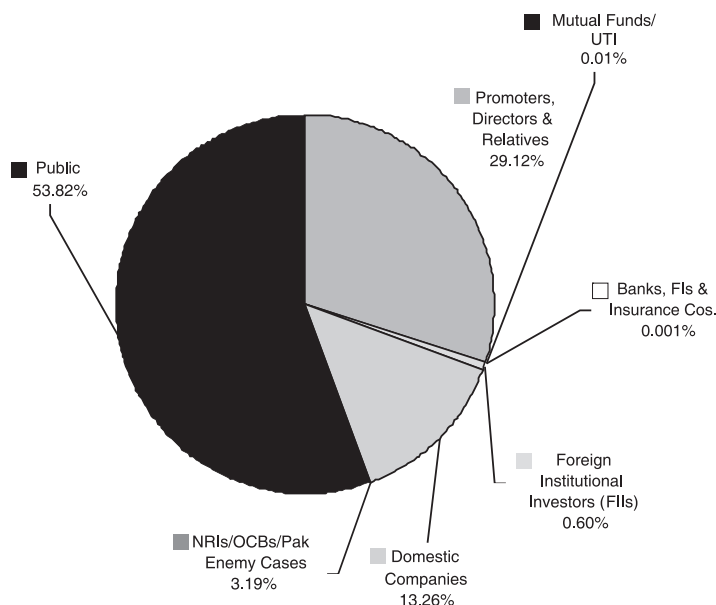
- Registrar and Share Transfer Agents : SYSTEM SUPPORT SERVICES
209, Shivai Industrial Estate,
Near Parke Davis,
89, Andheri- Kurla Road,
Sakinaka, Andheri (East)
Mumbai :- 400072
Tel: 2850 0835
Fax:28501438
Email id : sysss72@yahoo.com
- Share Transfer System :
The shares lodged for transfer are processed by the Registrar and Transfer Agent and are approved by Shareholders Grievance Committee. Shares sent for transfer in physical form are registered and returned within a maximum period of 30 days from the date of receipt, subject to documents being valid and complete in all respects. Similarly all requests for demat are received and processed by the Registrar and Transfer Agents and confirmations given to the depositories within the prescribed time limit.
- Nomination Facility for Shareholding :
As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer Agents of the Company.
- Unclaimed Dividends:
Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Vipul Gandhi, Compliance Office, at the Company's registered office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per section 205 C of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
- Compliance under Clause 47(c) of the listing agreement:
As required under Clause 47(c) of the listing agreements entered into by the Company with the Stock Exchange(s), a half yearly certificate is being obtained from a firm of Practicing Company Secretaries, in regard to inter alia, effecting transfer, transmission, sub-division, consolidation, renewal and exchange of equity shares within one month of their lodgment. The certificates are forwarded to the Stock Exchanges where the Equity Shares of the Company are listed and also placed before the Board.
- Secretarial Audit:
In terms of SEBI's circular no. D&CC/FITTC/CIR - 16 dated 31st December, 2002 a Secretarial Audit is being conducted on a quarterly basis by a firm of Practicing Company Secretaries for the purpose of, inter alia, reconciliation of total admitted Equity Share Capital with the depositories and in the physical form with the total issued/paid up Equity Capital of the Company. Certificates issued in this regard are forwarded to the Stock Exchanges where the Equity Shares of the Company are listed.
- Correspondence regarding Change in Address:
Members are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, System Support Services, Tel No: +91 22 2850 0835, Fax No.: +91 22 28501438, E-mail id: sysss72@yahoo.co.in
- DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2011:

No. of Equity Shares held	No. of Shares	% of Shares	No. of Shareholders	% of Shareholders
1 - 5000	4176475	24.79	8821	97.30
5001 - 10000	888672	5.27	119	1.31
10001 - 20000	900580	5.35	62	0.68
20001 - 30000	394404	2.34	16	0.18
30001 - 40000	316768	1.88	9	0.10
40001- 50000	224559	1.33	5	0.10
50001-100000	1367049	8.11	18	0.20
100001 & above	8581493	50.93	16	0.20
Shares in Transit				
Total	16850000	100.000	9066	100.000

● **SHAREHOLDING PATTERN AS ON 31ST MARCH, 2011:**

Category	No. of shares held	% of shareholding
A. Promoter's holding		
1 Promoter's		
- Indian Promoters	3,457,202	20.52
- Foreign Promoters	1,450,000	8.61
2 Persons acting in Concert	0	0
Sub-Total	4,907,202	29.12
B. Non-Promoters Holding		
a. Mutual Funds and UTI	1700	0.01
b. Banks, Financial Institutions, Insurance	200	0.001
Companies (Central / State Govt. Institutions/ non-government institutions)	0	0.00
c. FII's	4100	0.02
Sub-Total	6000	0.04
C. Others		
a. Private Corporate Bodies	18,38,488	10.91
b. Indian Public	95,97,050	56.96
c. NRIs/OCBs	5,01,260	2.97
d. Any Other (please specify) In Transit (DEMAT)	0.00	0.00
Sub-Total	1,19,36,798	70.84
GRAND TOTAL	1,68,50,000	100.00

SHAREHOLDING PATTERN AS ON 31/03/2011



● **Dematerialization of shares:**

95.79% of the shares issued by the Company have been dematerialised up to 31st March, 2011.

Break up of shares in physical and demat form as of 31st March, 2011:

No. of Share	Percentage of Shares
Physical Segment	4.22%
Demat Segment	
NSDL	75.49%
CDSL	20.29%
Total	100.00

● **Details of use of public funds obtained in the last three years :-**

Particulars	Amount in Rs.
Proceed received from conversion of 18,00,000 warrants	72,00,000
Total	72,00,000
Working Capital utilised	72,00,000
Total	72,00,000

- Address for Correspondence : Mr. Vipul Gandhi
Compliance Officer
138, Shreeji Chambers, First Floor,
Tata Road No. 2, Opera House,
Mumbai - 400 004
Tel no. 23636804/05,
Fax. 23633282
Email id: vipul@sbtindia.com

However, Shareholders holding shares in electronic form should address all correspondence to their respective Depository Participant's.

9. MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement the Management Discussion and Analysis is included as a separate section in this Annual Report.

10. CEO/CFO Certification

As required by Clause 49 of the Listing Agreement the CEO/CFO Certificate is provided in the Annual Report.

11. PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement the Practicing Company Secretary's Certificate is obtained and provided in the Annual Report.

CHIEF EXECUTIVE OFFICER (CEO) and CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Surendra Kumar Sethi, Chairman & Joint Managing Director, Mr. Varij Sethi, Managing Director and Vipul Gandhi, Compliance Officer, of S. B & T International Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account and notes on accounts, as well as the cash flow statements and the directors' report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements and other financial information included in this report, fairly present in all material respects, the financial condition, results of the operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
5. The Company's other certifying officers and we, are responsible for establishing and maintaining disclosure controls and procedures for the Company, and we have :
 - a. designed such disclosure controls and procedures to ensure that material information relating to the Company, is made known to us by others within those entities particularly during the period during which this report is being prepared; and
 - b. evaluated the effectiveness of the Company's disclosure, controls and procedures.
6. The Company's other certifying officers and we, have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board of Directors (and persons performing equivalent functions):
 - a. all significant deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weakness in internal controls;
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls;
 - c. the Company's other certifying officers and we, have indicated in this report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness; and
 - d. all significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.

7. In the event of any materially significant misstatements or omissions, the signing officers will return to the Company that part of any bonus or incentive or equity –based compensation, which was inflated on account of such errors, as decided by the Audit Committee;
8. We affirm that we have not denied any personnel access to the Audit Committee of the Company;
9. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Surendra Kumar Sethi
Chairman & Joint Managing Director

Varij Sethi
Managing Director

Vipul Gandhi
Compliance Officer

Place : Mumbai

Date : 29th November, 2011

PRACTISING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE

Company Secretary's Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement (s)

The Members of

S.B. & T International Limited

We have examined the Compliance of conditions of Corporate Governance by S.B. & T International Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges of India.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that no Investor grievance is pending for a period exceeding one month against the Company as per the records maintained by Shareholders Committee.

We further state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Pramod S. Shah & Associates

Place : Mumbai

Practicing Company Secretaries

Date : 29th November, 2011

Sd/-
Pramod S. Shah
CP No.: 3804

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed Compliance with the Code of Conduct and Ethics for the year ended 31st March 2011.

For S.B. & T International Limited

Date: 29th November, 2011
Place: Mumbai

Varij Sethi
Managing Director

AUDITOR'S REPORT

TO THE MEMBERS OF S.B & T INTERNATIONAL LIMITED

We have audited the attached Balance Sheet of **S.B. & T INTERNATIONAL LIMITED** (“ the Company”) as at 31st March, 2011, the Profit & Loss Account and the Cash Flow Statement of the company for the year ended on that date annexed thereto.

Respective Responsibility Of The Management And The Auditor:

These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of Opinion:

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion:

We report as under:

- I As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us by the management, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- II. Further to our comments in the Annexure referred to in paragraph I above:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow Statement comply with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent they are applicable to the Company.
 - e) On the basis of written representations received from the Directors of the Company as on 31st March, 2011, and taken on record by the Board of Directors of the Company, we report that none of the Director is disqualified as on at 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - f) *In respect of investment of Rs. 750 lacs in Equity Shares of Tanvin Trade Fin Pvt. Ltd. in the absence of required information, we are unable to comment whether the relevant disclosure has been made by the company in respect of investment in a subsidiary company in the aforesaid investment and whether there is fall in the value of such investment.*
 - g) In our opinion and to the best of information and according to the explanations given to us, *subject to non confirmation of balances of debtors / creditors* the said accounts, read together with the notes thereon, given the information required by the Act in the manner so required and, give a true and fair view in conformity

with the accounting policies generally accepted in India:

- 1) in case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011,
- 2) in case of the Profit & Loss Account, of the Profit of the company for the year ended on that date; and
- 3) in case of the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For **M.M DUBEY & Co.**
Chartered Accountants

M.M.DUBEY & CO
PROPRIETOR
Membership No. 30453

Place: Mumbai

Date: 29th November, 2011

Fixed Assets:

1. *We are informed that the company is in the process of maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.*
2. According to the representations provided to us, the company has a regular programme of physical verification of its fixed assets over a period of three years, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified by the Management during the year.
3. During the year, the Company has not disposed off substantial part of its fixed assets to affect going concern assumption.

Inventories:

4. We are informed that, physical verification of inventory has been carried out by the management during the year. In our opinion, the frequency of verification is reasonable.
5. According to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate according to the size of the company and the nature of the business.
6. On the basis of the representation of the company, we are of the opinion that the Company is maintaining proper records of inventory. *However, in the absence of proper evidence, we are unable to comment upon the same.*

Related party transactions:

7. According to the information and explanation given to us, the company has granted interest free unsecured loans to three companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year is of Rs. 2,780.39 lacs.
8. In our opinion, the terms and condition (other than rate of interest) on which loan have been granted by the company to the parties listed in the register maintained under section 301 of the Act, are prima facie not prejudicial to the interest of the company.
9. According to the information and explanations given to us, receipt of the amount is regular.
10. In our opinion and according to the information and explanations given to us, the company has taken reasonable steps, where overdue amount is more than one lac for recovery of the amount.

11. According to the information and explanations given to us, the company has taken interest free unsecured loans from two directors, two relatives of director and one firm and interest bearing loan from two companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year is aggregated to Rs. 343.24 lacs.
12. In our opinion and according to the information and explanation given to us the terms and conditions including the rate of interest for such loan is taken are not prima facie prejudicial to the interest of the company.
13. According to the information and explanations given to us, the payment of the amount is regular.

Contracts or Arrangements with 301 Parties

14. According to the information and explanations given to us, the transactions in which directors were interested as contemplated under Section 297 and sub section (6) of section 299 of the Act, and which were required to be entered in the register maintained under section 301 of the said act, have been so entered.
15. According to the information and explanations given to us, each of these transactions exceeding the value of rupees five lacs in respect of any party during the year, are made at a price, which are reasonable having regard to the prevailing market prices at the relevant time.

Internal Controls:

16. An internal control procedure for the purchase of inventory and fixed assets and for the sale of goods has improved.

Internal Audit:

17. In our opinion, the company has an adequate internal audit system commensurate with its size and nature of its business.

Deposits:

18. In our opinion and according to the information and explanations given to us, the company has complied with the provision of Section 58A and 58AA of the Act or any other relevant provisions of the Act, and the NBFC (Reserve Bank) Directors, 1998 / Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from public during the earlier years. Further, as informed to us no order has been passed by the Company Law Board, National Law Tribunal, Reserve Bank of India or any other court or Tribunal.

