
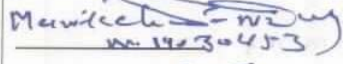




S B & T INTERNATIONAL LIMITED

Covering Letter of the Annual Audit Report to be filed with the Stock Exchange

1.	NAME OF THE COMPANY	S B & T INTERNATIONAL LIMITED
2.	ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED	31 st March, 2013
3.	TYPE OF AUDIT OBSERVATION	Matter of Emphasis: 1) (Refer point No. 9 (B) of the Notes To Accounts on Page 38 of the Annual Report which states that 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, Auditors 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. 2) The company is in the process of maintaining proper records showing full particulars, including quantitative details and situation of fixed assets
4.	FREQUENCY OF OBSERVATION	The aforementioned matters of emphasis has been mentioned in the Annual Report from the year ended March 31 st 2007.
5.	TO BE SIGNED BY: • CEO/MANAGING DIRECTOR • CFO • AUDITOR OF THE COMPANY • AUDIT COMMITTEE CHAIRMAN	   

Factory:

'SEEPZ' Gems & Jewellery Complex - I, Unit-G3, Andheri (E), Mumbai - 400 096. (India) ☎: +91-22-6742 1444 • Fax: + 91 22 6742 1445

Regd Office:

Yusuf Building, 1st Floor, Room No. 15, Abdul Rehman Street, Mumbai - 400 003.



S. B. & T. INTERNATIONAL LIMITED

Annual Report for the year 2012 - 13

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CHAIRMAN'S SPEECH



Dear Shareholders,

On behalf of the entire Board of Directors of the company I welcome you to the 26th Annual General Meeting of our Company.

In the last year the company has suffered huge losses due to a steep fall in the business of the company. The management is making every effort to grow the business of the company and I assure you that the business of the company will be brought back on track in the coming years.

In an effort to restructure the company the board is trying to rationalize the assets of the company and close down non profitable business and concentrate on the core business of the company.

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	:	Monday, December 30, 2013
Time	:	11.30 a.m.
Venue	:	LNM IMC Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.
Date Of Book Closure	:	26th December 2013 to 30th December 2013

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Surendra Kumar Sethi

Chairman & Joint Managing Director

Mr. Varij Sethi

Managing Director

Mr. Ravi Khubchandani

Independent & Non-executive Director ¹

Mr. Martin Feinstein

Independent & Non-executive Director ²

Mr. Sunil Barjatia

Independent & Non – executive Director

Mr. Shrance Sethi

Additional Director³

AUDITORS :

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

Chartered Accountants,
Mumbai

BANKERS

The Federal Bank Limited

Axis Bank Limited

Union Bank of India

COMMITTEES OF BOARD

AUDIT COMMITTEE

Mr. Sunil Barjatia

Mr. Ravi Khubchandani¹

Mr. Varij Sethi

Mr. Shrance Sethi³

INVESTORS / SHAREHOLDERS' GRIEVANCE COMMITTEE

Mr. Ravi Kubchandani¹

Mr. Martin Feinstein²

Mr. Sunil Barjatia

Mr. Shrance Sethi³

COMPENSATION / REMUNERATION COMMITTEE

Mr. Ravi Kubchandani¹

Mr. Martin Feinstein ²

Mr. Sunil Barjatia

REGISTERED OFFICE

Yusuf Building 1st Floor, Room No 15,

Abdulrehman street,

Mumbai – 400003.

Website: www.sbtindia.com

FACTORY

G – 3, Gems And Jewellery Complex - I Seepz,
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.

¹ Mr. Ravi Khubchandani resigned with effect from 14th January, 2013

² Mr. Martin Feinstein resigned with effect from 14th January, 2013

³ Mr. Shrance Sethi was appointed as additional Director with effect from 14th January, 2013

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Sixth Annual General Meeting of the Shareholders of S. B. & T International Limited will be held on Monday, December 30, 2013 at 11.30A.M. at LNM IMC Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as on March 31, 2013 and the Profit and Loss Account for the Financial Year ended on that date together with the Reports of the Auditor's and the Directors' thereon.
2. To appoint a Director in place of Mr. Sunilkumar Manakchandra Barjatiya who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. M. M. Dubey & Co., Chartered Accountants, bearing Registration No. 30453 as Statutory Auditors of the Company for the period commencing from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Chairman in consultation with the Auditors in addition to reimbursement of out-of-pocket expenses in connection with the audit of accounts of the Company for the year ending on March 31, 2013.

SPECIAL BUSINESS:

4. **REGULARIZATION OF MR. SHRANCE SETHI AS A DIRECTOR:**

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

“RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) thereto or any re-enactment(s) thereof for the time being in force), Mr. Shrance Sethi, who was appointed as an Additional Director by the Board w.e.f. January 14, 2013, in terms of the provisions of Section 260 of the Companies Act, 1956 and Section 161(1) of the Companies Act, 2013 and Article 114 of the Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. **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 without any remuneration, for a period of one year with effect from 01/12/2013 to 30/11/2014.

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 accordance with Schedule XIII to the Companies Act, 1956 or any other amendments made hereafter in this regard and as may be agreed to by the Managing Director.

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.”

6. 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. Surendrakumar Sethi, as Managing Director of the Company without any remuneration, for a period of one year with effect from 01/12/2013 to 30/11/2014.

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 accordance with Schedule XIII to the Companies Act, 1956 or any other amendments made hereafter in this regard and as may be agreed to by the Managing Director.

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.”

By Order of the Board of Directors

Place: Mumbai

Date: 25th November, 2013

Registered Office:

Yusuf building 1st floor room no 15

Abdulrehman street

Mumbai – 400003

Chairman

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. Members /Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
3. 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.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 26/12/2013, 2013 to 30/12/2013 (both days inclusive) for the purpose of Annual General Meeting.
6. 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.
7. 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.
8. 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.
9. Members are requested to notify changes, if any, in their registered addresses to the Company's Registrars.
10. Members are requested to bring their copy of Annual Report to the Meeting.
11. All documents referred to in the notice 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.
12. 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
13. 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.
14. 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. Sunil Barjatia
Aged 55 is a Non Executive Director, a Graduate in Commerce. His specialization is in Finance field.

By Order of the Board of Directors

Place: Mumbai

Date: 25th November, 2013

Chairman

Registered Office:

Yusuf building 1st floor room no 15

Abdulrehman street

Mumbai – 400003

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:-

Mr. Shrance Sethi was appointed by the Board of Directors as Additional Director of the Company with effect from 14th January, 2013. In accordance with the provisions of Section 260 of the Companies Act, 1956 and Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company he holds office up to the date of ensuing Annual General Meeting.

The Members are requested to consider and if thought fit pass the ordinary resolution with or without modification(s) for appointment of Mr. Shrance Sethi as the Director of the Company.

The Profile of Mr. Shrance Sethi is given below for Member's reference :

Mr. Shrance Sethi, aged years a Graduate in Commerce. His specialization is in Finance field

Item No. 5 & 6:-

Mr. Varij Sethi was appointed as Managing Director of the Company for a period of one year from 01/12/2012 on the terms and conditions as approved by the Shareholders. The tenure of his appointment expires on 30/11/2013.

The Board of Directors of the Company at its meeting held on 26/11/2013 has recommended the re-appointment of Mr. Varij Sethi, as the Managing Director of the Company for a further period of 1 year from 01/12/2013 to 30/11/2014.

Also, Mr. Surendra Kumar Sethi was appointed as the Chairman and Joint Managing Director of the Company for a period of one year from 01/12/2012 on the terms and conditions as approved by the Shareholders. The tenure of his appointment expires on 30/11/2013.

The terms and conditions of Mr. Varij Sethi and Surendrakumar Sethi, re-appointment as stated in the resolution may also be treated as an abstract of the terms of the draft Agreement between the Directors and the Company under Section 302 of the Companies Act, 1956.

The Board recommends these special resolutions for your approval.

By order of the Board of Directors

Place: Mumbai.

Date: 25th November, 2013

**Surendra Kumar Sethi
Chairman**

Registered Office:
Yusuf building 1st floor Room No. 15
Abdulrehman street
Mumbai – 400003

DIRECTORS' REPORT

The Members of
S.B. & T INTERNATIONAL LIMITED

Your Directors present with pleasure the Twenty Sixth Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2013.

1. FINANCIAL RESULTS

(INR In Million)

Particulars	2012-2013	2011-2012
Gross Profit	(48.67)	(275.25)
Less: Depreciation	1.75	1.99
Profit before Tax	(50.41)	(277.24)
Provision for Tax – Current	NIL	NIL
Deferred	NIL	0.24
Profit after Tax	(50.41)	(276.99)
Add: Balance brought forward	NIL	43.38
Profit available for appropriation	(50.41)	(233.62)
Appropriations	NIL	NIL
Proposed Final Dividend	NIL	NIL
Corporate Dividend Tax	NIL	NIL
Balance carried to Balance Sheet	(50.41)	(233.62)

2. OPERATIONS

Turnover of the Company is INR. 65.27 million for the year ended 31st March, 2013 as compared to INR. 977.98 million for the year ended 31st March, 2012.

3. CAPITAL

The Paid up Capital of the Company for the financial year ended 31st March, 2013 is INR 168,500,000 divided into 16,850,000 shares of INR 10 each.

4. DIVIDEND

In order to conserve resources, no dividend has been declared for the year 2012 – 2013.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) INDUSTRY STRUCTURE AND DEVELOPMENTS

The Jewellery Industries is going through a slow down and export have shrunk and even the domestic market is witnessing a slow down.

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 carrying costs.

OPPORTUNITIES:

- The jewellery industry is growing at a whopping rate with the boom in the domestic and exports of Indian jewellery, the shining materials of India brings more sparkle to the economy.
- Gems and jewellery export stands the second major foreign exchange earner for the country. India has many natural advantages to emerge as Gems & Jewellery hub of the world.
- India has the largest and the best artisan force for designing and crafting the jewellery in the world. There is considerable scope of value addition in terms of capacity building at the domestic front, quality management and professionalism.
- India is the world's largest manufacturing centre for gems and jewellery and the Industry contributes over 12% to the total export earnings of the country and employs highly skilled 1.5 million workers. The gems and jewellery industry is a major exchange exchequer as major portion (around 80%) of its turn over was contributed by exports. Diamonds contribute to nearly 80% of the entire turnover and of this industry and hence many times the terms 'gems and jewellery industry' and 'diamond industry' are used as synonyms.