Statutory Dues:

19. According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, cess and other statutory dues, if any, applicable to it. As explained to us the, provision regarding service tax and excise duty is presently not applicable to the company. However undisputed amount in respect of the following dues are outstanding for a period of more than six months:

Name of Statute	Nature of the Dues	Amount (Rs. in Lacs)	Pending from the financial year
Income Tax Act	Corporate Dividend Tax	3.02	2009 – 10
Income Tax Act	Corporate Dividend Tax	2.86	2010 – 11
Income Tax Act	Income Tax	34.14	2009 – 10
Income Tax Act	Advance Income Tax	5.53	2010 – 11

20. According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute except for the following:

Name of Statute	Nature of the dues and period to which it relates	Amount (Rs. In lacs)	Forum where dispute is pending
Custom Act, 1962	2004-05 to 2008-09	64.24	Deputy Commissioner of Customs, SEEPZ-SEZ

Accumulated / Cash losses:

21. The company does not have any accumulated losses at the year end, and has not incurred any cash losses during the financial year and in the immediately preceding financial year.

Default in repayment of dues:

22. According to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.

Loans and Advances granted on the basis securities:

23. According to the records of the company and according to the information and explanations provided to us, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Guarantees Given:

24. According to the information and explanations provided the company has not given any guarantee for loans taken by others from banks or financial institutions.

Sources and Application of Funds:

25. Based on our examination of the balance sheet of the company as at March 31, 2011 on an overall basis and as per the information and explanation given to us, we find that no funds raised on short term basis were utilized for long term purpose.

Preferential Allotment:

26. According to the information and explanations given to us, the company has not made preferential allotments of shares to parties listed in the register maintained under section 301 of the Act.

Fraud:

27. Based upon the audit procedures performed and information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Miscellaneous:

28. The clauses (viii), (xiii), (xiv), (xvi), (xx) of the paragraph 4 & 5 of the order are not applicable to the company and hence not reported upon.

For M.M DUBEY & Co.
Chartered Accountants

M.M.DUBEY & CO
PROPRIETOR
Membership No. 30453
Place: Mumbai
Date: 29th November, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As at 31/03/2011 (Rs.)	As at 31/03/2010 (Rs.)
SOURCES OF FUNDS :			
SHARE HOLDERS' FUNDS :			
Share Capital	1	168,500,000	168,500,000
Reserves and Surplus	2	922,759,114	922,577,392
		1,091,259,114	1,091,077,392
LOAN FUNDS :			
Secured Loans	3	232,150,696	235,639,700
Unsecured Loans	4	119,845,077	82,801,049
		351,995,774	318,440,749
		1,443,254,888	1,409,518,141
APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross Block	5	67,561,202	69,053,656
Less : Depreciation		53,280,280	52,239,991
Net Block		14,280,922	16,813,665
Add: Capital Work In Progress		396,000	2,185,095
		14,676,922	18,998,760
INVESTMENTS	6	366,719,028	366,719,028
DEFERRED TAX ASSET (Net) (Refer Note B (16) to Schedule 18)		281,067	172,442
CURRENT ASSETS, LOANS AND ADVANCES :			
Inventories	7	390,318,342	440,014,187
Sundry Debtors	8	1,104,550,958	540,590,144
Cash and Bank Balances	9	30,931,871	30,700,177
Loans and Advances	10	269,705,591	328,467,576
		1,795,506,762	1,339,772,084
LESS : CURRENT LIABILITIES AND PROVISIONS :			
Current Liabilities	11	707,723,281	261,220,104
Provisions	12	26,205,610	54,924,070
		733,928,891	316,144,174
NET CURRENT ASSETS		1,061,577,871	1,023,627,911
TOTAL		1,443,254,888	1,409,518,141
Significant Accounting Policies & Notes to Accounts	18		

As per our attached report on even date

For M. M. Dubey & Co.
Chartered Accountants

M. M. Dubey
Proprietor

Place: Mumbai
Date: 29th November, 2011

For and on behalf of the Board of Directors
of S B & T International Ltd.

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

VIVEK THARANEY
Whole Time Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	2010 - 11 (Rs.)	2009 - 10 (Rs.)
INCOME :			
Sales		1,293,625,672	1,286,183,989
Other Income	13	16,257,791	4,843,055
		1,309,883,463	1,291,027,044
EXPENDITURE :			
Material Costs	14	1,224,344,419	1,171,546,432
Personnel Costs	15	11,795,086	12,287,116
Manufacturing, Administrative, Selling and Other Expenses	16	19,489,881	55,083,829
Interest & Financial Charges	17	48,191,005	40,159,468
Depreciation	5	2,322,496	2,834,549
		1,306,142,886	1,281,911,394
Profit for the year before tax, exceptional item & prior period adjustments		3,740,577	9,115,650
Prior Period adjustments		-	-
PROFIT / (LOSS) BEFORE TAX		3,740,577	9,115,650
Provision for Tax			
Current Tax		(1,645,932)	(5,271,486)
Deferred Tax		108,624	(134,088)
PROFIT / (LOSS) AFTER TAX		2,203,269	3,710,076
Balance Brought Forward from Previous Year		43,197,991	41,801,314
AMOUNT AVAILABLE FOR APPROPRIATION		45,401,260	45,511,390
APPROPRIATIONS :			
Proposed Dividend (Refer Note B (17) to Schedule 18)		1,685,000	1,685,000
Dividend Distribution Tax		286,366	286,366
Interest on Dividend Distribution Tax		50,181	342,033
Balance Carried over to the Balance Sheet		43,379,713	43,197,991
		45,401,260	45,511,390
Earning Per Share (Face value of Shares of Rs. 10/- each)			
Basic / Diluted (Refer Note B (15) to Schedule 18)		0.13	0.22
Significant Accounting Policies & Notes to Accounts	18		

As per our attached report on even date

For M. M. Dubey & Co.
Chartered AccountantsM. M. Dubey
ProprietorPlace: Mumbai
Date: 29th November, 2011For and on behalf of the Board of Directors
of S B & T International Ltd.SURENDRA KUMAR SETHI
ChairmanVARIJ SETHI
Managing DirectorVIVEK THARANEY
Whole Time Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
A. Cash Flow from Operating Activities		
Net Profit Before Tax, Extra-ordinary and Prior Period Items	3,740,577	9,115,650
Adjustments for :		
Depreciation	2,322,496	2,834,549
Non Cash (income)/expenses	1,169,789	17,772,016
Interest Expense (Net)	48,191,005	42,354,455
Other Interest received	(10,046,943)	(2,194,987)
Operating Profit before Working Capital Changes	45,376,924	69,881,683
Adjustments for :		
Current Assets	(498,816,732)	(199,562,716)
Current Liabilities	417,784,717	116,128,555
Cash generated from Operations	(35,655,091)	(13,552,478)
Tax adjustment	35,870,453	(99,482)
Net Cash Flow from / (used) Operating Activities	215,362	(13,651,960)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(12,065)	(16,666)
Sale of Fixed Assets	250,000	-
Receipt from proceeds of Capital W.I.P.	1,784,600	-
Investment in Subsidiary	-	(10,025,000)
Interest received	10,046,943	2,194,987
Net Cash from / (used) in Investing Activities	12,069,478	(7,846,679)
C. Cash Flow from Financing Activities		
Inter Corporate Deposit Taken	61,829,844	61,974,968
Repayment of Inter Corporate Deposit	(31,463,585)	(86,500,000)
Repayment of Fixed Deposit from Public with Interest	(44,000)	(41,750)
Bank Borrowings	778,830	95,469,166
Temporary Overdraft from Bank	(1,044,415)	(4,679,642)
Receipt / (Repayment) of Loan from Director	6,400,000	-
Interest & Other Financial Charges	(46,824,820)	(47,400,014)
Dividend Paid	(1,685,000)	(1,685,000)
Net Cash from / (used) in Financing Activities	(12,053,146)	17,137,729
Net Increase in Cash and Cash Equivalents	231,694	(4,360,910)
Opening Balance of Cash and Cash Equivalents	30,700,177	35,061,087
Closing Balance of Cash and Cash Equivalents	30,931,871	30,700,177
Cash & Cash Equivalent comprises-		
Cash in Hand	1,832	1,362,888
Balance with Scheduled Banks in Current Accounts	1,013,551	1,385,826*
Balance with Scheduled Banks in Deposit Accounts	29,916,488	27,951,463
	30,931,871	30,700,177

*This amount includes the amount in relation to unclaimed dividend and unclaimed deposit of public which is of Rs. 8,70,082/- (P.Y. Rs. 9,91,402/-). These amounts are lying in the bank accounts and are not available to the company for its own use.

As per our attached report on even date

For M. M. Dubey & Co.
Chartered Accountants

M. M. Dubey
Proprietor

Place: Mumbai
Date: 29th November, 2011

For and on behalf of the Board of Directors
of S B & T International Ltd.

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

VIVEK THARANEY
Whole Time Director

SCHEDULES TO THE ACCOUNTS**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 1		
SHARE CAPITAL		
Authorised:		
20,000,000 (P.Y. 20,000,000) Equity Shares of Rs.10/- each	200,000,000	200,000,000
	200,000,000	200,000,000
Issued, subscribed and paid-up Capital :		
Equity Share Capital		
16,850,000 (16,850,000) Equity shares of Rs.10/- each fully paid-up (Refer B(3) of Schedule 18)	168,500,000	168,500,000
	168,500,000	168,500,000
SCHEDULE 2		
RESERVES AND SURPLUS		
<u>Capital Reserve</u>		
As per Last Balance Sheet	11,032,961	3,832,961
Add : Shares Warrants Forfeited	-	7,200,000
	11,032,961	11,032,961
Capital Redemption Reserve	30,000,000	30,000,000
Share Premium Account	354,500,000	354,500,000
General Reserve	483,846,440	483,846,440
Surplus / (Deficit) in Profit and Loss Account	43,379,713	43,197,991
	922,759,114	922,577,392
SCHEDULE 3		
SECURED LOANS		
From Banks (Secured against hypothecation of Stock and Book Debts)	232,150,696	235,639,700
	232,150,696	235,639,700
SCHEDULE 4		
UNSECURED LOANS		
Fixed Deposits from Public [Amount repayable within one year Rs. 50,000/- (P.Y. Rs. 94,000/-)]	50,000	94,000
Interest accrued on Fixed deposits from Public	50,195	50,195
Inter Company Deposits	99,307,412	67,574,968
Temporary Overdraft from Bank	5,208,853	6,253,268
Loan from Directors and related parties	15,228,618	8,828,619
	119,845,077	82,801,049

**SCHEDULE 5
FIXED ASSETS**

Sr. No.	Particulars	Rate%	Gross Block				Depreciation				Net Block	
			As on 01.04.2010	Addition During The Year	Deduction During The Year	As on 31.3.2011	As on 01.04.2010	For the Period	Adjustment	As on 31.3.2011	As on 31.3.2011	As on 31.3.2010
1	Office Premises	5.00	3,630,000	-	-	3,630,000	2,207,084	71,146	-	2,278,230	1,351,770	1,422,916
2	Residential Flat	5.00	1,828,620	-	-	1,828,620	870,004	47,931	-	917,934	910,686	958,616
3	Factory Building	10.00	2,170,215	-	-	2,170,215	591,942	157,827	-	749,769	1,420,446	1,578,273
4	Plant & Machinery	13.91	31,719,812	-	-	31,719,812	23,085,476	1,201,036	-	24,286,512	7,433,300	8,634,336
5	Furniture, Fixture & Fitting	18.10	14,003,527	-	-	14,003,527	11,097,652	525,963	-	11,623,615	2,379,912	2,905,875
6	Equipments	13.91	1,511,554	-	-	1,511,554	1,124,490	53,841	-	1,178,331	333,223	387,064
7	Vehicles	25.89	5,032,022	-	1,504,519	3,527,503	4,449,823	122,978	1,282,206	3,290,595	236,908	582,199
8	Computer System	40.00	9,157,906	12,065	-	9,169,971	8,813,521	141,773	-	8,955,295	214,677	344,385
	Total (Current Year)		69,053,656	12,065	1,504,519	67,561,202	52,239,991	2,322,496	1,282,206	53,280,280	14,280,922	16,813,665
	Total (Previous Year)		69,036,990	16,666	-	69,053,656	49,405,442	2,834,549	-	52,239,991	16,813,665	-

**SCHEDULE 6
INVESTMENTS (AT COST)**
LONG TERM - (Non Trade)
QUOTED

1,40,000 Equity Shares of Rs.16.50/- each fully paid up in Sri Bhavani Cabeltel Ltd.
(Market Value as on 31/03/2011 is Rs. 8.75 (P.Y.6.39) per share)

UNQUOTED
A. INVESTMENTS IN WHOLLY OWNED SUBSIDIARY

1,737,873 (1,737,873) Equity Shares of US\$1/- each fully paid up in S B & T Holding Limited (Mauritius)
6,54,958 Preference Shares of US\$1/- each fully paid up in S B & T Holding Limited (Mauritius)
150,00,000 (P.Y. 150,00,000) Equity shares of Rs. 10/- each fully paid up in S B & T Designs Limited
10,52,500 (P.Y. 10,25,500) Equity shares of Rs. 10/- each fully paid up in Mimansa Jewellery Limited

B. OTHERS

3,00,000 Equity Shares of Rs 10/-each fully paid in Tanvin Trade Fin Private Limited

As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
2,310,000	2,310,000
79,680,550	79,680,550
29,703,478	29,703,478
150,000,000	150,000,000
30,025,000	30,025,000
75,000,000	75,000,000
366,719,028	366,719,028