THREATS:

Although India currently enjoys dominance in the world's cut and polished diamonds market, China may emerge as a viable rival, if not in the near term, certainly in the longer term. An increasing number of diamond processors from Israel and Belgium, and even India, are setting up facilities in China for a variety of reasons, according to the report on the Indian gems and jewellery industry. The primary reasons for these are:

- The labour force there, like in India, is cheap and disciplined.
- High economic growth in China over the past decade has resulted in a significant increase in potential consumers in the high – income segment within the country.
- Quality of workmanship and technological development (technical expertise) are the other areas where the Indian industry faces a threat from China.

c) SEGMENT WISE PERFORMANCE:

Refer to Note No. B (12) of Schedule 17 of the financial statement attached.

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 in the forthcoming financial year.

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 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:

Risk is an important element of corporate functioning and governance. Your Company has established the process of identifying, analyzing and treating risks, which could prevent the Company from effectively achieving its objectives. It ensures that all the risks are timely defined and mitigated in accordance with the well structured risk management Process.

f) INTERNAL CONTROL SYSTEMS:

The Company has designed an effective Internal Control System to balance the financial, operational, compliance and other risks and explore its business opportunities at the fullest to achieve its desired objectives.

e) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Turnover of the Company is Rs. 65.27 million for the year ended 31st March, 2013 as compared to Rs. 977.98 million for the year ended 31st March, 2012. Net Loss for the year ended 31st March, 2013 is INR. (50.41) million against Net Loss INR. (276.99) million for the year ended 31st March, 2012.

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. Sunil Barjatiya Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers himself 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, 2013 was INR 50,000 (Rupees Fifty Thousand Only). There were no outstanding or unclaimed fixed deposits as on 31st March, 2013.

8. SUBSIDIARY COMPANY

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 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

9. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of SB&T International Limited and its subsidiaries SB&T Holding Limited, Mimansa Jewellery Private Limited, SB&T Designs 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, 2013; 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, 2013 and of the loss 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, 2013, on a going concern basis.

COST AUDIT

The Cost Audit under Section 233B of the Companies Act, 1956 is applicable to the Company for the Financial Year 2012-13 and accordingly Mr. Naresh Kumar Jethwani Cost Accountant, Navi Mumbai, was appointed as the Cost Auditor, for the said year vide Board Resolution but the Company have. The Cost Audit Report is under preparation.

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

Surendra Kumar Sethi
Chairman

Place : Mumbai

Date : 25th November, 2013

Registered Office:

Yusuf building, 1st floor, Room No. 15

Abdul Rehman street

Mumbai - 400 003

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, 2013.

(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.

For and on behalf of the Board of Directors

**Surendra Kumar Sethi
(Chairman)**

Place: Mumbai

Date: 25th November, 2013

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 2012-13.

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

Chairman & Joint Managing Director
Managing Director
Independent & Non Executive Director

Name of the Directors

Mr. Surendra Kumar Sethi
Mr. Varij Sethi
Mr. Ravi Khubchandani¹

Independent & Non Executive Director
 Independent & Non Executive Director
 Additional Director (Independent & Non Executive)

Mr. Martin Feinstein²
 Mr. Sunil Barjatiya
 Mr. Shrance Sethi³

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, 2013.

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	4	—	—
Mr. Varij Sethi	Managing Director	4	—	—
Mr. Ravi Khubchandani ¹	Independent & Non Executive Director	—	—	3
Mr. Martin Feinstein ²	Independent & Non Executive Director	—	—	2
Mr. Sunil Barjatiya	Independent & Non Executive Director	1	—	3
Mr. Shrance Sethi ³	Additional Director (Independent & Non Executive)	2	—	—

¹ Mr. Ravi Khubchandani resigned with effect from 14th January, 2013

² Mr. Martin Feinstein resigned with effect from 14th January, 2013

³ Mr. Shrance Sethi was appointed as additional Director with effect from 14th January, 2013

Notes

* Excluding Directorship in foreign companies.

** Including Audit and Shareholder/ Investors' Grievance Committees of Public Limited Companies

c) Board Meetings

During the accounting year 2012-13, 10 Board Meetings were held on 14th May, 2012, 14th August, 2012, 16th August, 2012, 30th August, 2012, 9th November, 2012, 10th November, 2012, 29th November, 2012, 14th January, 2013, 13th February, 2013 and 25th February, 2013.

The details of attendance of Directors at the Board Meetings held during the year commencing 1st April, 2012 to 31st March, 2013 and the last AGM held on 28th December, 2012 are as under:

Name of Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Surendra Kumar Sethi	10	PRESENT
Mr. Varij Sethi	10	PRESENT
Mr. Ravi Khubchandani ¹	8	PRESENT
Mr. Martin Feinstein ²	--	ABSENT
Mr. Sunil Barjatiya	10	PRESENT
Mr. Shrance Sethi ³	2	PRESENT

¹ Mr. Ravi Khubchandani resigned with effect from 14th January, 2013

² Mr. Martin Feinstein resigned with effect from 14th January, 2013

³ Mr. Shrance Sethi was appointed as additional Director with effect from 14th January, 2013

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 Companies 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:

1. 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 and Attendance at the Audit Committee Meetings:

During the accounting year 2012-13, Five Audit Committee Meetings were held on 14th May, 2012, 14th August, 2012, 11th September, 2012, 29th November, 2012 and 13th February, 2013.

Name of Directors	Designation	Category	No. of Audit Committee Meetings attended
Mr. Ravi Khubchandani ¹	Chairman	Independent & Non Executive Director	5
Mr. Varij Sethi	Member	Managing Director	5
Mr. Sunil Barjatiya ²	Member/Chairman	Independent & Non Executive Director	5
Mr. Shrance Sethi ³	Member	Additional Director (Independent & Non Executive Director)	Nil-

¹ Mr. Ravi Khubchandani resigned from the Audit committee with effect from 29th November, 2012

² Mr. Sunil Barjatiya was appointed as the Chairman of the Audit Committee with effect from 13th February, 2013

³ Mr. Shrance Sethi was appointed as a member of the Audit Committee with effect from 13th February, 2013

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

4. 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 personnel's and the senior most level of management immediately below the Executive Directors.

a. Size and Composition and Attendance at the Meetings:-

Name of Directors	Designation	Category	No. of Remuneration Committee Meetings attended
Mr. Ravi Khubchandani ¹	Chairman	Independent & Non Executive Director	1
Mr. Martin Feinstein ²	Member	Independent & Non Executive Director	Nil
Mr. Sunil Barjatiya	Member	Independent & Non Executive Director	1

¹ Mr. Ravi Khubchandani resigned with effect from 14th January, 2013

² Mr. Martin Feinstein resigned with effect from 14th January, 2013

b. Functions of the Remuneration Committee

The functions of the Remuneration Committee shall be to discharge the Board's responsibilities relating to formulation of compensation plans and policies of the Company's Executive Directors.

c. Attendance at the Remuneration Committee Meetings

During the Accounting year 2012-13, One Compensation / Remuneration Committee meeting was held on 29th November, 2012.

d. Remuneration Policy:

The Company pays remuneration to its Directors in accordance with the provision of the Companies Act, Listing Agreement, Articles of Association and other applicable statutes.

e. Disclosure of Remuneration paid:-

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

f. Details of remuneration paid to Directors for the financial year ended March 31, 2013 are as under:

Names	Sitting fees Amount (INR)	Remuneration including Salary & Perquisites Amount (INR) per month	Total (in INR)
Mr. Surendra Kumar Sethi	-	-	-
Mr. Varij Sethi	-	-	-
Mr. Ravi Khubchandani ¹	16000	-	16000
Mr. Martin Feinstein ²	-	-	-
Mr. Sunil Barjatiya	20000	-	20000
Mr. Shrance Sethi ³	4000	-	4000

¹ Mr. Ravi Khubchandani resigned with effect from 14th January, 2013

² Mr. Martin Feinstein resigned with effect from 14th January, 2013

³ Mr. Shrance Sethi was appointed as additional Director with effect from 14th January, 2013

5. INVESTORS / SHAREHOLDERS' GRIEVANCE COMMITTEE:

a) Role of Shareholders Grievances Committee

- 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.

b) Size and Composition and Attendance at the Meetings:-

Name of Directors	Designation	Category of Director	Nos. of meetings attended
Mr. Ravi Khubchandani ¹	Chairman	Independent & Non Executive	4
Mr. Sunil Barjatiya ²	Member/Chairman	Independent & Non Executive	4
Mr. Martin Feinstein ³	Member	Independent & Non Executive	0

¹ Mr. Ravi Khubchandani resigned from the Shareholders Grievance Committee with effect from 11th September, 2012

² Mr. Sunil Barjatiya was appointed as the Chairman of the Shareholders Grievance Committee with effect from 13th February, 2013

³ Mr. Martin Feinstein resigned from the Shareholders Grievance Committee with effect from 11th September, 2012

c) Meeting of the Investors/Shareholders' Grievance Meetings:-

During the accounting year 2012-13, 4 meetings of the Members of the Committee were held on 14th May, 2012, 14th August, 2012, 11th September, 2012 and 13th February, 2013.

d) 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:

Mode	Nature of Complaints	Opening	Received	Resolved	Outstanding as at 31 st March, 2013.
Complaints recived on SCORES website	Non Receipt of Refund orders and/or non credit of Shares in demat account	8	-	8	-

During the accounting year ended 31st March, 2013, Nil complaints were received from shareholders All valid share transfers applications received during accounting year ended 31st March, 2013 have been acted upon. There were no Share transfers pending for more than 30 days for the half-year ended 30th September, 2012, and for more than 15 days for the half-year ended 31st March, 2013.

6. GENERAL BODY MEETINGS:

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

Financial Year	Day and Date	Location of AGM	Time
2011-2012	28/12/2012	Hotel Suncity Residency, 16 th Road, MIDC, Marol, Andheri (E), Mumbai - 400 093	11.00 A.M
2010 - 2011	23/12/2011	Hotel Suncity Residency, 16 th Road, MIDC, Marol, Andheri (E), Mumbai - 400 093	10.00 A.M
2009 - 2010	30/09/2010	Hotel Tunga Paradise, MIDCCentral Road, Andheri (E), Mumbai - 400 093	11.00 A.M

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

At the Annual General Meeting of the Shareholders held on 28th December, 2012, the following special resolutions were passed:

- Re appointment of Mr. Varij Sethi as a Managing Director of the Company;
- Re appointment of Mr. Surendrakumar Sethi as Chairman & Joint Managing Director of the Company.

At the Annual General Meeting of the Shareholders held on 23rd December, 2011, the following special resolutions were passed:

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

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

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

7. DISCLOSURES:

- (a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

Note No. 17 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.

- (b) 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 except that the Trading in the shares of the Company has been suspended by the NSE with effect from 22nd October, 2012

- (c) During the year the following amount was required to be transferred to the Investor Education and Protection Fund however the same was not transferred.

Particulars	Amount (INR)
Unclaimed Dividend for the financial year 2003 - 2004	INR 1,11,481/-

- (d) Subsidiary Company's Monitoring Framework:

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

8. 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 adopted Code of Conduct for Prevention of Insider Trading and the same is uploaded on the website of the Company.

9. 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

10. 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 by the Board from time to time. 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

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

Date	Time	Venue
30th December, 2013	11.30 am	LNM IMC Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.

b) Financial Calendar:

- Financial reporting for the quarter ending:

Quarter ending 30 th June, 2012	14 th August, 2012
Quarter/Half year ending 30 th September, 2012	9 th November, 2012
Quarter ending 31 st December, 2012	13 th February, 2013
Quarter/Year ending 31 st March, 2013	30 th May, 2013
- Date of Book Closure: 26th December, 2013 to 30th December, 2013

c) Market Information:

- Listing on the Stock Exchange:**

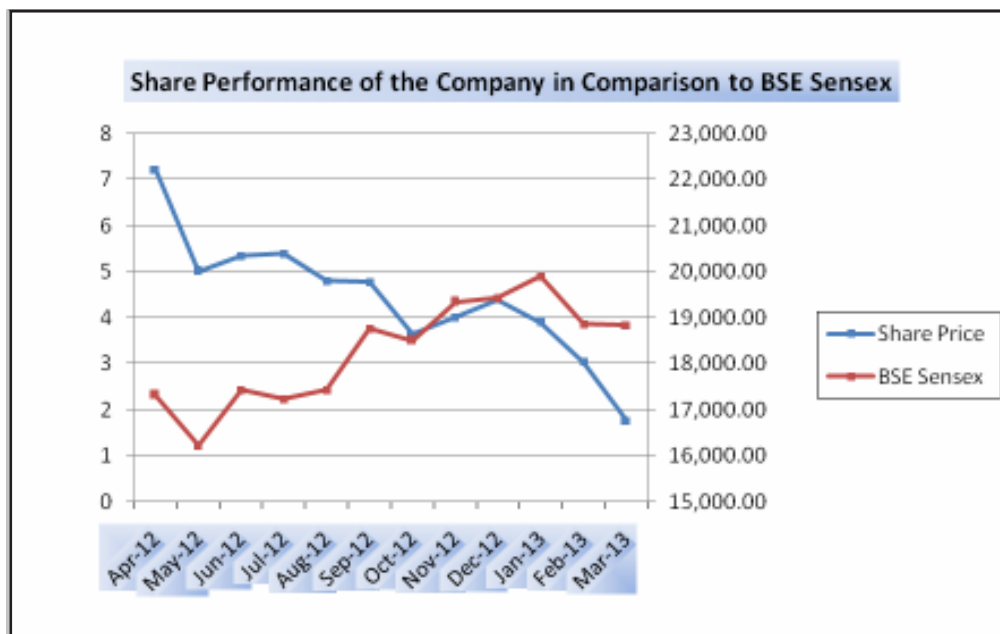
The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- The Company has paid Listing fees for the year 2012-2013 to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- Stock Code :-** 13583 on Bombay Stock Exchange Limited and SB&TINTL on the and National Stock Exchange of India Limited
- ISIN number for NSDL & CDSL :** INE465B01015
- Market Price Data:**

Stock Market Data:

The NSE suspended the Company on 22nd October, 2012. Hence, the Stock Market data of NSE is only upto the period ended 30th October, 2012. The High / Low price during each month of 2012-13 on Bombay Stock Exchange Limited and National Stock Exchange of India Limited are as under:

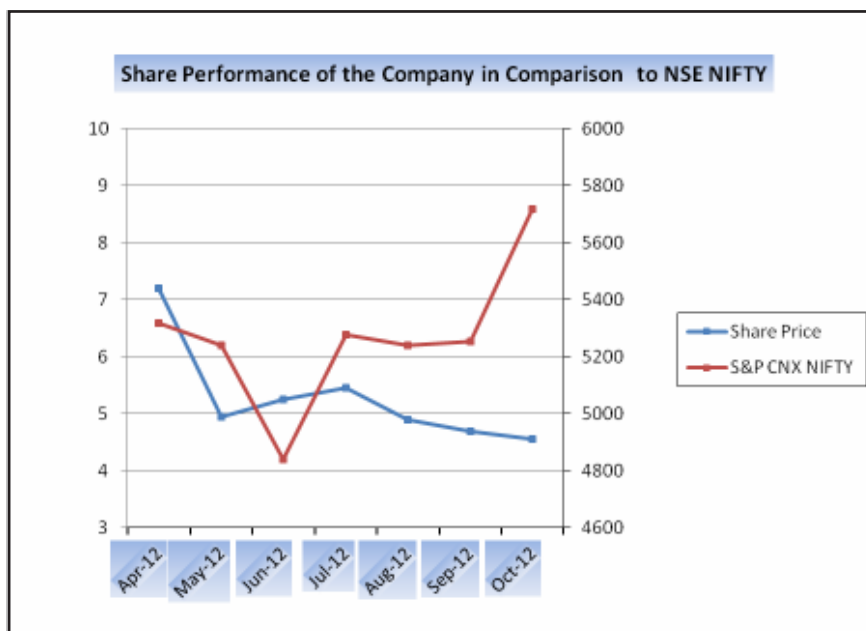
Date	S.B. & T INTERNATIONAL LIMITED							BSE Sensex		
	Open (INR)	High (INR)	Low (INR)	Close (INR)	No. of Shares	No. of Trades	Net T/O (INR)	High (INR)	Low (INR)	Close (INR)
2012Apr	8.49	9.00	7.01	7.22	1,38,988	394	11,03,235	17,664.10	17,010.16	17,318.81
May	7.50	8.25	4.66	5.01	15,65,391	3,158	97,63,726	17,432.33	15,809.71	16,218.53
Jun	4.81	5.79	4.06	5.34	11,58,884	2,298	56,63,530	17,448.48	15,748.98	17,429.98
Jul	5.33	7.50	4.85	5.39	12,71,787	2,436	72,57,178	17,631.19	16,598.48	17,236.18
Aug	5.35	6.66	4.40	4.80	10,71,787	1,819	57,17,475	17,972.54	17,026.97	17,429.56
Sept	5.20	5.50	4.26	4.77	4,39,552	837	21,02,696	18,869.94	17,250.80	18,762.74
Oct	4.97	5.20	3.50	3.64	5,00,779	1,005	23,56,347	19,137.29	18,393.42	18,505.38
Nov	3.70	4.80	3.56	4.01	2,11,839	716	8,61,651	19,372.70	18,255.69	19,339.90
Dec	4.18	5.51	3.88	4.39	3,13,753	1,135	14,42,900	19,612.18	19,149.03	19,426.71
2013Jan	4.16	4.68	3.42	3.90	3,30,692	732	13,51,852	20,203.66	19,508.93	19,894.98
Feb	4.00	4.45	2.87	3.04	1,66,865	444	5,96,458	19,966.69	18,793.97	18,861.54
Mar	2.90	3.09	1.60	1.77	4,85,363	463	12,33,179	19,754.66	18,568.43	18,835.77

	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sept 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13
Share Price (closing)	7.22	5.01	5.34	5.39	4.80	4.77	3.64	4.01	4.39	3.90	3.04	1.77
BSE Sensex (closing)	17,318.81	16,218.53	17,429.98	17,236.18	17,429.56	18,762.74	18,505.38	19,339.90	19,426.71	19,894.98	18,861.54	18,835.77



S.B. & T INTERNATIONAL LIMITED							NSE S&P CNX Nifty		
Date	Open (INR)	High (INR)	Low (INR)	Close (INR)	No. of Shares Traded	Net T/O (INR) (In THOUSANDS)	High (INR)	Low (INR)	Close (INR)
2012Apr	8.50	8.95	6.55	7.20	1,02,710	812	5331.55	5278.8	5317.9
May	7.25	8.45	4.55	4.95	5,96,723	3670	5279.6	5226.45	5239.15
Jun	4.65	5.50	4.35	5.25	6,67,299	3333	4925	4831.75	4841.6
Jul	5.30	6.75	4.80	5.45	6,63,291	3798	5302.15	5263.35	5278.6
Aug	5.20	6.30	4.40	4.90	3,98,501	2071	5246.35	5212.65	5240.5
Sept	4.95	5.75	4.40	4.70	2,03,826	957	5295.8	5243.15	5253.75
Oct	4.70	5.60	4.20	4.55	2,38,949	1134	5722.95	5694	5718.8

	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sept 12	Oct 12
Share Price (closing)	7.20	4.95	5.25	5.45	4.90	4.70	4.55
S&P CNX NIFTY (closing)	5317.9	5239.15	4841.6	5278.6	5240.5	5253.75	5326.6



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 the half-year ended 30th September, 2012 and within a maximum period of 15 days for the half-year ended 31st March, 2013 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. Sharmendra Jain, 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 205C 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 Practising 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 Practising 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.com](mailto:syss72@yahoo.com)