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 7		
INVENTORIES		
(As valued and certified by the Management)		
Stock in Trade (At cost, unless otherwise stated)		
Raw Materials	378,687,436	428,459,054
Trading Goods	543,226	543,226
Trade Samples	11,087,680	11,011,907
	390,318,342	440,014,187
SCHEDULE 8		
SUNDRY DEBTORS		
(Unsecured, considered good)		
Debtors outstanding for more than 6 months		
Others	487,758,510	37,057,045
Subsidiaries	76,273,079	32,972,182
Other Debts		
Others	400,309,445	310,833,760
Subsidiaries	140,209,924	159,727,157
	1,104,550,958	540,590,144
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash on Hand	1,832	1,362,888
Balances with Scheduled Banks :		
in Current Accounts *	1,013,551	1,385,826
in Fixed Deposits towards Margin Money **	29,916,488	27,951,463
	30,931,871	30,700,177
* includes balance in unclaimed dividend account		
** Pledged with Banks against Loan taken		
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
	5,254,104	15,688,843
Deposits	6,780,582	6,722,566
Income Tax	19,030,542	56,883,475
VAT	518,423	1,513,102
Loans to a Subsidiary	238,121,940	247,659,591
[Maximum balance outstanding during the year Rs. 27,79,94,248/- (P.Y. 27,21,99,964/-)]	269,705,591	328,467,576

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 11		
CURRENT LIABILITIES		
Current Liabilities		
Sundry Creditors :		
For Goods	682,921,205	239,285,159
For Capital Goods	720,282	147,832
For Expenses	12,159,180	12,579,315
For Others	2,098,737	911,134
Investor Education & Protection Fund Account as and when due :		
- Unclaimed Dividend	9,823,876	8,296,663
	707,723,281	261,220,104
SCHEDULE 12		
PROVISIONS		
Provision for Tax	21,433,609	46,276,228
Provision for Fringe Benefit Tax	380,000	1,189,773
Proposed Final Dividend	1,685,000	1,685,000
Dividend Distribution Tax	917,870	3,999,102
Provision for Gratuity	1,548,375	1,618,314
Provision for Leave Salary/Encashment	240,756	155,653
	26,205,610	54,924,070

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	2010 - 11 (Rs.)	2009 - 10 (Rs.)
SCHEDULE 13		
OTHER INCOME		
Interest Income [T.D.S. Rs 1,160/- (P.Y. Rs.1,003/-)]	10,046,943	26,345
Income from Job Working [T.D.S. Rs 87,992/- (P.Y. Rs.78,005/-)]	6,023,364	4,692,734
Miscellaneous Income	187,484	123,976
	16,257,791	4,843,055
SCHEDULE 14		
MATERIAL COSTS AND INVENTORY ADJUSTMENT		
Raw Materials :		
Opening Stock	439,470,961	382,114,215
Add : Purchases (including trading goods)	1,174,648,574	1,228,009,644
Total (A)	1,614,119,535	1,610,123,859
Less : Closing Stock		
Raw Materials	378,687,436	428,459,054
Trade Samples	11,087,680	11,011,907
Total (B)	389,775,116	439,470,961
Consumption of Raw Material Total (A - B) (I)	1,224,344,419	1,170,652,898
Trading Goods :		
Opening Stock	543,226	1,436,760
Less : Closing Stock	543,226	543,226
(Increase) / Decrease in Stock (II)	-	893,534
Total (I + II)	1,224,344,419	1,171,546,432
SCHEDULE 15		
PERSONNEL COSTS		
Payment and Provision for Salaries and Wages	10,497,255	11,380,970
Payment and Provision for Bonus & Ex-gratia	113,057	188,720
Contribution to PF, ESIC and other Funds	853,904	599,966
Provision for Gratuity	152,399	(94,388)
Welfare Expenses	178,471	211,848
	11,795,086	12,287,116

	2010 - 11 (Rs.)	2009 - 10 (Rs.)
SCHEDULE 16		
MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Stores, Spares and Rubber Moulds :		
Opening Stock	-	-
Add : Purchases	213,040	546,405
Less : Closing Stock	-	-
Consumption	213,040	546,405
Director's Remuneration	4,056,008	4,056,007
Director's Sitting Fees	24,000	84,000
Security Expenses	537,626	526,240
Auditor's Remuneration	700,000	700,000
Brokerage	177,000	1,196,117
Factory Rent	781,641	-
Freight and Forwarding Expenses	58,420	115,872
Insurance	596,519	1,287,492
Legal and Professional Fees	1,692,672	4,858,486
Penalty Charges	45,007	-
Contract Labour Charges	411,979	349,987
Lease Rent	3,475,073	2,745,530
Marketing and Sales Promotion Expenses	354,850	219,399
Miscellaneous Expenses	736,771	804,988
Postage and Communication Expenses	463,028	570,609
Power and Fuel Expenses	1,090,880	1,620,628
Rates, Taxes and License Fees	2,404,717	717,380
<u>Repairs and Maintenance, Service & AMC Charges:</u>		
Repairs to Fixed Assets:		
Plant and Machinery and Equipments	17,311	23,633
Others/AMC Charges	110,455	116,658
Other Maintenance and Service Charges	482,518	457,767
Travelling and Conveyance	782,353	105,837
Vehicle Expenses	164,483	63,301
Exchange Loss / (Exchange gain)	113,529	33,917,493
	19,489,881	55,083,829
SCHEDULE 17		
INTEREST AND FINANCIAL CHARGES		
Interest (Net) (Net off of Rs. 21,83,362/- (PY. Rs. 21,94,281/-))	46,792,752	34,463,202
Bank Charges and Other Financial Charges	1,398,253	5,696,266
	48,191,005	40,159,468

SCHEDULE – 18:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

A. SIGNIFICANT ACCOUNTING POLICIES:

1) BASIS OF ACCOUNTING:

The financial statement has been prepared and presented under historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (“GAAP”) and comply with the mandatory accounting standards (“AS”) issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 1956.

2) USE OF ESTIMATES:

The preparation of financial statement in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statement and reported amount of revenues and expenses for the year. Actual results could differ from the estimate. Difference between actual results and estimates are recognized in the period in which results are known / materialized. Any revision to an accounting estimate is recognized prospectively in the year of revision.

3) REVENUE RECOGNITION:

Revenue from sale of goods is recognized when significant risk and rewards in respect of ownership of products are transferred to customers. Sales are accounted on dispatches of goods at CIF value.

4) VALUATION OF INVENTORIES:

- a) Raw Materials are valued at net realizable price or cost price whichever is less, on FIFO basis.
- b) Work-in-process and Finished stocks are valued at raw material cost plus labour cost and direct expenses relating to production. Cost also includes applicable overheads.
- c) Stores, Spares and Consumables are valued at cost on FIFO basis.
- d) Master Pieces are valued at Estimated Market Price, where cost could not be determined.
- e) Trade samples are valued at cost on FIFO Basis.
- f) Cost of inventory comprises all cost of purchase, cost of conversion and other cost in bringing the inventory to their present location and condition.

5) FIXED ASSETS & Capital Work In Process:

- a) Assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed asset includes non refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of respective assets.
- b) Capital Work-in-progress include cost of fixed assets that are not yet ready for the intended use and advances paid towards the acquisition of fixed assets outstanding at each Balance Sheet date.

6) DEPRECIATION

- a) Depreciation is provided on Written Down Value Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956
- b) Depreciation is calculated on a pro rata basis from the date of acquired / installed till the date the assets are sold or disposed.
- c) Individual assets costing less than Rs. 5,000/- are depreciated in full in the year of acquisition.

7) FOREIGN Currency TRANSACTION:

- a) Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transaction. Exchange difference arising on foreign exchange transactions settled during the year is recognized in the profit and loss account.
- b) Monetary assets and liabilities denominated in foreign currencies as at balance sheet date are translated at year-end rates. The resultant exchange difference is recognized in the profit and loss account.

- c) Non monetary assets and liabilities denominated in foreign currencies are carried at cost.
- d) In respect of transactions covered by forward exchange contracts, the difference between the year end rate and rate of the date of contract is recognized as exchange difference and the premium paid on forward contract is recognized over the life of contract

8) EMPLOYEE BENEFIT:

- a) Contributions to defined contribution schemes such as Provident Fund are charged to the Profit and Loss account as incurred.
- b) Gratuity and leave encashment are defined benefits which are charged to the Profit and Loss account based on valuations, as at the balance sheet date, made by independent actuaries.
- c) Short term employee benefits are recognized as an expense at the undiscounted amount in profit and loss account of the year in which the related service is rendered.

9) INVESTMENT:

Long term Investments are carried at cost less any permanent diminution in the value.

10) TAXATION :

Tax expenses is the aggregate of current tax and deferred tax charged or credited in the statement of profit and loss for the period.

Current Tax

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company.

Deferred Tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and is written-down or written up to reflect the amount that is reasonably or virtually certain, as the case may be, to be realized.

11) IMPAIRMENT OF ASSETS

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the assets belongs 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 recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

12) PROVISIONS AND CONTINGENT LIABILITIES

The company creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and reliable estimates can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed.

B. NOTES TO ACCOUNTS:

- 1) In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities are adequate.

2) Contingent Liabilities not provided for :

- a. Documentary bills submitted to banks for discounting / advances amounting to Rs. 2,14,15,599/- (P.Y. Rs. 1,71,47,765/-)
- b. Liabilities against labour cases filed against the Company is meager and therefore, not ascertainable.
- c. Income tax cases and appeals against the demand and dispute of Rs. NIL (P.Y. Rs. 752.55 lacs) are going on with various Income Tax Authorities. Out of above Rs. NIL (P.Y. Rs. 530.41 lacs) is paid by way of Tax Deducted at Sources, Advance Tax and/or Regular Assessment Tax.
- d. Custom Duty appeals against demand of Rs.64.24 lacs on various imports are going on with Custom Authorities.

3) Share Capital:

Share Capital includes:

- a) 18,00,000 equity shares of Rs. 10/- each fully paid up issued as Bonus Equity Shares by capitalization of the General Reserve.
 - b) 35,50,000 equity shares of Rs. 10/- each fully paid up issued as Bonus Equity Shares by capitalization of the Share Premium; and
 - c) 52,00,000 equity shares of Rs. 10/- each fully paid up issued on preferential basis during the year 2000-01 at premium of Rs. 20/- per share.
 - d) 19,00,000 equity shares of Rs. 10/- each fully paid up issued on preferential basis during the year 2004-2005 at a premium of Rs. 70/- per share.
 - e) 8,50,000 equity shares of Rs. 10/- each fully paid up allotted during the year 2005-06 on conversion of Fully Convertible Debentures into equity shares.
 - f) 1,00,000 equity shares of Rs. 10/- each fully paid up allotted during the year 2005-06 on conversion of Share Warrants into equity shares.
 - g) 5,00,000 equity shares of Rs. 10/- each fully paid up were issued during the year 2008-09 at a premium of Rs. 30/- per share as a purchase consideration for aquisition of Mimansa Jewellery Private Ltd. as its 100% subsidiary.
- 4) Interest paid is net of interest received/accrued but not due of Rs. 21,83,362 (P.Y. Rs. 21,94,987/-) on margin money kept with banks. Tax deducted at source Rs.2,18,337 /-(P.Y. Rs. 2,19,499/-)
 - 5) Sundry Debtors are net of Exchange Bill Re-Discount (EBRD) of Rs. 2,14,15,599/- (P.Y. Rs. 1,71,47,765/-)
 - 6) Balances of sundry debtors, sundry creditors and loans and advances are subject to confirmation, reconciliation and consequential adjustment, if any.
 - 7) The Company has sent letters to suppliers to confirm that whether they are covered under Micro, Small and Medium Enterprises Act, 2006 as well as they have filed required memorandum with the prescribed authorities. No confirmation has received till the date of finalization of the Balance Sheet and the same has been relied upon by the auditors. Hence disclosures, if any, relating to amounts unpaid as at the year end together with the interest paid / payable as required under the said Act has not been given.
 - 8) The Company does not possess information as to which of its suppliers are Ancillary Industrial Undertakings / Small Scale Industrial Undertaking holding permanent registration certificate issued by the Directorate of Industries of a state or Union Territory:
 - a) The liability, if any, of interest which would be payable under the interest on delayed payments to Small Scale & Ancillary Industrial Undertaking Act, 1933 cannot be ascertained. However the company has not received any claim in respect of interest.
 - b) The outstanding to Small Scale Industrial Undertaking cannot be ascertained
 - c) The name of Small Scale Industrial Undertaking to whom the Company owes a sum exceeding Rs. 1 lacs which is outstanding for more than 30 days cannot be ascertained.

9) MANAGERIAL REMUNERATION:

A) During the year under review, the Managing Director, Joint Managing Director and whole time Director have been paid remuneration as under:

	(Rs. in Lacs)	
	2010-11	2009-10
i. <u>Salary / Remuneration</u>		
Varij Sethi	18.00	18.00
S. K. Sethi	18.00	18.00
Vivek Tharaney	4.56	4.56
ii. <u>Sitting Fees</u>		
Sunil Bharjatiya	0.08	0.42
Ravi Khubchandani	0.16	0.42
iii. <u>Contribution to Provident Fund</u>		
Vivek Tharaney	0.55	0.55
	41.35	43.30

B) Computation of Net Profit in accordance with Section 198 read with section 309(5) of Companies Act, 1956.