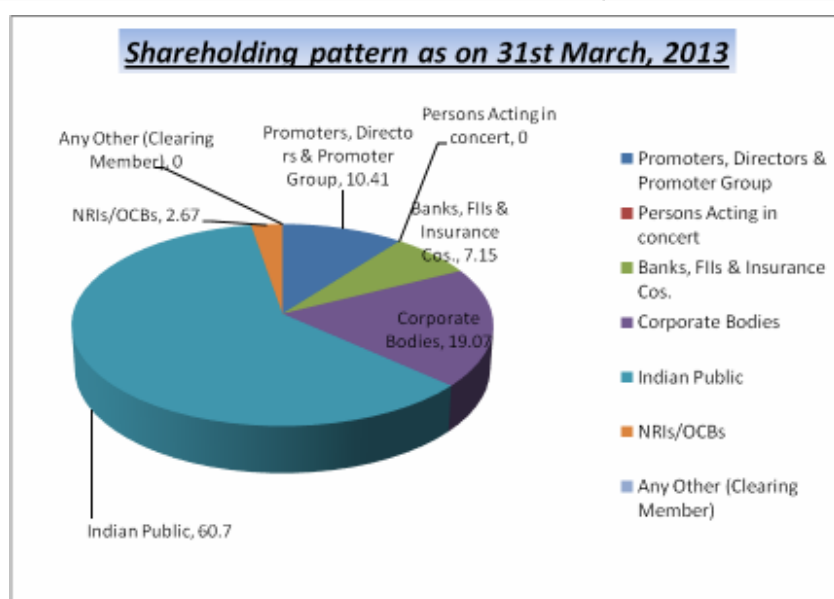
- **DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013:**

No. of Equity Shares held	No. of Shares	% of Shares	No. of Shareholders	% of Shareholders
1 – 500	1218700	7.233	6446	75.711
501 – 1000	794491	4.715	921	10.817
1001 – 2000	787807	4.675	495	5.814
2001 – 3000	490865	2.913	180	2.114
3001 – 4000	294616	1.748	82	0.963
4001- 5000	451073	2.677	94	1.104
5001-10000	1083545	6.431	143	1.680
10001 & above	11728903	69.608	153	1.797
Shares in Transit		-	-	-
Total	16850000	100.000	8514	100.000

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013:

	Category	No. of shares held	% of shareholding
A.	Promoter's holding		
1	Promoter's		
	- Indian Promoters	403802	2.40
	- Foreign Promoters	1350000	8.01
2	Persons acting in Concert	-	-
	Sub-Total	1753802	10.41
B.	Non-Promoters Holding		
a.	Mutual Funds and UTI	1700	0.01
b.	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions/ non-government institutions)	1093316	6.49
		-	-

	Category	No. of shares held	% of shareholding
c.	FII's	109215	0.65
	Sub-Total	1204231	7.15
C.	Others		
a.	Private Corporate Bodies	3213011	19.06
b.	Indian Public	10229418	60.71
c.	NRI's/OCB's	449538	2.67
d.	Any Other(please specify)In Transit (DEMAT)	0.00	-
	Sub-Total	13891967	82.44
	GRAND TOTAL	1,68,50,000	100.00



● **Dematerialization of shares:**

98.48% of the shares issued by the Company have been dematerialized up to 31st March, 2013.

Break up of shares in physical and demat form as of 31st March, 2013:

No. of Share	Percentage of Shares
Physical Segment	1.50%
Demat Segment	
NSDL	64.75%
CDSL	33.75%
Total	100.00

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

Particulars	Amount in INR
Proceed received from conversion of 18,00,000 warrants	72,00,000
Total	72,00,000
Working Capital utilized	72,00,000
Total	72,00,000

· Address for Correspondence : Mr. Sharmendra Jain
Production Manager
Yusuf Building 1st Floor Room No 15,
Abdul Rehman Street,
Mumbai – 400003 Fax: 67421445
Email id: sharmendra@sbtindia.com

Shareholders holding shares in electronic form should address all correspondence to their respective Depository Participants.

1. 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.

2. CEO/CFO Certification

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

3. 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 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.

Sd/-
Surendra Kumar Sethi
Chairman & Joint Managing Director

Sd/-
Varij Sethi
Managing Director (and CFO)

Place : Mumbai
Date : 25th November, 2013

CERTIFICATE ON CORPORATE GOVERNANCE

Certificate on compliance with the conditions of
Corporate Governance under Clause 49 of the Listing Agreement

To,
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, 2013 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 except that during the year the Company did not have any Officer designated as Compliance officer for the purpose of Clause 49 of the Listing Agreement.

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
Practising Company Secretaries

Pramod S. Shah- Partner
Membership No. F334,
C.P. No. 3804

Date : 25th November 2013
Place : Mumbai

CERTIFICATE

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 2013.

For S.B. & T International Limited

Date: 25th November, 2013
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, 2013, the Statement of 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, Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, Statement of 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, 2013, 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, 2013 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*, loans and advances (other than subsidiaries) and some of the bank borrowings 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, 2013,
- 2) in case of Statement of Profit & Loss Account, of the Loss 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: 25th November, 2013

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.

Related party transactions:

7. According to the information and explanation given to us, the company has granted interest free unsecured loans to two companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year is of Rs. 2,979.46 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, three relatives of director and one firm and 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. 684.94 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	Income Tax	5.53	2010 – 11
MVAT Act	Sales Tax	9.75	2011 – 12
Maharashtra Profession Act	Profession Tax	1.20	2011 – 12
Maharashtra Profession Act	Profession Tax	1.12	2012 - 13
ESIC Act	ESIC	0.45	2012 - 13

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, but has incurred cash losses during the financial year Rs. 504.13 lacs. Further during the previous year the company has not incurred any cash losses.

Default in repayment of dues:

22. According to the information and explanations given to us, the company is irregular in repayment of banks Loans.

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, 2013 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: 25th November, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

	NOTES	As at 31-Mar-13	(Amount in Rs.) As at 31-Mar-12
I. EQUITY AND LIABILITIES			
(1) SHARE HOLDERS' FUNDS :			
(a) Share Capital	1	168,500,000	168,500,000
(b) Reserves and Surplus	2	595,374,160	645,787,114
Sub Total		763,874,160	814,287,114
(2) NON-CURRENT LIABILITIES :			
(a) Long-Term Borrowings	3	49,460,914	39,110,914
(b) Long Term Provisison	4	1,976,267	2,106,643
Sub Total		51,437,181	41,217,557
(3) CURRENT LIABILITIES :			
(a) Short Term Borrowings	5	298,891,737	286,351,845
(b) Trade Payable	6	282,670,256	601,024,610
(c) Other Current Liabilites	7	213,654,296	97,887,585
Sub Total		795,216,290	985,264,039
TOTAL		1,610,527,631	1,840,768,710
II ASSETS			
1 NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	8	11,564,835	13,148,617
(ii) Capital Work-in-progress		396,000	396,000
(b) Non Current Investment	9	366,719,028	366,719,028
(c) Deferred Tax	10	523,208	523,208
(d) Long-Term Loans And Advances	11	5,196,897	6,577,371
		384,399,969	387,364,224
2 CURRENT ASSETS			
(a) Inventeries	12	78,551,297	41,634,171
(b) Trade Receivable	13	783,462,550	1,101,600,560
(c) Cash And Cash Equivalentents	14	8,001,180	7,318,132
(d) Short Term Loans And Advances	15	355,960,896	302,374,864
(e) Other Current Assets	16	151,738	476,760
		1,226,127,662	1,453,404,486
TOTAL		1,610,527,631	1,840,768,710

Significant Accounting Policies & Notes to Accounts

17

As per our attached report on even date
For M. M. Dubey & Co.
Chartered Accountants

M. M. Dubey
Proprietor

Place: Mumbai
Date: 25th November, 2013

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

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

THE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

	NOTES	2012-13	(Amount in Rs.) 2011-12
REVENUE :			
<u>REVENUE FROM OPERATIONS</u>			
I Revenue From Operations	PL - 1		
(a) Sale Of Products		65,273,221	977,981,828
(b) Sale Of Services		13,348,141	25,409,428
II Other Income	PL - 2	299,936	1,511,072
III Total Revenue (I+II)		78,921,298	1,004,902,327
IV EXPENSES			
a) Cost Of Material Consumed	PL - 3	51,766,474	1,189,443,575
b) Employee Benefits Expenses	PL - 4	12,135,057	16,396,558
c) Finance Costs	PL - 5	47,220,596	57,085,578
d) Depreciation And Amortization Expenses	Note 8	1,746,968	1,986,904
e) Other Expenses	PL - 6	16,465,157	17,231,437
		129,334,252	1,282,144,052
Profit for the year before tax, exceptional item & prior period adjustments		(50,412,954)	(277,241,724)
Prior Period adjustments		-	-
PROFIT / (LOSS) BEFORE TAX		(50,412,954)	(277,241,724)
Provision for Tax			
Current Tax		-	-
Deferred Tax		-	242,142
PROFIT / (LOSS) AFTER TAX		(50,412,954)	(276,999,582)
Earning Per Share (Face value of Shares of Rs. 10/- each)			
Basic / Diluted (Refer Note B (15) to Schedule 17)		(2.99)	(16.44)
Significant Accounting Policies & Notes to Accounts	17		

As per our attached report on even date
For M. M. Dubey & Co.
Chartered Accountants

M. M. Dubey
Proprietor

Place: Mumbai
Date: 25th November, 2013

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

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	31.3.2013	31.3.2012
	(Rs.)	(Rs.)
A. Cash flow from Operating Activities		
Net Profit Before Tax, Extra-ordinary and Prior Period Items	(50,412,954)	(277,241,724)
Adjustments for :		
Depreciation	1,746,968	1,986,904
Non Cash (income)/expenses	(10,579,502)	3,460,854
Interest Expense (Net)	57,678,414	57,085,578
Other Interest received	(28,611)	(1,177,169)
Operating Profit before Working Capital Changes	(1,595,685)	(215,885,558)
Adjustments for :		
Current Assets	281,545,806	310,484,047
Current Liabilities	(318,354,354)	(99,226,775)
Cash generated from Operations	(38,404,233)	(4,628,285)
Tax adjustment	-	(574,524)
Net Cash Flow from / (used) Operating Activities	(38,404,233)	(5,202,809)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(163,186)	(854,599)
Receipt of deposit with authorities	-	203,211
Interest received	28,611	1,177,169
Net Cash from / (used) in Investing Activities	(134,575)	525,781
C Cash Flow from Financing Activities		
Inter Corporate Deposit Taken	62,982,921	59,067,050
Repayment of Inter Corporate Deposit	(64,255,871)	(56,100,398)
Bank Borrowings	-	1,945,281
Temporary Overdraft from Bank	73,332,490	17,881,296
Receipt / (Repayment) of Loan from Director	10,350,000	13,882,295
Interest & Other Financial Charges	(13,752,307)	(55,612,236)
Loan Repaid/given	(29,435,376)	-
Net Cash from / (used) in Financing Activities	39,221,857	(18,936,712)
Net Increase in Cash and Cash Equivalents	683,049	(23,613,739)
Opening Balance of Cash and Cash Equivalents	7,318,132	30,931,871
Closing Balance of Cash and Cash Equivalents	8,001,181	7,318,132
Cash & Cash Equivalent comprises-		
Cash in Hand	7,028,940	6,412,287
Balance with Scheduled Banks in Current Accounts	952,240	885,845
Balance with Scheduled Banks in Deposit Accounts	20,000	20,000
	8,001,181	7,318,132

* 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. 8,70,082/-). 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: 25th November, 2013

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

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

NOTES TO BALANCE SHEET

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
NOTE 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 17)	168,500,000	168,500,000
	168,500,000	168,500,000
PAID-UP CAPITAL INCLUDES :		
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 acquisition of Mimansa Jewellery Pvt. Ltd. as its 100% subsidiary		
The Details of Shareholders Holding more than 5% Equity Shares :		
i. The Federal Bank Ltd.	Nos. 1,093,116	-
	% 6.49	-
ii. Mr. Kapil Puri	Nos. 902,727	-
	% 5.36	-
iii. Mr. Virendra Kumar Sethi	Nos. 900,000	-
	% 5.34	-
iv. Mr. Venu Krishnan	Nos. -	1,000,000
	% -	5.93
NOTE 2		
RESERVES AND SURPLUS		
<u>Capital Reserve</u>		
As per Last Balance Sheet	3,832,961	3,832,961
Add : Shares Warrants Forfeited	7,200,000	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
Balance in Statement of Profit and Loss (Surplus) :		
Profit brought forward from last year	(233,592,287)	43,379,714
Add / Less : Profit / (Loss) as per Statement of Profit and Loss	(50,412,954)	(276,999,582)
Add:- Excess Provision of Leave Encashment during F. Y. 10-11	-	27,582
Total available for allocations and appropriations	(284,005,241)	(233,592,287)
Less : Allocations and appropriations :	-	-
Proposed Dividend	-	-
Provision for Corporate Dividend Tax	-	-
Amount transferred to General Reserve	-	-
Profit / (loss) Carried forward to next year	(284,005,241)	(233,592,287)
	595,374,160	645,787,114

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
NOTE 3		
LONG-TERM BORROWINGS		
Loan from Directors and relatives parties (Interest Free)	49,460,914	39,110,914
	49,460,914	39,110,914
NOTE 4		
LONG-TERM PROVISIONS		
Provision for Gratuity	1,778,060	1,896,043
Provision for Leave Salary/Encashment	198,207	210,600
	1,976,267	2,106,643
NOTE 5		
SHORT-TERM BORROWINGS		
From Banks (Secured against hypothecation of Stock and Book Debts)	298,891,737	286,351,845
	298,891,737	286,351,845
NOTE 6		
TRADE PAYABLES		
Sundry Creditors :		
For Goods	235,468,828	567,048,738
For Capital Goods	957,289	730,332
For Expenses	12,464,733	15,210,278
Advance From Parties - Interest Freee	33,779,407	18,035,262
	282,670,256	601,024,610
NOTE 7		
OTHER CURRENT LIABILITIES		
Fixed Deposits from Public [Amount repayable within one year Rs. 50,000/- (P.Y. Rs. 50,000/-)]	50,000	50,000
Interest accrued on Fixed deposits from Public	50,195	50,195
Unclaimed Dividend	766,273	766,273
Unpaid Dividend	10,628,189	10,684,995
Proposed Final Dividend	-	-
TDS Payble	98,981	261,110
Provision for Income Tax	21,390,609	21,390,609
Provision for Wealth Tax	43,000	43,000
Provision for Fringe Benefit Tax	380,000	380,000
Dividend Distribution Tax	917,870	917,870
Inter Company Deposits	22,720,434	23,993,384
Provision for Bank Interest	60,186,107	16,260,000
Temporary Overdraft from Bank	96,422,639	23,090,149
	213,654,296	97,887,585

**NOTE 8
FIXED ASSETS**

Sr.No	Particulars	Rate %	Gross Block				Depreciation				Net Block	
			As on 01.04.2012	Addition During The year	Deduction During The year	As on 31.03.2013	As on 01.04.2012	For the Period	Adjust- ment	As on 31.03.2013	As on 31.03.2013	As on 31.03.2012
1	Office Premises	5.00	3,630,000	-	-	3,630,000	2,345,818	64,209	-	2,410,028	1,219,972	1,284,182
2	Residential Flat	5.00	1,828,620	-	-	1,828,620	963,469	43,258	-	1,006,726	821,894	865,151
3	Factory Building	10.00	2,170,215	-	-	2,170,215	891,814	127,840	-	1,019,654	1,150,561	1,278,401
4	Plant & Machinery	13.91	31,907,307	63,881	-	31,971,188	25,340,009	921,974	-	26,261,983	5,709,205	6,567,298
5	Furniture , Fixture & Fitting	18.10	14,156,861	-	-	14,156,861	12,075,160	376,788	-	12,451,948	1,704,913	2,081,701
6	Equipments	13.91	2,006,609	99,305	-	2,105,914	1,255,712	109,278	-	1,364,990	740,924	750,897
7	Vehicles	25.89	3,527,503	-	-	3,527,503	3,351,930	45,456	-	3,397,386	130,117	175,573
8	Computer System	40.00	9,188,686	-	-	9,188,686	9,043,272	58,166	-	9,101,438	87,249	145,414
	Total (Current Year)		68,415,801	163,186	-	68,578,987	55,267,184	1,746,968	-	57,014,152	11,564,835	13,148,617
	Total(Previous Year)		67,561,202	854,599	-	68,415,801	53,280,280	1,986,904	-	55,267,184	13,148,617	

**As at
31.03.2013
(Rs.)** **As at
31.03.2012
(Rs.)**

**NOTE 9
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.

2,310,000 2,310,000

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)

79,680,550 79,680,550

6,54,958 Preference Shares of US\$1/- each
fully paid up in S B & T Holding Limited (Mauritius)

29,703,478 29,703,478

150,00,000 (P.Y. 150,00,000) Equity shares of Rs. 10/- each
fully paid up in S B & T Designs Limited

150,000,000 150,000,000

10,52,500 (P.Y. 10,25,500) Equity shares of Rs. 10/- each
fully paid up in Mimansa Jewellery Limited

30,025,000 30,025,000

B. OTHERS

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

75,000,000 75,000,000

366,719,028 366,719,028

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
NOTE 10		
DEFERRED TAX ASSETS (NET) :		
Deferred Tax Assets:		
Opening Balance at the beginning of the year	523,208	281,066
Adjustment for the Year	-	242,142
Closign Balance at the end of the year	523,208	523,208
NOTE 11		
LONG-TERM LOANS AND ADVANCES		
Deposits	5,196,897	6,577,371
	5,196,897	6,577,371
NOTE 12		
INVENTORIES		
(As valued and certified by the Management)		
Stock in Trade (At cost, unless otherwise stated)		
Raw Materials	66,996,164	30,079,038
Trading Goods	543,226	543,226
Trade Samples	11,011,907	11,011,907
	78,551,297	41,634,171
NOTE 13		
TRADE RECEIVABLES		
(Unsecured, considered good)		
Debtors outstanding for more than 6 months		
Debtors	783,274,470	974,817,724
Other Debts Less Than 6 Months		
Debtors	188,080	126,782,836
	783,462,550	1,101,600,560
NOTE 14		
CASH AND BANK BALANCES		
Cash on Hand	7,028,940	6,412,287
Balances with Scheduled Banks :		
in Current Accounts	952,240	885,845
in Fixed Deposits towards Margin Money (More than 12 Months)	20,000	20,000
	8,001,180	7,318,132
NOTE 15		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	39,340,064	35,401,756
Income Tax	19,857,385	19,605,066
VAT	(454,477)	(456,537)
Deposits	166,366	166,366
Loans to a Subsidiary	297,051,558	247,658,212
[Maximum balance outstanding during the year Rs. 29,79,45,777/- (P.Y. Rs 25,27,19,474/-)]		
	355,960,896	302,374,864
NOTE 16		
OTHER CURRENT ASSETS		
Prepaid Expenses	151,738	476,760
	151,738	476,760

NOTES TO STATEMENT OF PROFIT AND LOSS

	2012 - 13	2011-12
	(Rs.)	(Rs.)
NOTE PL - 1		
REVENUE FROM OPERATIONS		
a Sales Of Products	65,273,221	977,981,828
b Sales Of Services (Job Working Charges)	13,348,141	25,409,428
Net Revenue From Operatons	78,621,362	1,003,391,256
NOTE PL - 2		
OTHER INCOME		
Interest Income (TDS Rs. 2,842/- (P.Y. Rs. 1,17,294/-)	28,611	1,177,169
Miscellaneous Income	271,325	333,902
	299,936	1,511,072
NOTE PL - 3		
MATERIAL COSTS AND INVENTORY ADJUSTMENT		
Raw Materials :		
Opening Stock	41,090,945	389,775,116
Add : Purchases (including trading goods)	88,683,600	840,759,404
Total (A)	129,774,545	1,230,534,520
Less : Closing Stock		
Raw Materials	66,996,164	30,079,038
Trade Samples	11,011,907	11,011,907
Total (B)	78,008,071	41,090,945
Consumption of Raw Material Total (A - B) (I)	51,766,474	1,189,443,575
Trading Goods :		
Opening Stock	543,226	543,226
Less : Closing Stock	543,226	543,226
(Increase) / Decrease in Stock (II)	-	-
Raw Material Consumed (I) +(II)	51,766,474	1,189,443,575
Particulars of Raw Material Consumed		
Diamonds	33,311,288	1,138,214,996
Colour Stone	2,056,623	3,194,284
Gold	16,383,882	47,969,726
Platinum	-	28,714
Silver	14,682	33,006
Silver Finding	-	2,848
	51,766,474	1,189,443,574
NOTE PL - 4		
EMPLOYEE BENEFITS EXPENSES		
Payment and Provision for Salaries and Wages	7,530,446	8,641,081
Payment and Provision for Bonus & Ex-gratia	571,528	557,150
Director's Remuneration	-	342,000