	(Rs. in Lacs)	
	2010-11	2009-10
Profit / (Loss) as per Profit & Loss A/c	37.41	91.16
Add: Director's Remuneration	41.35	43.30
Depreciation as per Books	23.22	28.35
	101.98	162.81
Less: Depreciation as per Section 350 of the Companies Act, 1956	23.22	28.35
Profit available for Remuneration	78.76	134.46
Hence overall Maximum Remuneration Under Section 198 of The Companies Act.	8.66	14.79
Actual Remuneration Paid	41.35	43.30
Commission payable @ 1% of profit	NIL	NIL

10) AUDITORS REMUNERATION:

	2010-11	2009-10
Audit Fees	6,50,000	6,50,000
Tax Audit	50,000	50,000
Total (Rs.)	7,00,000	7,00,000

11) EMPLOYEE BENEFITS

The Company has during the year adopted Accounting Standard 15(revised 2005) "Employee Benefits". The Company has classified various employee benefits as under:

(A) Defined contribution plans

- a. Provident fund
- b. State defined contribution plans
 - Employers' Contribution to Employees' State Insurance
 - Employers' Contribution to Maharashtra Labour Welfare Fund

The provident fund and the employees state insurance are operated by the Regional Provident Fund Commissioner and Maharashtra Labour Welfare Fund is operated by Commissioner of Maharashtra Labour Welfare Board. Under the schemes, the Company is required to contribute a specified percentage of payroll

cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities.

The Company has recognised the following amounts in the Profit and Loss Account for the year:

	<u>Year ended 31st March, 2011</u>
(i) Contribution to Provident Fund	Rs. 7,15,801
(ii) Contribution to Employee's State Insurance Scheme	Rs. 1,35,547
(iii) Contribution to Maharashtra Labour Welfare Fund	Rs. 2,556
(B) Defined Benefit Plans	
a. Gratuity	Rs. 1,52,399
b. Leave Encashment	Rs. 1,54,349

Leave encashment is payable to eligible employees who have earned leaves, during the employment and/or on separation as per the company's policy.

Valuations in respect of Gratuity and Leave Encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

(i) Discount Rate (Per annum)	8.25 %		
(ii) Rate of increase in Compensation levels	4 %		
(iii) Expected Avg. remaining working lives of employees in no. of Years	19		
		<u>Gratuity</u>	<u>Leave Encashment</u>
(i) Changes in present Value of Obligation			
❖ Present value of Obligation as at 1 st April 2010	16,18,314		1,55,653
❖ Interest Cost	1,29,465		12,452
❖ Current Service Cost	2,00,120		1,40,803
❖ Liability Transfer In	NIL		NIL
❖ Liability Transfer Out	NIL		NIL
❖ Benefits Paid	(2,22,338)		(69,256)
❖ Actuarial (Gains) / Loss	(1,77,186)		1,094
❖ Present value of Obligation as at 31 st March, 2011	15,48,375		2,40,746
(ii) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets			
❖ Present value of Unfunded Obligation as at 31 st March, 2011	(15,48,375)		(2,40,756)
❖ Unrecognized Past Service Cost	NIL		NIL
❖ Unrecognized Actuarial (Gain) / Loss	NIL		NIL
❖ Unfunded Net Liability recognised in the Balance Sheet	(15,48,375)		(2,40,756)
(iii) Amounts recognised in the Balance Sheet			
❖ Present Value of Obligation as at 31 st March 2011	(15,48,375)		(2,40,756)
❖ Fair value of Plan Assets as at 31 st March 2011	NIL		NIL
❖ (Asset)/ Liability recognised in the Balance Sheet	(15,48,375)		(2,40,756)
(iv) Expenses recognised in the Profit and Loss Account			
❖ Current Service Cost	2,00,120		1,40,803
❖ Interest Cost	1,29,465		12,452
❖ Net Actuarial(Gain)/Loss	(1,77,186)		1,094
❖ Total Expenses recognised in the Profit and Loss Account	1,52,399		1,54,349
(v) Expected employer's contribution for the next year		NIL	NIL

12) Segment Reporting:

The Company is in the business of manufacturing and export of gem studded jewellery. In view of the management, and based on the internal reporting format, the Company's primary and only format for reporting segment information is geographical segment, that are based on the location of customers.

(A) PRIMARY STATEMENT

Geographic Segment					
	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Revenue	12,647.94	NIL	28324	5.08	12,936.26
	(12,203.28)	(NIL)	(603.99)	(54.57)	(12,861.84)
Identified Operating Expenses	11,970.63	NIL	268.07	4.81	12,243.51
	(11,115.60)	(NIL)	(550.15)	(49.71)	(11,715.46)
Allocated Expenses	45.63	NIL	1.02	0.02	46.68
	(70.76)	(NIL)	(3.50)	(0.32)	(74.58)
SEGMENT RESULTS	631.67	NIL	14.15	0.25	646.07
	(1,016.92)	(NIL)	(50.33)	(4.55)	(1,071.80)
Unallocable Operating Expenses					266.11
					(599.13)
Interest & Finance Charges					481.91
					(401.59)
Depreciation					23.22
					(28.35)
Interest Income					100.47
					(0.26)
Other Income					62.11
					(48.17)
Profit Before Tax					37.41
					(91.16)
Tax					15.37
					(54.06)
Profit After Tax					22.03
					(37.10)

***Figures in the bracket indicates previous years figures.

(B) SEGMENT ASSETS

	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Segment Assets	12,679.87	1,093.84	281.86	657.12	14,712.70
	(7,029.90)	(1,093.84)	(175.42)	(773.94)	(9,073.10)
Unallocable Assets					7,059.14
					(8,183.53)
Total Assets					21,771.84
					(17,256.63)

(C) SEGMENT LIABILITIES

	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Segment Liabilities	7,094.08	NIL	NIL	NIL	7,094.08
	(2,612.20)	(NIL)	(NIL)	(NIL)	(2,612.20)
Unallocable Liabilities					3,765.16
					(3,733.65)
Total Liabilities					10,859.25
					(6,345.85)

SECONDARY SEGMENT :**Business Segment**

	Revenue 2010 - 11 Rs. (in lacs)	Asset 2010 - 11 Rs. (in lacs)
Studded Jewellery	1,454.92 (1,534.44)	1,910.72 (2,326.95)
Diamonds	11,354.52 (11,189.37)	9,127.33 (3,066.04)
Others	126.81 (137.39)	7.46 (12.91)
T O T A L :-	12,936.26 (12,861.84)	11,045.51 (5,405.90)

13) Related Party Disclosures:

1. List of Related Parties with whom transactions have taken place during the year:

a) Key Management Personnel:

- Surendra Kumar Sethi - Chairman and Joint Managing Director
- Varij Sethi - Managing Director
- Vivek Tharaney - Whole Time Director (Production)

b) Relative of Key Management Personnel:

- Rajkumari Sethi - Mother of S. K. Sethi
- Jyoti Sethi - Wife of Varij Sethi
- Ritu Sethi - Daughter of S. K. Sethi
- Virendra Kumar Sethi - Brother of S. K. Sethi
- Nalin Sethi - Brother of S. K. Sethi
- Priya Tharaney - Mother of Vivek Tharaney
- Kala Shah - Mother In Law of Varij Sethi

c) Subsidiaries:

- Soft Touch Jewellers LLC
- S B & T Holding Limited
- S B & T (U.K) Limited
- S B & T Designs Limited
- Mimansa Jewellery (P) Ltd.

d) Promoter :

- S.B. & T. Gems Import Inc.

e) Others:

Sethi Mercantile Private Limited	Company in which directors are interested
FNZ Jewels (P) Ltd.	Company in which directors are interested
Arup Builders Developers (P) Ltd.	Company in which directors are interested
Swel Jewels	Firm in which relative of directors are partners

2. **Transaction during the year with related parties:**

a) **Remuneration to Key Management Personnel**

Refer B (11A) of Accounting Policies and notes forming part of the accounts.

	2010 - 11		2009 - 10	
	Transaction	Closing Balance	Transaction	Closing Balance
b Dividend paid to Shareholders (Rs. In Lacs) :				
Key Management Personnel				
Varij Sethi	1.94	—	1.94	—
Surendra Kumar Sethi	0.48	—	0.48	—
Vivek Tharaney	0.01	—	0.01	—
Relatives of Directors				
Rajkumari Sethi	0.34	—	0.34	—
Indra Sethi	0.24	—	0.24	—
Jyoti Sethi	0.37	—	0.37	—
Ritu Sethi	0.10	—	0.10	—
Virendra Kumar Sethi	0.90	—	0.90	—
Nalin Sethi	0.45	—	0.45	—
Priya Tharaney	0.01	—	0.01	—
Other				
Sethi Merchantile (P) Ltd.	0.10	—	0.10	—
c) Sales (Rs. In Lacs) :				
S B & T Designs Ltd.	121.29	—	181.98	—
Soft Touch Jewellers LLC	195.17	—	603.97	—
Mimanssa Jewellery (P) Ltd.	2270.58	—	2,198.73	—
S B & T (UK) Ltd.	N I L	—	5.33	—
d) Loans taken (Rs. In Lacs):				
Varij Sethi	3.00	42.29	N I L	39.29
Sethi Merchantile (P) Ltd.	25.00	100.00	100.00	100.00
S. K. Sethi	N I L	49.00	N I L	49.00
Arup Builders & Devpt. (P) Ltd.	15.00	71.00	N I L	56.00
Swel Jewels	N I L	21.22	N I L	21.22
Jyoti Sethi	25.00	25.00	N I L	N I L
Kala Shah	45.00	36.00	N I L	N I L

f) Loans Repaid (Rs. In Lacs) :

S. K. Sethi	N I L	49.00	N I L	49.00
Varij Sethi	N I L	42.29	N I L	39.29
Sethi Merchantile (P) Ltd.	25.00	100.00	N I L	100.00
Kala Shah	9.00	36.00	N I L	N I L
Swel Jewels	N I L	21.22	N I L	21.22

g) Interest Expenses (Rs. In Lacs) :

Swel Jewels	N I L	—	0.25	—
Sethi Merchantile (P) Ltd.	N I L	—	2.22	—

h) Loans Given (Rs. In Lacs) :

S B & T Designs Ltd.	507.67	1196.73 (Dr. Bal.)	1,477.79	880.57 (Dr. Bal.)
S B & T Holdings Ltd.	N I L	1,583.20	N I L	1,596.03

i) Investment made during the year (Rs. In Lacs) :

Mimansa Jewellery (P) Ltd.	NIL	300.25	100.25	300.25
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j) Loans given received back (Rs. In Lacs) :

S B & T Designs Ltd.	324.71	1196.73 (Dr. Bal.)	395.60	880.57 (Dr. Bal.)
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k) Reimbursement on behalf of (Rs. In Lacs) :

S B & T Designs Ltd.	11.91	N.A.	NIL	N.A.
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14) Disclosure of Operating Lease as per Accounting Standard 19 on 'Leases' issued by the Institute of Chartered Accountants of India :

	<u>F. Y. 2010-11</u>	<u>F. Y. 2009-10</u>
A)* Rent payable for 1 Year	33.34	30.44
Rent payable for 1 to 5 Years	9.79	43.13
Rent payable for 5 years and above	NIL	NIL

* These Lease Rental payments do not include the service tax required to be paid on the same.

B) Lease Rental Recognized in Profit & Loss Account	33.34	26.11
Lease Rental capitalized during the year	NIL	NIL

15) EARNING PER SHARE (EPS):

		2010-11	2009-10
(i) Profit / (Loss) after tax and exceptional and extra ordinary item		22,03,269	37,10,076
(ii) Weighted average No. of Ordinary shares for Basic / Diluted EPS	Nos.	1,68,50,000	1,68,50,000
(iii) Nominal value of Ordinary Shares for Basic / Diluted EPS	Rs.	10	10
(iv) Basic / Diluted Earnings per Ordinary Share	Rs.	0.13	0.22

16) DEFERRED TAX ASSET/(LIABILITY) AS AT YEAR END IN RESPECT OF TIMING DIFFERENCES ON ACCOUNT OF THE FOLLOWING :

	(Rs. In Lacs)	
	Deferred Tax Asset / (Liability)	
	As At 31.03.2011	As At 31.03.2010
Deferred Tax Liabilities:		
Difference between book and tax depreciation	4.22	6.43
	4.22	6.43
Deferred Tax Assets:		
Expenses disallowed u/s 40A (7) of Income Tax 1961	2.26	5.82
Expenses disallowed u/s 43 B of Income Tax Act, 1961	4.77	2.35
	7.03	8.17
Deferred Tax Asset / (Liability)	2.81	1.72

17) Directors have recommended full & final dividend @ 1% on 1,68,50,000 Equity Shares aggregating to Rs. 16,85,000/- for the Financial Year 2010 – 11, which is in accordance of rules of Companies (Declaration of Dividend Out of Reserves) Rules, 1975.

18) Schedule of information and particulars as required by the paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 as certified by the Directors and annexed to the Profit and Loss Account for the year ended 31st March, 2011 (Figures in the brackets indicate previous year figures)

1. LICENSED AND INSTALLED CAPACITY AND ACTUAL PRODUCTION (AS CERTIFIED BY THE MANAGEMENT)

Class of Goods manufactures	Licensed Capacity	Installed Capacity	Actual Production
Gold, Diamonds and Colour Stones Jewellery	Not Applicable	Not Yet ascertained	1,785 Pcs (1,827 Pcs.)

2. Quantitative Statement of Opening Stock, Purchases, Consumption, Sales and Closing Stock.

A. Raw Material Consumed:

Description of Goods	Opening Stock		Purchases		Consumption		Closing Stock	
	Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)
	Carat		Carat		Carat		Carat	
a. Diamond	48,574.560	404,086,813	93,960.650	1,037,128,905	89,296.720	1,085,286,502	53,238.490	355,929,216
	(33,032.200)	(355,644,463)	(95,661.240)	(1,166,750,877)	(80,118.880)	(1,118,308,527)	(48,574.560)	(404,086,813)
b. Colour Stone & Precious Stones	41,680.490	19,159,706	11,753.620	7,498,946	41,100.600	8,539,616	12,333.510	18,119,036
	(31,817.360)	(10,324,162)	(30,675.069)	(17,373,371)	(20,811.939)	(8,537,827)	(41,680.490)	(19,159,706)
	Gms.		Gms.		Gms.		Gms.	
c. Gold	288.536	5,147,969	65,272.280	129,733,885	63,201.636	130,231,465	2,359.180	4,650,389
	(3,945.770)	(5,089,115)	(26,593.436)	(43,101,432)	(30,250.670)	(43,042,578)	(288.536)	(5,147,969)
d. Platinum	10.450	28,716	-	-	-	-	10.450	28,716
	(10.450)	(28,716)	-	-	-	-	(10.450)	(28,716)
e. Silver	3,254.690	35,854	-	-	-	-	3,254.690	35,854
	(629.250)	(15,854)	(2,631.000)	(54,592)	(2,631.000)	(54,592)	(629.250)	(15,854)
(a+b+c+d+e)		428,459,058		1,174,361,736		1,224,057,583		378,763,211
		(371,102,310)		(1,227,280,272)		(1,169,943,524)		(428,439,058)

f. Trade Samples & Master pcs.								
Gold & Diamonds	4658 pcs	11,011,905	2 pcs	286,838	2 pcs	286,838	4658 pcs	11,011,905
	(4658 pcs)	(11,011,905)	-	-	-	-	(4658 pcs)	(11,011,905)
(a+b+c+d+e)+f		439,470,963		1,174,648,574		1,224,344,421		389,775,116
		(382,114,215)		(1,227,280,272)		(1,169,943,524)		(439,450,963)

B Finished Products and Sales:

a. Gold, Diamond & Colour Stone Jewellery:

Opening Stock		Production	Sales		Closing Stock	
Qty (Pcs)	Value (Rs.)	Qty (Pcs)	Qty (Pcs)	Value (Rs.)	Qty (Pcs)	Value (Rs.)
-	-	1,785	1,785	145,492,277	-	-
-	-	(1,827)	(1,827)	(147,978,788)	-	-

b. Trading in Diamonds, Colour Stone, Gold, Jewellery & Consumable Stores

	Opening Stock		Purchases		Sales		Closing Stock	
	Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)
Diamonds, Colour Stone & Gold	-	-	98,166.03	Note Below	98,166.03	1,147,529,648	-	-
	-	-	(136,870.94)	Note Below	(136,870.94)	1,136,468,895)		
Consumable stores	46	543,226	44	603,750	44	603,750	46	543,226
	(121.00)	1,436,760	(57)	(729,372)	(132)	(1,736,306)	(46)	(543,226)

Note: Purchase value of diamonds & Colour Stones cannot be ascertained as the same has been trade/sold out of consumption.

Grand Total	46	543,226	99,995.03	603,750	145,590,487	1,293,625,675	46	543,226
	-	-	-	-	(138,829.94)	(1,286,183,989)	(46)	(543,226)

3 Value of Imported and Indigenous Raw Material and Spare parts, Consumable goods consumed during the Financial year as percentage of each total consumption.

I Stores, Spares and Consumables :

	Current Year		Previous Year	
	Value	(%)	Value	(%)
i Imported	N I L	N I L	N I L	N I L
ii Indigenous	2,13,040	100.00	5,46,405	100.00
Total	2,13,040	100.00	5,46,405	100.00

II Raw Materials :

	Current Year		Previous Year	
	Value	(%)	Value	(%)
i Imported	1,04,60,924	0.85	4,26,660	0.04
ii Indigenous	1,21,38,83,497	99.15	1,16,94,96,864	99.96
Total	1,22,43,44,421	100.00	1,16,99,23,524	100.00

4 Earning in Foreign Exchange :

	Current Year	Previous Year
i Export of Goods (At F.O.B.)	2,88,23,835	6,57,91,881
	2,88,23,835	6,57,91,881

5 Expenditure in Foreign Currency :

	Current Year	Previous Year
i. Foreign Traveling	5,36,967	N I L
	5,36,967	N I L

DETAILS OF FOREIGN SHAREHOLDING AND DIVIDEND REMITTED DURING THE YEAR :

i. No. of Non Resident Share Holders	:	2
ii. No. of Shares held by them on which dividend is paid	:	1,350,000
iii. Gross Dividend	:	135,000

19) Figures of the previous year have been regrouped, rearranged and recast and shown to the nearest rupee to make them comparable with figures of the previous year.

For and on behalf of the Board

S B & T International Ltd.

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

VIVEK THARANEY
Whole Time Director

Place : Mumbai

Date : **29th November, 2011**

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :**I Registration Details**

Registration No. : 41237 State Code : 11
 Balance Sheet Date : 31/03/2011

II Capital Raised during the year (Amount in Rs.)

Public Issue : NIL Right Issue : NIL
 Bonus Issue : NIL Private Placement : NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs.)

Total Liabilities (incl. current Liab.and provision) 2,177,183,779
 Total Assets (excl. current Liab.and provision) 2,177,183,779

Sources of Funds :

Paid up Capital	168,500,000	Reserves & Surplus	922,759,114
Secured Loans	232,150,696	Unsecured Loans	119,845,077
Deferred Tax Liability	NIL		

Application of Funds :

Net Fixed Assets	14,676,922	Investments	366,719,028
Net Current Assets	1,061,577,871	Misc. Expenditure	NIL
Accumulated Losses	NIL	Deferred Tax Asset	281,067

IV Performance of the Company (Amount in Rs.)

Turnover	1,309,883,463*	Total Expenditure	1,306,142,886
Profit Before Tax	3,740,577	Profit After Tax	2,203,269
Earning Per Share in Rs.	0.13	Dividend Rate %	1.00%

* Turnover includes Other Income

V Generic Names of Principal Products/Services of Company (as per monetary terms)

Item Code No. : 711319.03
 (ITC Code)
 Product Description : Jewellery of Gold, set with Diamond
 Item Code No. : 710239.01
 (ITC Code)
 Product Description : Cut and Polished Diamonds

For and on behalf of the Board of Directors of S B & T International Ltd.

SURENDRA KUMAR SETHI
 Chairman

VARIJ SETHI
 Managing Director

VIVEK THARANEY
 Whole Time Director

Place: Mumbai
 Date: 29th November, 2011

Statement pursuant to Section 212 of the Companies Act, 1956 relating to the Subsidiary Company

	S B & T Holding Limited	S B & T Designs Limited	Mimansa Jewellery (P) Ltd.
(A) The Financial Year of the Subsidiary Company	31/03/2011	31/03/2011	31/03/2011
(B) Share of the Subsidiary held by S.B. & T International Limited on the above dates			
(a) Number and Face Value	17,37,873 Equity Shares of USD \$ 1 each fully paid up. (Previous Year 17,37,873 shares)	1,50,00,000 Equity Shares Rs. 10/- each fully paid up. (Previous Year 1,50,00,000 shares)	10,52,500 Equity Shares of Rs. 10/- each fully paid up. (Previous Year: 10,52,500 shares)
(b) Extent of holding	100%	100%	100%
(C) The net aggregate of Profit/Loss of the Subsidiary Company so far as it concern the members of S.B.&T International Ltd.			
(a) not dealt with in the accounts of S.B. & T International Limited for the year ended March 31, 2010 amounted to -			
(i) for the Subsidiaries financial year ended as in (A) above	USD (11,963)	INR (2,67,86,402)	INR 14,44,194
(ii) for the previous financial years of the Subsidiaries since they became the Holding Company's Subsidiary	US \$ (18,61,149)	INR 3,09,45,976	INR 55,56,816
(b) Dealt with in the accounts of S.B. & T International Limited for the year ended 31.03.2010 amounted to -			
(i) for the Subsidiaries financial year ended as in (A) above	NIL	NIL	NIL
(ii) for the previous financial years of the subsidiaries since they became the Holding Company's Subsidiary	NIL	NIL	NIL

By Order of the Board of Directors

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

Place : Mumbai
Date : 29th November, 2011

VIVEK THARANNEY
Whole Time Director

AUDITOR'S REPORT

TO THE MEMBERS OF S.B & T INTERNATIONAL LIMITED

1. We have examined the attached consolidated balance sheet of **S.B. & T INTERNATIONAL LIMITED** (“**the Company**”) its subsidiaries, S B & T Designs Ltd., S B & T Holding Ltd., Soft Touch Jewellers LLC, S B & T (UK) Ltd. and Mimansa Jewellery Private Ltd. (collectively referred to as the “**Group**”) as at 31st March, 2011 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto (collectively referred to as the “**consolidated financial statement**”). These consolidated financial statements are the responsibility of the management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared in all material respect in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statement of the above subsidiaries, whose financial statement reflects total assets of Rs. 1,27,78,40,050 as at 31st March, 2011, total revenue of Rs. 1,19,38,18,077 and Cash Flows (net flows) of Rs. 27,00,59,159 for the year ended 31st March, 2011. These financial statement have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of these subsidiaries, is based solely on the report of the other auditor.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, and on the basis of separate audited financial statement of the Company and its subsidiaries. However, we are unable to comment whether the financial statement of the foreign subsidiaries have been prepared in conformity with the Indian Accounting Standard.
5. *In respect of investment of Rs. 750 lacs in Equity Shares of Tanvin Trade Fin Pvt. Ltd. made by the company in the absence of required information, we are unable to comment whether the relevant disclosure has been made by the company in respect of investment in a subsidiary company in the aforesaid investment and whether there is fall in the value of such investment.*
6. On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statement of the Group, we are of the opinion that, subject to our comment in para (4) above in relation to the Accounting Standards followed by the foreign subsidiaries, in para (5) above in relation to investment of Rs. 750 lacs and in Note 6 of accounting policies in relation to the valuation of gold in Soft Touch Jewellers, LLC, which is valued at market value and the impact of which is not ascertainable, the attached consolidated financial statement give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in case of the consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2011,
 - b. in case of the consolidated Profit & Loss Account, of the consolidated profit of the Group for the year ended on that date; and
 - c. in case of the consolidated Cash Flow statement, of the consolidated cash flows of the Group for the year ended on that date.