	2012 - 13 (Rs.)	2011-12 (Rs.)
<u>CONTRIBUTION TO PROVIDENT AND OTHER FUNDS</u>		
Contribution To Provident Fund	906,435	1,047,952
Contribution To Employees State Ins. Fund	200,523	240,649
Contribution To Other Funds	3,744	4,248
Provision for Gratuity	707,850	347,668
<u>OTHER EXPENSES</u>		
Welfare Expenses	957,528	597,104
OTHER EXPENSES	1,257,003	4,618,706
	12,135,057	16,396,558
 NOTE PL - 5		
FINANCIAL COST		
Interest	57,421,818	52,025,648
Bank Charges and Other Financial Charges	256,596	1,811,233
Exchange Loss / (Exchange gain)	(10,457,818)	3,248,697
	47,220,596	57,085,578
 NOTE PL - 6		
OTHER EXPENSES		
MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Stores, Spares and Rubber Moulds :		
Opening Stock	-	-
Add : Purchases	1,671,986	2,675,603
Less : Closing Stock	-	-
Consumption	1,671,986	2,675,603
Director's Sitting Fees	40,000	32,000
Security Expenses	-	313,693
Auditor's Remuneration	700,000	700,000
Brokerage	10,000	(160,000)
Freight and Forwarding Expenses	418,487	18,185
Insurance	334,744	408,688
Legal and Professional Fees	2,334,857	1,865,218
Penalty Charges	249	-
Contract Labour Charges	-	174,686
Lease Rent	1,902,384	3,203,704
Marketing and Sales Promotion Expenses	178,813	166,967
Miscellaneous Expenses	666,445	870,017
Postage and Communication Expenses	175,915	308,474
Power and Fuel Expenses	1,864,477	1,557,579
Rates, Taxes and License Fees	248,766	891,025
<u>Repairs and Maintenance, Service & AMC Charges:</u>		
Repairs to Fixed Assets:		
Plant and Machinery and Equipments	28,750	212,586
Others/AMC Charges	26,018	74,372
Other Maintenance and Service Charges	5,218,129	3,306,939
Travelling and Conveyance	611,617	584,532
Vehicle Expenses	33,520	27,168
	16,465,157	17,231,437

SCHEDULE – 17:**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 not arised due to business loss 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. 1,97,53,178/- (P.Y. Rs. 1,97,53,178/-)
- b. Liabilities against labour cases filed against the Company is meager and therefore, not ascertainable.
- c. Company does not have any contingent liability towards Income tax dues (P.Y. NIL). However we are informed that income tax department has gone in appeals in High Court against the order from ITAT in favor of the company.
- 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. NIL (P.Y. Rs. 11,50,499/-) on margin money kept with banks. Tax deducted at source Rs. NIL (P.Y. Rs. 1,15,050 /-)
- 5) Sundry Debtors are net of Exchange Bill Re-Discount (EBRD) of Rs. 1,97,53,178/- (P.Y. Rs. 1,97,53,178/-)
- 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:

	2012-13	(Rs. in Lacs) 2011-12
i. <u>Salary / Remuneration</u>		
Vivek Tharaney	NIL	3.42
ii. <u>Sitting Fees</u>		
Sunil Bharjatiya	0.20	0.16
Ravi Khubchandani	0.16	0.16
Shrance Sethi	0.04	NIL
iii. <u>Contribution to Provident Fund</u>		
Vivek Tharaney	NIL	0.41
	0.40	4.15

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

	2012-13	2011-12
Profit / (Loss) as per Profit & Loss A/c	(504.13)	(2772.41)
Add: Director's Remuneration	0.40	4.15
Depreciation as per Books	17.47	19.87
	(486.26)	(2748.39)
Less: Depreciation as per Section 350 of the Companies Act, 1956	17.47	19.87
Profit / (Loss) available for Remuneration	(503.73)	(2768.26)
Hence overall Maximum Remuneration Under Section 198 of The Companies Act.	NIL	NIL
Actual Remuneration Paid	0.40	4.15
Commission payable @ 1% of profit	NIL	NIL

10) **AUDITORS REMUNERATION:**

	2012-13	2011-12
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:

Year ended 31st March, 2013

(i) Contribution to Provident Fund	Rs. 9,06,435
(ii) Contribution to Employee's State Insurance Scheme	Rs. 2,00,523
(iii) Contribution to Maharashtra Labour Welfare Fund	Rs. 3,744

(B) Defined Benefit Plans

a. Gratuity	Rs. 7,07,850
b. Leave Encashment	Rs. 57,003

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	16

	Gratuity	Leave Encashment
(i) Changes in present Value of Obligation		
❖ Present value of Obligation as at 1 st April 2012	18,96,043	2,10,600
❖ Interest Cost	1,65,904	18,428
❖ Current Service Cost	1,88,503	91,377
❖ Liability Transfer In	NIL	NIL
❖ Liability Transfer Out	NIL	NIL
❖ Benefits Paid	(8,25,833)	(69,396)
❖ Actuarial (Gains) / Loss	3,53,443	(52,802)
❖ Present value of Obligation as at 31 st March, 2013	17,78,060	1,98,207
(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, 2013	(17,78,060)	(1,98,207)
❖ Unrecognized Past Service Cost	NIL	NIL
❖ Unrecognized Actuarial (Gain) / Loss	NIL	NIL
❖ Unfunded Net Liability recognised in the Balance Sheet	(17,78,060)	(1,98,207)
(iii) Amounts recognised in the Balance Sheet		
❖ Present Value of Obligation as at 31 st March 2013	(17,78,060)	(1,98,207)
❖ Fair value of Plan Assets as at 31 st March 2013	NIL	NIL
❖ (Asset)/ Liability recognized in the Balance Sheet	(17,78,060)	(1,98,207)
(iv) Expenses recognised in the Profit and Loss Account		
❖ Current Service Cost	1,88,503	91,377
❖ Interest Cost	1,65,904	18,428
❖ Net Actuarial(Gain)/Loss	3,53,443	(52,802)
❖ Total Expenses recognised in the Profit and Loss Account	7,07,850	57,003
(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 SEGMENT					
Geographic Segment	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Revenue	94.88	NIL	NIL	691.34	786.21
	(9,966.96)	(NIL)	(66.95)	(NIL)	(10,033.91)
Identified Operating	62.47	NIL	NIL	455.20	517.66
Expenses	(11,815.07)	(NIL)	(79.36)	(NIL)	(11,894.44)
Allocated Expenses	16.11	NIL	NIL	NIL	16.11
	(45.40)	(NIL)	(0.30)	(NIL)	(45.71)
SEGMENT RESULTS	32.41	N I L	N I L	236.14	252.44
	(1,893.51)	(N I L)	(12.72)	(N I L)	(1,906.23)
Unallocable Operating					269.89
Expenses					(290.57)
Interest & Finance charges					472.21
					570.86)
Depreciation					17.47
					(19.87)
Interest Income					0.29
					(11.77)
Other Income					2.71
					(3.34)
Profit Before Tax					(504.13)
					(2,772.42)
Tax					NIL
					(2.42)
Profit After Tax					(504.13)
					(2,770.00)

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

(B) SEGMENT ASSETS

	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Segment Assets	9,561.38	1,093.84	237.00	609.59	11,501.82
	(12,795.63)	(1,093.84)	(237.00)	(556.73)	(14,683.20)
Unallocable Assets					4,603.46
					(3,719.72)
Total Assets					16,105.28
					(18,402.92)

(C) SEGMENT LIABILITIES

	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Segment Liabilities	2,793.64	NIL	NIL	33.06	2,826.70
	(5,982.81)	(NIL)	(NIL)	(27.44)	(6,010.25)
Unallocable Liabilities					5,639.83
					(4,254.57)
Total Liabilities					8,466.53
					(10,264.82)

(D) SECONDARY SEGMENT

	Business Segment	
	Revenue	Asset
	2012 - 13	2012 - 13
	Rs. (in lacs)	Rs. (in lacs)
Studded Jewellery	652.73	3,114.35
	(829.89)	(3,162.83)
Diamonds	-	4,707.30
	(8,676.72)	(7,270.75)
Others	133.48	12.98
	(527.30)	(582.43)
TOTAL	786.21	7,834.63
	(10,033.91)	(11,016.01)

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
 - Shrance Sethi - Director
 - b) Relative of Key Management Personnel:
 - 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
 - Kala Shah - Mother In Law of Varij Sethi
 - c) Subsidiaries:
 - S B & T Holding Limited
 - S B & T Designs Limited
 - Mimanssa Jewellery (P) Ltd.
 - d) Promoter :
 - S.B. & T. Gems Import Inc.
 - e) Others:
 - Sethi Mercantile Private Limited - 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 (9) Notes to Account of Accounting Policies forming part of the accounts.