For **M.M DUBEY & Co.**
Chartered Accountants

M.M.DUBEY & CO
PROPRIETOR
Membership No. 30453

Place: Mumbai
Date: 29th November, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SOURCES OF FUNDS :			
SHARE HOLDERS' FUNDS :			
Share Capital	1	168,500,000	168,500,000
Reserves and Surplus	2	1,124,396,593	1,049,656,995
		1,292,896,593	1,218,156,995
LOAN FUNDS :			
Secured Loans	3	447,945,902	466,587,006
Unsecured Loans	4	566,887,838	461,160,862
MINORITY INTEREST		1,942,275	1,942,275
		1,016,776,015	929,690,143
		2,309,672,608	2,147,847,138
APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross Block	5	361,219,286	353,899,679
Less : Depreciation		252,472,904	224,704,645
Net Block		108,746,381	129,195,034
Capital Work In Progress		6,128,427	2,185,095
		114,874,808	131,380,129
GOODWILL (ON CONSOLIDATION)		42,876,532	42,876,532
INVESTMENTS	6	77,310,000	77,310,000
DEFERRED TAX ASSET (Net) (Refer Note D (5) to Schedule 18)		143,530	23,864
CURRENT ASSETS, LOANS AND ADVANCES :			
Inventories	7	1,182,122,019	1,278,378,870
Sundry Debtors	8	1,692,625,229	998,894,085
Cash and Bank Balances	9	308,176,955	133,894,419
Loans and Advances	10	105,365,019	139,519,259
		3,288,289,221	2,550,686,633
LESS : CURRENT LIABILITIES AND PROVISIONS :			
Current Liabilities	11	1,158,846,108	571,202,212
Provisions	12	54,975,376	83,227,808
		1,213,821,484	654,430,020
NET CURRENT ASSETS		2,074,467,738	1,896,256,613
		2,309,672,608	2,147,847,138
Significant Accounting Policies and Notes to Accounts	18		

As per our attached report on even date

For **M. M. Dubey & Co.**
Chartered Accountants

For and on behalf of the Board of Directors of **S B & T International Ltd.**

M. M. Dubey
Proprietor

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

VIVEK THARANEY
Whole Time Director

Place: Mumbai
Date: 29th November, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
INCOME :			
Sales		2,722,409,217	2,536,708,475
Other Income	13	36,648,983	15,505,565
		2,759,058,200	2,552,214,040
EXPENDITURE :			
Material Costs and Inventory adjustments	14	2,415,255,673	2,126,730,345
Personnel Costs	15	65,965,752	74,469,560
Manufacturing, Administrative, Selling and Other Expenses	16	140,332,041	185,224,628
Interest & Financial Charges	17	99,404,419	96,467,088
Depreciation	5	27,420,214	39,201,258
		2,748,378,100	2,522,092,879
PROFIT BEFORE TAX		10,680,100	30,121,161
Provision for Tax			
Current Tax		(2,366,380)	(5,744,359)
Deferred Tax		108,623	(725,314)
PROFIT AFTER TAX		8,422,343	23,651,489
PROFIT AFTER TAX, SHARE OF MINORITY INTEREST AND IN ASSOCIATES		8,422,343	23,651,489
Balance Brought Forward		102,533,966	81,195,879
AMOUNT AVAILABLE FOR APPROPRIATIONS		110,956,309	104,847,368
APPROPRIATIONS :			
Proposed Final Dividend		1,685,000	1,685,000
Corporate Dividend Tax		336,547	628,399
Balance Carried over to the Balance Sheet		108,934,762	102,533,966
		110,956,309	104,847,365
Earning Per Share (Face value of Shares of Rs. 10/- each)			
Basic / Diluted before extraordinary Items (Refer Note D (4) to Schedule 18)		0.50	1.40
Basic / Diluted after extraordinary Items (Refer Note D (4) to Schedule 18)		0.50	1.40
Significant Accounting Policies and Notes to Accounts	18		

As per our attached report on even date

For **M. M. Dubey & Co.**
Chartered AccountantsFor and on behalf of the Board of Directors of **S B & T International Ltd.****M. M. Dubey**
Proprietor**SURENDRA KUMAR SETHI**
Chairman**VARIJ SETHI**
Managing Director**VIVEK THARANEY**
Whole Time DirectorPlace: Mumbai
Date: 29th November, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	31.03.2011	31.03.2010
A. Cash Flow from Operating Activities		
Net Profit Before Tax but after Minority Interest and Share of profit in respect of investment in Associates	10,680,100	30,121,159
Adjustments for :		
Depreciation	27,420,212	39,201,256
Non Cash (income) / expenses	1,735,228	(9,084,447)
Interest Expense	99,404,419	98,662,075
Other Interest received	(11,909,001)	(3,195,209)
Operating Profit before Working Capital Changes	<u>127,330,958</u>	<u>155,704,834</u>
Adjustments for :		
Current Assets	(526,113,870)	(38,318,865)
Current Liabilities	585,644,290	25,680,769
Cash generated from Operations	<u>186,861,379</u>	<u>143,066,737</u>
Tax adjustment	(72,203,732)	(4,025,520)
Net Cash Flow from Operating Activities	<u>114,657,647</u>	<u>139,041,218</u>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(6,724,858)	(17,562,315)
Sale of Fixed Assets	250,000	-
Investment in Capital W.I.P.	(5,732,427)	-
Receipt from proceeds of Capital W.I.P.	1,789,095	-
Interest received	11,909,001	3,195,209
Net Cash Used In Investing Activities	<u>1,490,811</u>	<u>(14,367,107)</u>
C. Cash Flow from Financing Activities :		
Inter Corporate Deposit Taken (Net of Repayment)	41,482,431	(24,525,032)
Fixed Deposit from Public with Interest	(44,000)	(41,750)
Bank Borrowings	19,871,793	(2,336,245)
Other Borrowings (Net)	31,944,918	(38,195,505)
Temporary Overdraft from Bank	(1,901,436)	(2,735,766)
Interest Paid	(99,404,419)	(103,939,655)
Dividend Paid (Including tax thereon)	(1,685,000)	(1,685,000)
Net Cash used in Financing Activities	<u>(9,735,713)</u>	<u>(173,458,953)</u>
D. Effect of Foreign Currency Translation Reserve	67,869,790	(49,851,010)
Net Increase in Cash and Cash Equivalents	<u>174,282,536</u>	<u>(98,635,851)</u>
Opening balance	133,894,419	232,530,270
Closing Cash and Cash Equivalents	<u><u>308,176,955</u></u>	<u><u>133,894,419</u></u>

E. Cash & Cash Equivalent comprises-

Cash in Hand	6,725,586	7,193,422
Balance with Scheduled Bank		
-Current Accounts	1,097,225	1,456,838
-Deposit Accounts	30,695,304	28,480,851
Balance with Other Bank		
-Current Accounts	26,780,573	7,810,677
-Deposit Accounts	242,878,267	88,952,631
	308,176,955	133,894,419

* This amount includes the amount in relation to unclaimed dividend and unclaimed deposit of public which is of Rs. 8,70,082/- (P.Y. Rs. 9,91,402/-). These amounts are lying in the bank accounts and are not available to the company for its own use.

As per our attached report on even date

For **M. M. Dubey & Co.**
Chartered Accountants

For and on behalf of the Board of Directors of **S B & T International Ltd.**

M. M. Dubey
Proprietor

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

VIVEK THARANAY
Whole Time Director

Place: Mumbai
Date: 29th November, 2011

SCHEDULES TO THE CONSOLIDATED ACCOUNTS
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 1		
SHARE CAPITAL		
Authorised:		
20,000,000(20,000,000) Equity Shares of Rs.10/- each	200,000,000	200,000,000
	200,000,000	200,000,000
Issued, subscribed and paid-up Capital :		
Equity Share Capital		
16,850,000(16,850,000) Equity shares of Rs.10/- each fully paid-up	168,500,000	168,500,000
	168,500,000	168,500,000
SCHEDULE 2		
RESERVES and SURPLUS		
Capital Reserve	11,032,961	11,032,961
Capital Redemption Reserve	30,000,000	30,000,000
Share Premium Account:	354,500,000	354,500,000
General Reserve :	483,846,440	483,846,440
Foreign Currency Translation Reserve	136,082,430	67,743,627
Surplus in Profit and Loss Account	108,934,762	102,533,967
	1,124,396,593	1,049,656,995
SCHEDULE 3		
SECURED LOANS		
From Banks	447,945,902	466,587,006
(Secured against hypothecation of Stock)		
	447,945,902	466,587,006
SCHEDULE 4		
UNSECURED LOANS		
Fixed Deposits from Public	50,000	94,000
[Amount repayable within one year Rs.50,000/- (P.Y. Rs.94,000/-)]		
Interest accrued on Fixed deposits from Public	50,195	50,195
Inter Company Deposits	114,057,399	72,574,968
Temporary Overdraft from Bank	8,014,190	9,915,626
Bank Gold Loan	319,477,156	285,232,093
From Others	125,238,898	93,293,980
	566,887,838	461,160,862

SCHEDULE 5
FIXED ASSETS

Sr. No.	Particulars	Gross Block					Depreciation					Net Block	
		As on 01.04.2010	Additions During The Year	Adjustments	Deduction During The Year	As on 31.3.2011	As on 01.04.2010	For the Year	Deduction During The Year	Adjustment	As on 31.3.2011	As on 31.3.2011	As on 31.3.2010
1	Land (Lease hold)	12,183,614	-	-	-	12,183,614	655,037	131,008	-	-	786,045	11,397,569	11,528,577
2	Office Premises	3,630,000	-	-	-	3,630,000	2,207,084	71,146	-	-	2,278,230	1,351,770	1,422,916
3	Residential Flat	1,828,620	-	-	-	1,828,620	870,004	47,931	-	-	917,934	910,686	958,616
4	Factory Building	56,018,565	-	-	-	56,018,565	19,896,209	3,612,236	-	-	23,508,444	32,510,121	36,122,356
5	Plant & Machinery	56,673,801	206,980	-	-	56,880,781	34,760,577	3,069,663	-	-	37,830,240	19,050,540	21,913,224
6	Furniture, Fixture & Fitting	138,584,565	6,349,218	643,671	-	145,577,453	104,024,419	11,418,957	-	507,299	115,950,675	29,626,778	34,560,145
7	Equipments	17,974,120	30,592	160,090	-	18,164,802	10,016,828	1,155,539	-	150,449	11,322,816	6,841,985	7,957,292
8	Vehicles	11,255,548	-	21,285	1,504,519	9,772,314	9,684,966	439,773	1,282,206	20,283	8,862,816	909,498	1,570,582
9	Computer System	13,368,421	138,068	-	-	13,506,489	12,249,399	481,808	-	-	12,731,208	775,282	1,119,022
10	Website Cost	17,854,302	-	1,068,178	-	18,922,480	13,367,312	2,355,700	-	837,323	16,560,335	2,362,146	4,486,990
11	Trademark	1,411,801	-	84,464	-	1,496,265	988,233	147,262	-	61,474	1,196,969	299,296	423,568
12	Leasehold Business Premises	9,810,640	-	51,600	-	9,862,240	9,810,640	-	-	51,600	9,862,240	-	-
13	Marketing Rights	13,305,681	-	69,982	-	13,375,663	6,173,934	4,489,188	-	1,830	10,664,952	2,710,711	7,131,711
	Current Year	353,899,678	6,724,858	2,099,270	1,504,519	361,219,286	224,704,642	27,420,212	1,282,206	1,630,258	252,472,905	108,746,380	129,195,035
	Previous Year	357,619,042	17,562,302	(21,281,665)	-	353,899,679	201,136,658	39,201,256	-	(15,633,271)	224,704,643	129,195,036	-

Note: Adjustment of Fixed Assets on account of Foreign exchange fluctuation.

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 6		
INVESTMENTS (At Cost)		
1,40,000 Equity Shares of Rs. 16.50 each fully paid up in Shree Bhavani Cabletel Ltd.	2,310,000	2,310,000
Unquoted		
3,00,000 Equity shares of Rs. 10/- each fully paid up in Tanvin Trade Fin Private Limited	75,000,000	75,000,000
	<u>77,310,000</u>	<u>77,310,000</u>
SCHEDULE 7		
INVENTORIES		
(As valued and certified by the Management)		
Stores, Spares, Rubber Moulds and Alloys	212,699	13,549
Stock in Trade (At cost, unless otherwise stated)		
Raw Materials	620,840,200	720,788,939
Finished Goods	77,884,272	75,169,367
Trade Samples	11,087,680	11,011,907
Trading Goods	472,097,167	471,395,108
	<u>1,182,122,019</u>	<u>1,278,378,870</u>
SCHEDULE 8		
SUNDRY DEBTORS		
(Unsecured)		
Debtors - Considered Good	1,692,625,229	998,894,085
Debtors - Considered Doubtful	9,109,985	9,062,321
Provision for Doubtful Debts	(9,109,985)	(9,062,321)
	<u>1,692,625,229</u>	<u>998,894,085</u>
SCHEDULE 9		
CASH and BANK BALANCES		
Cash on Hand	6,725,586	7,193,422
Balances with Scheduled Banks :		
in Current Accounts	1,097,225	1,456,838
in Fixed Deposits towards Margin Money	30,695,304	28,480,851
Balances with Other Banks :		
in Current Accounts	26,780,573	7,810,677
in Fixed Deposits towards Margin Money	242,878,267	88,952,631
	<u>308,176,955</u>	<u>133,894,419</u>

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 10		
LOANS and ADVANCES		
(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received :	58,922,247	52,731,337
Deposits	15,658,602	15,245,305
Income Tax	27,334,043	67,154,902
VAT	3,450,127	4,387,715
	<u>105,365,019</u>	<u>139,519,259</u>
SCHEDULE 11		
CURRENT LIABILITIES		
Current Liabilities		
Sundry Creditors :		
For Goods	1,107,141,469	522,015,494
For Capital Goods	2,071,150	1,713,869
For Expenses	32,970,577	32,494,489
Investor Education & Protection Fund Account as and when due :		
- Unclaimed Dividend	9,823,876	8,296,663
Other Creditors	4,382,055	3,795,849
Advance received from customers	2,456,980	2,885,849
	<u>1,158,846,108</u>	<u>571,202,212</u>
SCHEDULE 12		
PROVISIONS		
Provision for Fringe Benefit Tax	1,637,097	2,446,870
Provision for Final Dividend	1,685,000	1,685,000
Corporate Dividend Tax	917,870	3,999,102
Provision for Gratuity	9,703,169	8,482,255
Provision for Leave Salary/Encashment	765,070	625,954
Provision for Tax	29,480,345	55,258,240
Provision for Slow moving Inventory	10,786,825	10,730,388
	<u>54,975,376</u>	<u>83,227,808</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	2010 - 11 (Rs.)	2009 - 10 (Rs.)
SCHEDULE 13		
OTHER INCOME		
Other Interest Income	11,909,001	3,195,209
Miscellaneous Income	921,251	7,617,622
Income from Sub-Contract	7,395,283	4,692,734
	36,648,983	15,505,565
SCHEDULE 14		
MATERIAL COSTS and INVENTORY ADJUSTMENT		
Raw Materials :		
Opening Stock	731,419,767	659,198,752
Add : Purchases	990,580,617	1,377,500,201
Total (A)	1,722,000,384	2,036,698,953
Less : Closing Stock		
Raw Materials	620,459,121	720,407,860
Trade Samples	11,087,680	11,011,907
Total (B)	631,546,801	731,419,767
Consumption of Raw Material Total (A - B) (I)	1,090,453,583	1,305,279,186
Purchases of Trading Goods (II)	1,326,257,166	879,303,419
Finished Goods :		
Opening Stock	75,550,446	63,070,033
Less : Closing Stock	78,265,351	75,550,446
(Increase) / Decrease in Stock (IV)	(2,714,905)	(12,480,413)
Trading Goods :		
Opening Stock	504,145,997	439,495,163
Add: Transferred to Foreign currency translation reserve	(27,521,456)	19,278,981
Less : Closing Stock	475,364,711	504,145,991
(Increase) / Decrease in Stock (V)	1,259,829	(45,371,847)
Total (I + II +III + IV + V)	2,415,255,673	2,126,730,345
SCHEDULE 15		
PERSONNEL COSTS		
Payment and Provision for Salaries, Wages, Bonus and Ex-Gratia	60,141,464	69,922,357
Contribution to Provident Fund, Employees State Insurance and Other Funds	3,031,552	2,598,115
Provision for Gratuity	2,199,657	1,106,034
Welfare Expenses	593,080	843,054
	65,965,752	74,469,560

	2010 - 11 (Rs.)	2009 - 10 (Rs.)
SCHEDULE 16		
MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Stores, Spares and Rubber Moulds :		
Opening Stock	13,550	13,549
Add : Purchases	3,019,519	4,280,891
Less : Closing Stock	212,699	13,549
Consumption	2,820,370	4,280,891
Director's Remuneration	9,052,418	11,653,560
Director's Sitting Fees	56,000	120,000
Security Expenses	1,542,963	1,432,538
Auditor's Remuneration	2,014,237	1,693,813
Brokerage	252,000	1,322,117
Factory Rent	781,641	-
Freight and Forwarding Expenses	1,461,655	1,532,779
Insurance	1,275,632	2,743,775
Legal and Professional Fees	4,978,708	12,715,359
Legal Charges	-	-
Contract Labour Charges	1,250,899	941,877
Lease Rent	9,686,301	15,583,892
Marketing and Sales Promotion Expenses	3,973,723	18,015,551
Miscellaneous Expenses	83,650,843	80,472,050
Miscellaneous Expenditure W / Off	-	-
Postage and Communication Expenses	1,212,073	1,487,258
Power and Fuel Expenses	7,057,280	7,942,776
Rates, Taxes and License Fees	3,262,127	5,096,829
Repairs and Maintenance, Service & AMC Charges:		
Repairs to Fixed Assets :		
Building	8,000	12,000
Plant and Machinery and Equipments	163,354	95,384
Others/AMC Charges	113,213	116,658
Others Maintenance and Service Charges	2,618,346	2,897,562
Travelling and Conveyance	2,342,050	2,437,033
Vehicle Expenses	624,621	694,972
Exchange Loss/ (Gain)	133,588	11,935,954
	140,332,041	185,224,628
SCHEDULE 17		
INTEREST AND FINANCIAL CHARGES		
Interest (Net)	80,661,769	69,967,279
Bank Charges and Other Financial Charges	18,742,650	26,499,809
	99,404,419	96,467,088

SCHEDULE – 18 :

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2010-11.

A. PRINCIPLES OF CONSOLIDATION:

The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of items like assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profit or losses.
- The financial statements of the subsidiaries used in the consolidation are drawn up to the same balance sheet date as that of the parent Company i.e. 31st March, 2011.
- The excess of cost to the Company of its investment in the subsidiary company over the Company's portion of the equity of the subsidiary is recognized in the financial statement as Goodwill on consolidation.
- Minority interests in the net assets of consolidated subsidiaries consist of the amount of equity capital at the date on which investment in the subsidiaries are made and share of profit and loss attributable to minorities except in case of Soft Touch Jewellers LLC , S B & T Designs Limited and Mimansa Jewellery Private Limited where 100% beneficial ownership lies with the Company.
- Intra-group balances and intra-group transactions and resulting unrealized profits have been eliminated in full.

Following Companies are included in the consolidation with the parent Company: -

Name of the Subsidiary Company	Country of Incorporation	% of Ownership as on 31.03.2011.
S B & T Holdings Limited	Mauritius	100% by S B & T International Limited
Soft Touch Jewellers LLC **	United Arab Emirates	49% Legal, 100% beneficial by S B & T Holding Limited
S B & T (UK) Limited	United Kingdom	60% by S B & T Holdings Limited
S B & T Designs Limited	India	99.996% Legal and 100% beneficial by S B & T International Ltd.
Mimansa Jewellery Private Ltd.	India	100% beneficial by S B & T International Ltd.

** Under the Articles of the investee company, S B & T Holding Limited holds the management rights of the investee company for its entire lifetime. Further, the 51% holding in the investee company is held by a UAE national as required by the Commercial Companies Law No 8 of 1983, as amended. However, he holds it in trust on behalf of S B & T Holding Limited.

Considering the above matter, the management considers the investment in Soft Touch Jewellers LLC as 100% beneficially owned by S B & T Holding Limited.

B. ACCOUNTING POLICIES:

1. GENERAL:

- (i) The financial statements are prepared under the historical cost convention on an accrual basis and in conformity with accounting standards issued by the Institute of Chartered Accountants of India.
- (ii) The consolidated financial statements are prepared by adopting uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible, in the same manner as those of the parent company's independent financial statement unless stated otherwise.
- (iii) The goods lying in inventory at an entity includes certain goods which have been processed in and transferred from one or more entity. For the purpose of consolidation, the amount unrealized profits in

the value of goods lying in inventory of any entity as at the end of the financial period has been eliminated to the extent of % of net profit of the same financial period of the entity from whom these goods have been procured.

- (iv) All employees' related benefits including social security have been provided in accordance with the laws of the country in which the individual entity is operating.
- (v) The operations of foreign subsidiaries have been considered by the management, as non-integral operations as described in accounting standard – AS 11 (revised) "Accounting for the effects of changes in foreign exchange rates".

2. FIXED ASSETS & Capital Work In Process:

Fixed assets are stated at cost of acquisition or construction inclusive of freight, duties, taxes, attributable financial cost and incidental expenses, less accumulated depreciation and amortisation. Direct costs are capitalized until the assets are ready for use.

Capital Work-in-process include cost of fixed assets that are not yet ready for the intended use, advances paid to acquire fixed assets and cost of assets not put to use before Balance sheet date.

3. DEPRECIATION:

Depreciation on Fixed Assets has been provided on prorata written down value method. In case of Soft Touch Jewellers LLC and S B & T (UK) Ltd. Depreciation is provided on Straight Line Method.

In case of Soft Touch Jewellers LLC, Estimated useful life

Furniture, Fixtures & Office	
Equipments	2-4 years
Motor Vehicles	4 years
Leasehold Business premises	4 years

In case of S B & T (UK) Limited Rate of Depreciation

Furniture and Fittings	25% p.a.
Equipment	25% p.a.
Website Cost	25% p.a.
Trademark	10% p.a.

In case of S B & T Designs Limited. / Mimansa Jewellery Private Ltd.

- a) Leasehold land is to be amortized over the period of lease.
- b) Depreciation in respect of addition to fixed assets is provided on pro rata basis from the year in which such assets are acquired/installed/started commercial production.

4. FOREIGN EXCHANGE TRANSACTION:

- i) Foreign currency transactions are recorded on the basis of exchange rates prevailing on the date of occurrence.
- ii) Foreign currency assets and liabilities as on the balance sheet date are revalued in the accounts on the basis of exchange rates prevailing at the close of the year and exchange difference arising there from is a charged to the Profit & Loss Account.

In case of transaction covered by forward contracts, the difference between the contract rate and exchange rate prevailing on the date of transaction is charged to the profit & Loss Account.

- iii) The translation of the functional currencies into Indian rupees (reporting currency) is performed for monetary assets and liabilities using the current exchange rates in effect at the balance sheet date, for revenues, costs and expenses using average exchange rates prevailing during the reporting periods and for share capital using the exchange rate at the date of the transaction.

Foreign Subsidiaries

- iv) All revenues and expense transactions during the year are reported at average rate. Monetary and non-monetary assets and liabilities are translated at the rate prevailing on the balance sheet date. Balance in Holding company accounts whether debit or credit, is reported at the amount of the balance in the subsidiary account in the books of the Holding company accounts after adjusting for un-responded transactions. Net gain/loss on foreign currency transaction is recognized in "Foreign Currency Translation Reserve". Average rate taken is the average of the monthly average rate of the reporting period.

5. INVESTMENTS:

Long Term Investments are stated at cost of acquisition less permanent diminution in the value of investment if any.

Investment in Associates

Investments in associate companies are stated at cost of acquisition other than temporary diminution in the value of investment if any.

In case of S B & T Holding Ltd.-

Investment – unquoted in Soft Touch Jewellers LLC.

Investment in the Company is treated as "available-for-sale financial assets" in accordance with IAS 39. Accordingly, investment is valued at fair value and any change in fair value is recognised as fair value reserve as part of the equity.

The investment in Soft Touch Jewellers LLC has been valued by an independent accountancy firm, M/s Deloitte Haskines & Sells to arrive at a fair value of investment. As per the valuation, the value of investment is US \$ 7.5 million to US \$ 8.00 million as on 31st December, 2001. The directors have decided to value the investments at US \$ 7.5 million.

6. INVENTORIES:

- a) Raw Materials are being valued at net realisable price or cost price whichever is less, on FIFO basis. Cost also includes applicable overheads.
- b) Work in process and finished stocks are being valued at raw material cost plus labour cost and direct expenses relating to production. Cost also includes applicable overheads.
- c) Stores, Spares and Consumables are being valued at cost except in SB&T Designs Ltd. in which, for the betterment of system valuation method is changed from FIFO to Weighted Average Cost method.
- d) Master Pieces are being valued at Estimated Market Price, where cost could not be determined.
- e) Trade samples are being valued at cost.

In case of subsidiary, Soft Touch Jewellers LLC; Gold is valued at the market rate prevailing at the year end. Gold ornaments are valued at market value of gold plus cost of making such ornaments.

7. EMPLOYEE Benefit:

Company provides for costs relating to Gratuity and leave encashment based on actuarial valuation at the end of the period in Profit and Loss Account, except in case of Soft Touch Jewellers LLC, where it is done on actual basis.

8. INCOME FROM INVESTMENTS:

Incomes from investments are being accounted on accrual and/or cash basis based on nature of investment.

9. LEASES:

- a) Finance leases payments are apportioned between the finance charge and the reduction of the outstanding lease liability. The finance charges are recognised as an expense in the profit & loss account.
- b) Operating lease payments are recognised in the profit & loss account on a straight-line basis over the lease term.

11. Provisions & CONTINGENT liabilities

Provisions are recognised when the Company has present legal / constructive obligations, as a result of past events, for which it is possible that an outflow of economic benefit will be required to settle the obligation and the reliable estimate can be made for the amount of the obligation.

Contingent liabilities, if any, are disclosed by way of notes to accounts.

12. Taxation:

Provision for Income Tax comprises of current tax and deferred tax charge or release. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being differences between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets are not recognized unless there is 'virtual certainty' that future taxable income will be available against which such deferred tax assets will be realized.

13. SALES:

Sales are accounted on dispatches of goods at CIF value. In case of Soft Touch Jewellers LLC; revenue from sale of gold at unfixed prices are valued at the market rate of gold at the balance sheet date.

C. Secured Loans are secured against hypothecation of Finished Goods, Stock of Raw Materials, Stock in Process, Fixed Assets, Fixed Deposits and Personal guarantees by the Managing Director and Joint Managing Director.

Loan taken by Soft Touch Jewellers LLC; is secured against fixed deposits, corporate guarantee by S B & T Holding FZCO, personal guarantee by managing director of the subsidiary, hypothecation of stock of raw materials and mortgage over receivables.

D. NOTES TO ACCOUNTS

1. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business. The provisions for all known liabilities are adequate.
2. Contingent Liabilities not provided for includes
 - a. Documentary bills submitted to banks for discounting / advances amounting to Rs. 2,14,15,599/- (P.Y. Rs. 1,71,47,765/-)
 - b. Liabilities against labour cases filed against the Company is meager and therefore, not ascertainable and hence not provide for.
 - c. Income tax cases and appeals against the demand and dispute of Rs. NIL (P.Y. Rs. 752.55 lacs) are going on with various Income Tax Authorities. Out of above Rs. NIL (P.Y. Rs. 530.41 lacs) is paid by way of Tax Deducted at Sources, Advance Tax and/or Regular Assessment Tax.
 - d. Custom Duty appeals against demand of Rs.64.24 lacs on various imports are going on with Custom Authorities.