	2012 – 13		2011 – 12	
	Transaction	Closing Balance	Transaction	Closing Balance
b) Sales (Rs. In Lacs) :				
S B & T Designs Ltd.	NIL	NIL	64.83	NIL
Mimanssa Jewellery (P) Ltd.	(140.44)	NIL	1901.74	NIL
c) Purchase (Rs. In Lacs):				
Mimansa Jewellery (P) Ltd.	47.61	NIL	NIL	NIL
d) Loans taken (Rs. In Lacs):				
Varij Sethi	NIL	154.11	111.82	154.11
Sethi Merchantile (P) Ltd.	N I L	100.00	N I L	100.00
S. K. Sethi	65.00	111.00	7.00	56.00
Arup Builders & Devpt. (P) Ltd.	15.00	177.02	91.01	162.02
Swel Jewels	67.00	0.81	N I L	21.22
Jyoti Sethi	45.00	76.00	6.00	31.00
Kala Shah	N I L	33.50	N I L	36.00
e) Loans Repaid (Rs. In Lacs) :				
S. K. Sethi	10.00	111.00	N I L	56.00
Varij Sethi	N I L	154.11	N I L	154.11
Sethi Merchantile (P) Ltd.	N I L	100.00	N I L	100.00
Kala Shah	2.50	33.50	N I L	36.00
Swel Jewels	87.41	0.81	N I L	21.22

f) Loans Given (Rs. In Lacs) :				
S B & T Designs Ltd.	437.01	1,319.62	326.71	927.99
		(Dr. Bal.)		(Dr. Bal.)
S B & T Holdings Ltd.	102.30	1650.89	34.61	1548.59
	(ERD)		(ERD)	
g) Investment made during the year (Rs. In Lacs) :				
Mimansa Jewellery (P) Ltd.	NIL	300.25	NIL	300.25
h) Loans given received back (Rs. In Lacs) :				
S B & T Designs Ltd.	45.38	1,319.62	595.45	927.99
		(Dr. Bal.)		(Dr. Bal.)

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

	<u>F. Y. 2012-13</u>	<u>F. Y. 2011-12</u>
	(Rs. in Lacs)	
A)* Rent payable for 1 Year	17.30	30.44
Rent payable for 1 to 5 Years	NIL	1.74
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	17.30	30.44
Lease Rental capitalized during the year	NIL	NIL

15) EARNING PER SHARE (EPS):

	2012-13	2011-12
(i) Profit / (Loss) after tax and exceptional and extra ordinary item	(50,412,954)	(276,999,582)
(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. (2.99)	(16.44)

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 31.03.2013	As At 31.03.2012
Deferred Tax Liabilities:		
Difference between book and tax depreciation	NIL	3.82
	NIL	3.82
Deferred Tax Assets:		
Expenses disallowed u/s 40A (7) of Income Tax 1961	NIL	3.48
Expenses disallowed u/s 43 B of Income Tax Act, 1961	NIL	5.57
	NIL	9.05
Deferred Tax Asset / (Liability)	NIL	5.23

17) In order to conserve resources, no dividend had been declared for the year 2012-13.

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, 2013 (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
Gold, Diamonds and Colour Stones Jewellery	Not Applicable	Not Yet ascertained
A. DETAILS OF FINISHED GOODS:		
A. Sales Value:	For the year ended 31st March, 2013	For the year ended 31st March, 2012
i. Precious & Semi – precious Studded gold jewellery and sales of Diamonds	Rs. 6,52,73,220	Rs. 97,79,81,828
B. Closing Inventory:		
i. Colour Stone	Rs. 1,95,00,560	1,77,53,451
ii. Diamonds	Rs. 3,38,40,272	25,96,439
iii. Gold	Rs. 1,36,16,266	1,01,09,621
iv. Platinum	Rs. NIL	NIL
v. Silver	Rs. 39,066	NIL
iv. Trade Sample	Rs. 1,10,11,907	1,10,11,905
v. Trading Goods	Rs. 5,43,226	5,43,226
C. Opening Inventory:		
i. Colour Stone	Rs. 1,77,53,451	1,81,19,036
ii. Diamonds	Rs. 25,96,439	35,59,29,216
iii. Gold	Rs. 1,01,09,621	46,50,389
iv. Platinum	Rs. NIL	28,716
v. Silver	Rs. NIL	35,854
vi. Trade Sample	Rs. 1,10,11,907	1,10,11,905
vii. Trading Goods	Rs. 5,43,226	5,43,226

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	130	0.01	N I L	N I L
ii Indigenous	16,69,169	99.99	26,75,603	100.00
Total	16,69,299	100.00	26,75,603	100.00

II Raw Materials :

	Current Year		Previous Year	
	Value	(%)	Value	(%)
i Imported	NIL	NIL	NIL	NIL
ii Indigenous	5,17,66,474	100.00	1,18,94,43,575	100.00
Total	5,17,66,474	100.00	1,18,94,43,575	100.00

4 Earning in Foreign Exchange :

	Current Year	Previous Year
i Export of Goods (At F.O.B.)	<u>6,25,12,235</u>	<u>66,94,809</u>
	6,25,12,235	66,94,809

5 Expenditure in Foreign Currency :

i. Foreign Traveling	<u>NIL</u>	<u>2,871</u>
	NIL	2,871

DETAILS OF FOREIGN SHAREHOLDING AND DIVIDEND REMITTED DURING THE YEAR :

i. No. of Non Resident Share Holders	:	3
ii No. of Shares held by them on which dividend is paid	:	1,450,000
iii Gross Dividend	:	NIL

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 this year.

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

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

Place: Mumbai

Date: 25th November, 2013

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

Registration No.	:	41237	State Code	:	11
Balance Sheet Date	:	31/03/2013			

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)		Total Assets (excl. current Liab.and provision)	
Sources of Funds :	1,610,527,631		1,610,527,631
	Paid up Capital		Reserves & Surplus
	168,500,000		595,374,160
	Secured Loans		Unsecured Loans
	298,891,737		168,704,182
	Deferred Tax Liability		
	NIL		
Application of Funds :			
	Net Fixed Assets		Investments
	11,960,835		366,719,028
	Net Current Assets		Misc. Expenditure
	1,135,036,245		NIL
	Accumulated Losses		Deferred Tax Asset
	NIL		523,208

IV Performance of the Company (Amount in Rs.)

Turnover	78,921,298 *	Total Expenditure	129,334,252
Profit Before Tax	(50,412,954)	Profit After Tax	(50,412,954)
Earning Per Share in Rs.	(2.99)	Dividend Rate %	NIL

* Turnover includes Other Income

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

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

For and on behalf of the Board of Directors of
S B & T International Ltd.SURENDRA KUMAR SETHI
ChairmanVARIJ SETHI
Managing DirectorPlace : Mumbai
Date : 25th November, 2013

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	3/31/2013	3/31/2013	3/31/2013
(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 of 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: 10,52,5000 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, 2013 amounted to -			
(i) for the Subsidiaries financial year ended as in (A) above	USD (NIL)	INR (4,80,22,746)	INR (1,15,73,612)
(ii) for the previous financial years of the Subsidiaries since they became the Holding Company's Subsidiary	US \$ (18,88,240)	INR (6,40,84,660)	INR 65,48,423
(b) Dealt with in the accounts of S.B. & T International Limited for the year ended 31.03.2013 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 : 25th November, 2013

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., and Mimansa Jewellery Private Ltd. (collectively referred to as the “**Group**”) as at 31st March, 2013 and also the Consolidated Statement Of 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. Investment in 100% subsidiary SB & T Holding Ltd. (Mauritius) as shown in Note No. 9 to notes to Balance Sheet is not having any business activities and their Annual Report as on 31st March, 2013 is not received and not taken in Consolidation Balance Sheet.
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. (Subject to Point No. 3 as above)
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 (5) above in relation to investment of Rs. 750 lacs 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, 2013,
 - b. in case of the consolidated Statement Of Profit & Loss Account, of the consolidated Loss 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: 25th November, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	NOTES	As at 31/03/2013	(Amount in Rs.) As at 31/03/2012
I. EQUITY AND LIABILITIES			
(1) SHARE HOLDERS' FUNDS :			
(a) Share Capital	1	168,500,000	168,500,000
(b) Reserves and Surplus	2	465,895,103	441,788,373
		634,395,103	610,288,373
(2) NON-CURRENT LIABILITIES :			
(a) Long-Term Borrowings	3	62,113,873	67,012,570
(b) Long Term Provision	4	4,360,539	4,704,051
		66,474,412	71,716,621
(3) CURRENT LIABILITIES :			
(a) Short Term Borrowings	5	536,586,133	513,106,820
(b) Trade Payable	6	425,957,899	800,954,235
(c) Other Current Liabilities	7	255,027,005	117,340,062
		1,217,571,037	1,431,401,117
TOTAL		1,918,440,552	2,113,406,111
II ASSETS			
1 NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	8	67,029,313	75,043,475
(ii) Capital Work-in-progress		396,000	396,000
(iii) Goodwill (On Consolidation)		116,544,104	48,343,275
(b) Non Current Investment	9	77,310,000	77,310,000
(c) Deferred Tax	10	395,603	397,683
(d) Long-Term Loans And Advances	11	6,561,360	8,170,107
		268,236,381	209,660,539
2 CURRENT ASSETS			
(a) Inventories	12	261,213,944	334,649,480
(b) Trade Receivable	13	1,121,002,927	1,360,364,757
(c) Cash And Bank Equivalents	14	14,122,946	11,832,680
(d) Short Term Loans And Advances	15	253,568,823	195,983,450
(e) Other Current Assets	16	295,532	915,204
		1,650,204,171	1,903,745,571
TOTAL		1,918,440,552	2,113,406,111
Significant Accounting Policies & Notes to Accounts	17		

As per our attached report on even date
For M. M. Dubey & Co.
Chartered Accountants

M. M. Dubey
Proprietor

Place: Mumbai
Date: 25th November, 2013

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

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31ST MARCH, 2013**

	Note No.	2012 - 13	(Amount in Rs.) 2011 - 12
I REVENUE :			
(a) Revenue From Operations	PL - 1		
(i) Sale Of Products		174,377,261	1,084,690,556
(ii) Sale Of Services		17,074,107	25,449,167
(b) Other Income	PL - 2	385,243	1,584,468
Total Revenue (a+b)		191,836,611	1,111,724,192
II EXPENSES			
(a) Cost Of Material Consumed	PL - 3	151,438,925	1,301,981,112
(b) Employee Benefits Expenses	PL - 4	33,715,699	43,007,884
(c) Finance Costs	PL - 5	77,669,545	82,457,333
(d) Depreciation And Amortization Expenses	Note 8	8,240,734	9,524,747
(e) Other Expenses	PL - 6	30,778,940	103,462,490
		301,843,843	1,540,433,564
Profit for the year before tax, exceptional item & prior period adjustments		(110,007,232)	(428,709,373)
Prior Period adjustments		-	-
PROFIT / (LOSS) BEFORE TAX		(110,007,232)	(428,709,373)
Provision for Tax			
Current Tax		-	(189,379)
Deferred Tax		(2,080)	254,148
PROFIT / (LOSS) AFTER TAX		(110,009,312)	(428,644,604)
Earning Per Share (Face value of Shares of Rs. 10/- each)			
Basic / Diluted (Refer Note D (4) to Schedule 17)		(6.53)	(25.44)