3. MANAGERIAL REMUNERATION IN THE PARENT COMPANY:

A) During the year under review, the Managing Director, Joint Managing Director and whole time Director have been paid remuneration as under:

	(Rs. in Lacs)	
	2010 - 11	2009 - 10
i. <u>Salary / Remuneration</u>		
Varij Sethi	18.00	18.00
S. K. Sethi	18.00	18.00
Vivek Tharaney	4.56	4.56
Shrance Sethi	7.92	7.80

ii. Sitting Fees		
Sunil Bharjatiya	0.08	0.42
Ravi Khubchandani	0.16	0.42
iii. Contribution to Provident Fund		
Vivek Tharaney	0.55	0.55
	49.27	51.10

4. EARNING PER SHARE (EPS):

		2010 – 11	2009 – 10
(i) Profit / (Loss) after tax and before exceptional Items		84,22,343	2,36,51,486
Profit / (Loss) after tax and after exceptional Items		84,22,343	2,36,51,486
(ii) Weighted average No. of Ordinary Shares for Basic EPS	Nos.	1,68,50,000	1,68,50,000
(iii) Weighted average No. of Ordinary Shares for Diluted EPS	Nos.	1,68,50,000	1,68,50,000
(iv) Nominal value of Ordinary Shares for Basic / Diluted EPS	Rs.	10.00	10.00
(v) Basic / Diluted Earnings per Ordinary Share before Exceptional Items	Rs.	0.50	1.40
(vi) Basic / Diluted Earnings per Ordinary Share after Exceptional Items	Rs.	0.50	1.40

5. DEFERRED TAX is accounted for by computing the tax effect of timing differences, which arise during the year and reverse in subsequent periods in case of Holding Company.

Deferred Tax Asset / (Liability)	As At 31.03.2011	As At 31.03.2010
Deferred Tax Liabilities:		
Difference between Book and Tax WDV	5.60	NIL
Expenses allowed u/s 40 (a) (ia) of Income Tax Act, 1961		18.93
(A)	5.60	18.93
Deferred Tax Assets:		
Difference between Book and Tax WDV		11.00
Expenses disallowed u/s 40 (a) (ia) of Income Tax Act, 1961		NIL
Expenses disallowed u/s 40 A (7) of Income Tax 1961	2.26	5.82
Expenses disallowed u/s 43 B of Income Tax Act, 1961	4.77	2.35
(B)	7.03	19.17
Deferred Tax Assets/(Liability) (net) (A-B)	1.43	0.24

6. SEGMENT REPORTING (GEOGRAPHICAL):**(A)****PRIMARY SEGMENT**

Geographic Segment	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Revenue	13,961.96 (12,496.68)	NIL (NIL)	11,733.78 (10,868.89)	1,528.35 (2,001.51)	27,224.09 (25,367.08)
Identified Operating Expenses	12,386.71 (10,600.61)	NIL (NIL)	10,409.93 (9,219.80)	1,355.91 (1,697.83)	24,152.56 (21,518.24)
SEGMENT RESULT	1,575.25 (1,896.07)	NIL (NIL)	1,323.85 (1,649.09)	172.43 (303.68)	3,071.54 (3,848.84)
Unallocable Operating Expenses					2,690.53 (2,571.41)
Interest & Finance charge					994.04 (964.67)
Depreciation					274.20 (392.01)
Interest Income					806.62 (319.52)
Other Income					187.43 (123.10)
Profit Before Tax					106.80 (301.21)
Tax					22.58 (64.70)
Profit After Tax					84.22 (236.51)

*** Figures in the bracket indicates previous years figures.

(B)

	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Segment Assets	22,407.48 (17,127.27)	1.29 (0.71)	12,193.57 (10,109.19)	205.21 (358.33)	34,807.55 (27,595.50)
Unallocable Assets					428.77 (428.77)
Total Assets					35,236.32 (28,024.27)

(C)

	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Segment Liabilities	14,499.98 (8,833.62)	194.11 (198.78)	6,639.00 (5,816.35)	953.46 (973.03)	22,286.55 (15,821.78)
Unallocable Liabilities					19.42 (19.42)
Total Liabilities					22,305.97 (15,841.20)

7. RELATED PARTY DISCLOSURES:
1. List of Related Parties with whom transactions have taken place during the year:
a) Key Management Personnel:

Surendra Kumar Sethi	-	Chairman and Joint Managing Director
Varij Sethi	-	Managing Director
Vivek Tharaney	-	Whole Time Director (Production)

b) Relative of Key Management Personnel:

Rajkumari Sethi	-	Mother of S. K. Sethi
Indra Sethi	-	Wife of S.K. Sethi
Jyoti Sethi	-	Wife of Varij Sethi
Ritu Sethi	-	Daughter of S. K. Sethi
Virendra Kumar Sethi	-	Brother of S. K. Sethi
Nalin Sethi	-	Brother of S. K. Sethi
Priya Tharaney	-	Mother of Vivek Tharaney
Vanita Tharaney	-	Wife of Vivek Tharaney

c) Others:

Sethi Mercantile Private Limited	Company in which directors are interested
Arup Builders Developers (P) Ltd.	Company in which directors are interested
Swel Jewels	Company in which relative of directors are interested

2. Transaction during the year with related parties:
a) Remuneration to Key Management Personnel

Refer D (3) of Notes to Accounts to Consolidated Financial Statements.

(Rs. In Lacs)

	2010 - 11		2009 - 10	
	Transaction	Closing Balance	Transaction	Closing Balance
b) Dividend paid to Shareholders (Rs. In Lacs) :				
Key Management Personnel				
Varij Sethi	1.94	—	1.94	—
Surendra Kumar Sethi	0.48	—	0.48	—
Vivek Tharaney	0.01	—	0.01	—
Relatives of Directors				
Rajkumar Sethi	0.34	—	0.34	—
Indra Sethi	0.24	—	0.24	—
Jyoti Sethi	0.37	—	0.37	—
Ritu Sethi	0.10	—	0.10	—
Virendra Kumar Sethi	0.90	—	0.90	—
Nalin Sethi	0.45	—	0.45	—
Priya Tharaney	0.01	—	0.01	—
Other				
Sethi Merchantile (P) Ltd.	0.10	—	0.10	—

c) Sales (Rs. In Lacs):				
FNZ Jewels Pvt. Ltd.	957.27	NIL	495.81	NIL
d) Loans taken (Rs. In Lacs):				
Varij Sethi	3.00	42.29	NIL	39.29
Sethi Merchantile (P) Ltd.	25.00	100.00	100.00	10.00
S. K. Sethi	NIL	49.00	NIL	49.00
Swel Jewels	NIL	21.22	NIL	10.95
Arup Builders Pvt. Ltd	65.00	179.92	NIL	56.00
Jyoti Sethi	25.00	25.00	NIL	NIL
Kala Shah	45.00	36.00	NIL	NIL
e) Loans Repaid (Rs. In Lacs) :				
S. K. Sethi	NIL	49.00	NIL	49.00
Varij Sethi	NIL	42.29	NIL	39.29
Sethi Merchantile (P) Ltd.	25.00	100.00	NIL	10.00
Swel Jewels	NIL	21.22	NIL	10.95
Kala Shah	9.00	36.00	NIL	NIL
f) Interest Expense (Rs. In Lacs) :				
Arup Builders & Devpt. (P) Ltd.	NIL	NIL	12.72	—
Swel Jewels	NIL	NIL	0.25	—
Sethi Merchantile (P) Ltd.	NIL	NIL	2.22	—
g) Commission (Rs. In Lacs) :				
Vanita Tharaney	0.50		1.00	—
8. A) Balances of sundry debtors, sundry creditors and loans and advances are subject to confirmation, reconciliation and consequential adjustment, if any.				
B) Interest paid is net of interest received/accrued but not due of Rs. 21,83,362 (P.Y. Rs. 21,94,987/-) on margin money kept with banks. Tax deducted at source Rs.2,18,337 /-(P.Y. Rs. 2,19,499/-)				
C) The Company does not owe any amount to small-scale industrial undertaking as on year end (P.Y. Nil).				
9. Leases:				
(a) Disclosure of Operating Lease as per Accounting Standard 19 on 'Leases' issued by the Institute of Chartered Accountants of India:				

	(Rs. in Lacs)	
	<u>F. Y. 2010-11</u>	<u>F. Y. 2009-10</u>
A)* Rent payable for 1 Year	33.34	30.34
Rent payable for 1 to 5 Years	9.79	43.13
Rent payable for 5 years and above	NIL	NIL
* These Lease Rental payments do not include the service tax required to be paid on the same.		
B) Lease Rental recognized in the Profit & Loss Account	33.34	26.11
Lease Rental capitalized during the year	NIL	NIL

(b) Disclosure of Finance Lease as per Accounting Standard 19 on 'Leases' issued by the Institute of Chartered Accountants of India:

	<i>(Rs. In lacs)</i>	
	<u>F.Y. 2010-11</u>	<u>F.Y. 2009-10</u>
A) *Rent payable for 1 year	1.66	1.66
Rent payable for 1 to 5 years	0.28	1.94
Rent payable for 5 years and above'	NIL	NIL
● These Lease Rental payments do not include the service tax required to be paid on the same.		
B) Rent recognized in Profit & Loss Account	0.26	4.24

11. Figures of the previous year have been regrouped, rearranged and recast and shown to the nearest rupee to make them comparable with figures of the previous year. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the parent company's financial statements.

For and on behalf of Board

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

VIVEK THARANAY
Whole Time Director

Place: Mumbai

Date : 29th November, 2011

Statement pursuant to exemption under Section 212 (8) of the Companies Act, 1956, relating to subsidiary Companies

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Capital and Share Application Money	Reserves	Total Gross Assets	Total Gross Liabilities	Investment other than investment	Turnover in Subsidiary	Profit / Loss before Taxation	Provision for Taxation	Profit/Loss after Taxation	Proposed	Country
1	S. B. & T Designs Ltd.	INR	150,000,000	4,159,574	679,634,913	679,634,913	-	187,284,043	(26,784,285)	2,117	(26,786,402)	-	INDIA
2	Mimansa Jewellery Pvt. Ltd.	INR	10,525,000	19,765,727	289,074,213	289,074,213	-	329,522,156	2,162,524	718,330	1,444,194	-	INDIA
3	S. B. & T Holding Ltd.	USD	109,384,028	(88,719,227)	10,642,345	10,642,345	-	-	(544,935)	-	(544,935)	-	MAURITIUS
4	Soft Touch Jewellers	AED	3,808,383	559,891,207	1,246,676,821	1,246,676,821	-	1,169,239,858	28,810,724	-	28,810,724	-	UAE
5	S. B & T (UK) Ltd.	GBP	46,104,814	(206,050,592)	20,520,884	20,520,884	-	24,578,218	(3,780,464)	-	(3,780,464)	-	UK

For and on behalf of the Board of Directors of S B & T International Ltd.

SURENDRA KUMAR SETHI VARIJ SETHI VIVEK THARANEY
Chairman Managing Director Whole Time Director

Place: Mumbai

Date: 29th November, 2011

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ATTENDANCE SLIP
S. B. & T INTERNATIONAL LIMITED

Registered Office: 138, Shreeji Chambers, 1st Floor, Tata Road No. 2, Opera House, Mumbai-400004

24th Annual General Meeting, Friday, December 23, 2011

I hereby record my presence at the 24th Annual General Meeting of the Company (including adjournment thereof) at Hotel SunCity Residency 16th Road, MIDC, Marol, Andheri (E), Mumbai - 400 093 on Friday, December 23, 2011 at 10.00 a.m.

Folio No _____ DP ID* _____ Client ID _____

No. of Shares held _____

Full name of the Shareholder/Proxy (in block letters) Signature _____

Note: Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand over at the entrance of the hall.



TEAR HERE

PROXY FORM

S. B. & T INTERNATIONAL LIMITED

Registered Office: 138, Shreeji Chambers, 1st Floor, Tata Road No. 2, Opera House, Mumbai-400004

24th Annual General Meeting, Friday, December 23, 2011

Folio No. _____ DP ID: _____ Client ID: _____

I/We _____ of _____ In the district of _____ being a member(s) of the above named Company, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____

as my/our proxy to vote for me/us on my/our behalf at the 24th Annual General Meeting of the Company (including adjournment thereof) to be held at Hotel SunCity Residency 16th Road, MIDC, Marol, Andheri (E), Mumbai - 400 093 on Friday, December 23, 2011 at 10.00 a.m. and at any adjournment thereof.

Affix a
Re.0.15/-
Revenue
Stamp

Signed this _____ day of _____ 2011

- Note :
1. The proxy need not be a member
 2. The Proxy Form duly completed should be deposited at the Registered Office of the Company at Mumbai not later than 48 hours before the time of the meeting.

* applicable for investor holding shares in electronic for.



S. B. & T. International Limited

138, Shreeji Chambers, First Floor, Tata Road No. 2, Opera House, Mumbai - 400 004.