Significant Accounting Policies & Notes to Accounts

17

As per our attached report on even date
For M. M. Dubey & Co.
Chartered Accountants

M. M. Dubey
Proprietor

Place: Mumbai
Date: 25th November, 2013

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

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	31.3.2013 (Rs.)	31.3.2012 (Rs.)
A. Cash flow from Operating Activities		
Net Profit Before Tax, Extra-ordinary and Prior Period Items	(110,007,232)	(428,709,373)
Adjustments for :		
Impairment loss of Investment	-	69,460,018
Depreciation	8,240,734	9,524,747
Non Cash (income)/expenses	(12,621,592)	700,473
Interest Expense (Net)	89,935,431	82,457,333
Other Interest received	(113,419)	(1,204,081)
Operating Profit before Working Capital Changes	(24,566,078)	(267,770,883)
Adjustments for :		
Current Assets	313,417,037	485,596,829
Current Liabilities	(375,265,327)	(136,505,320)
Cash generated from Operations	(86,414,368)	81,320,626
Tax adjustment	2,081	(764,733)
Net Cash Flow from / (used) Operating Activities	(86,412,287)	80,555,893
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(226,573)	(854,599)
Interest received	113,419	1,204,081
Net Cash from / (used) in Investing Activities	(113,154)	349,482
C. Cash Flow from Financing Activities		
Inter Corporate Deposit Taken (Net of Repayment)	(1,272,950)	(7,934,602)
Receipt from Related Party for Loans & Advances	1,608,747	-
Bank Borrowings	23,479,313	12,902,050
Other Borrowings (Net)	(47,355,083)	(6,983,077)
Receipt / (Repayment) of Loan from Director	(4,898,697)	-
Temporary Overdraft from Bank	74,572,614	19,757,216
Interest Paid	(26,163,269)	(82,457,333)
Net Cash from / (used) in Financing Activities	19,970,675	(64,715,746)
Effect of Foreign Currency Translation Reserve	68,845,033	(42,558,419)
Net Increase in Cash and Cash Equivalents	2,290,267	(26,368,790)
Opening Balance of Cash and Cash Equivalents	11,832,680	38,201,470
Closing Balance of Cash and Cash Equivalents	14,122,947	11,832,680
E. Cash & Cash Equivalents Comprises-		
Cash in hand	13,094,538	10,232,118
Balance with Schedule Bank		
- Current Accounts	966,617	963,610
- Deposit Accounts	20,000	609,886
Balance with other Bank		
- Current Accounts	41,792	27,066
- Deposit Accounts	-	-
	14,122,947	11,832,680

* 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.8,70,082/-). 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: 25th November, 2013

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

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

NOTES TO BALANCE SHEET

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
NOTE 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	168,500,000	168,500,000
	168,500,000	168,500,000
 NOTE 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	192,771,110	483,846,440
Foreign Currency Translationa reserve	(12,399,657)	16,136,985
Surplus in Profit and Loss Account	(110,009,312)	(453,728,013)
	465,895,103	441,788,373
 NOTE 3		
LONG-TERM BORROWINGS		
Loan from Directors and relatives parties (Interest Free)	62,113,873	67,012,570
	62,113,873	67,012,570
 NOTE 4		
LONG-TERM PROVISIONS		
Provision for Gratuity	3,779,160	4,025,502
Provision for Leave Salary/Encashment	581,379	678,549
	4,360,539	4,704,051
 NOTE 5		
SHORT-TERM BORROWINGS		
From Banks	536,586,133	513,079,519
(Secured against hypothecation of Stock and Book Debts)		
From Bank for Car Loan (Against hypothecation of Car)	-	27,301
	536,586,133	513,106,820
 NOTE 6		
TRADE PAYABLES		
Sundry Creditors :		
For Goods	366,061,234	750,638,866
For Capital Goods	2,001,718	1,793,173
For Expenses	23,886,243	30,472,112
Advance From Parties - Interest Free	34,008,705	18,050,084
	425,957,899	800,954,235

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
NOTE 7		
OTHER CURRENT LIABILITIES		
Fixed Deposits from Public [Amount repayable within one year Rs. 50,000/- (P.Y. Rs. 50,000/-)]	50,000	50,000
Interest accrued on Fixed deposits from Public	50,195	50,195
Unclaimed Dividend	766,273	766,273
Unpaid Dividend	10,628,189	10,684,995
TDS Payable	108,211	377,202
Provision for Income Tax	22,416,249	22,416,249
Provision for Wealth Tax	43,000	43,000
Provision for Fringe Benefit Tax	1,637,097	1,637,097
Dividend Distribution Tax	917,870	917,870
Inter Company Deposits	35,092,825	36,365,775
Provision for Bank Interest	80,973,075	16,260,000
Temporary Overdraft from Bank	102,344,021	27,771,407
	255,027,005	117,340,062

**NOTE 8
FIXED ASSETS**

Sr. No.	Particulars	Gross Block					Depreciation				Net Block		
		As on 01-04-12	Additions during the Year	Adjustment	Deductions during the Year	As on 31-03-13	As on 01-04-12	For the year	Deductions during the Year	Adjustment	As on 31-03-13	As on 31-03-12	
1	Land (Lease hold)	12,183,614	-	-	-	12,183,614	917,053	131,008	-	-	1,048,061	11,135,554	11,266,561
2	Office Premises	3,630,000	-	-	-	3,630,000	2,345,818	64,209	-	-	2,410,028	1,219,972	1,284,182
3	Residential Flat	1,828,620	-	-	-	1,828,620	963,469	43,258	-	-	1,006,726	821,895	865,151
4	Factory Building	56,018,565	-	-	-	56,018,565	26,759,456	2,925,911	-	-	29,685,367	26,333,198	29,259,109
5	Plant & Machinery	57,068,276	63,881	-	-	57,132,157	40,499,695	2,313,153	-	-	42,812,848	14,319,310	16,568,580
6	Furniture, Fixtures & Fittings	34,617,403	-	-	-	34,617,403	26,223,764	1,519,249	-	-	27,743,013	6,874,390	8,393,638
7	Equipments	15,823,644	162,692	-	-	15,986,336	9,573,187	876,733	-	-	10,449,920	5,536,416	6,250,457
8	Vehicles	5,704,140	-	-	-	5,704,140	5,030,125	174,503	-	-	5,204,627	499,513	674,015
9	Computer System	13,525,205	-	-	-	13,525,205	13,043,428	192,711	-	-	13,236,139	289,066	481,777
	Current Year	200,399,466	226,573	-	-	200,626,039	125,355,995	8,240,734	-	-	133,596,729	67,029,313	75,043,470
	Previous Year	19,544,867	854,599	-	-	200,399,466	115,688,390	9,581,890	-	-	125,270,280	75,129,186	-

**NOTE 09
INVESTMENTS (AT COST)**

1,40,000 Equity Shares of Rs.16.50/- each fully paid up in Sri Bhavani Cabeltel Ltd	2,310,000	2,310,000
Unquoted		
3,00,000 Equity Shares of Rs 10/-each fully paid in Tanvin Trade Fin Private Limited	75,000,000	75,000,000
	77,310,000	77,310,000

	As at 31.03.2013 (Rs.)	As at 31.03.2012 (Rs.)
NOTE 10		
DEFERRED TAX ASSETS (NET) :		
Deferred Tax Assets:		
Opening Balance at the beginning of the year	397,683	143,530
Adjustment for the Year	(2,080)	254,153
Closing Balance at the end of the year	395,603	397,683
NOTE 11		
LONG-TERM LOANS AND ADVANCES		
Deposits	6,561,360	8,170,107
	6,561,360	8,170,107
NOTE 12		
INVENTORIES		
(As valued and certified by the Management)		
Stock in Trade (At cost, unless otherwise stated)	593,778	593,778
Raw Materials	221,621,357	285,721,923
Trading Goods	543,226	543,226
Trade Samples	11,011,907	11,011,907
Finished Goods	27,443,676	36,778,646
	261,213,944	334,649,480
NOTE 13		
TRADE RECEIVABLES		
(Unsecured, considered good)		
Debtors outstanding for more than 6 months		
Debtors	1,435,328,009	1,544,258,571
Subsidiaries		
Other Debts Less Than 6 Months		
Debtors	(314,325,082)	(183,893,813)
Subsidiaries		
	1,121,002,927	1,360,364,757
NOTE 14		
CASH AND BANK BALANCES		
Cash on Hand	13,094,538	10,232,118
Balances with Scheduled Banks :		
in Current Accounts	966,617	963,610
in Fixed Deposits towards Margin Money (More than 12 Months)	61,792	636,952
	14,122,947	11,832,680
NOTE 15		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	361,588,063	60,553,521
Income Tax / Advance Tax	21,356,879	21,034,680
VAT	1,919,672	2,392,920
Deposits	166,366	166,366
Loans & Advances to related parties	(131,462,157)	111,835,962
	253,568,823	195,983,450
NOTE 16		
OTHER CURRENT ASSETS		
Prepaid Expenses	295,533	915,204
	295,533	915,204

NOTES TO STATEMENT OF PROFIT AND LOSS

	2012 - 13	2011 - 12
	(Rs.)	(Rs.)
NOTE PL - 1		
REVENUE FROM OPERATIONS		
a Sales Of Products	174,377,261	1,084,690,556
b Sales Of Services (Job Working Charges)	17,074,107	25,449,167
Net Revenue From Operatons	191,451,368	1,110,139,723
NOTE PL - 2		
OTHER INCOME		
Interest Income [T.D.S. Rs 1,160/- (P.Y. Rs.1,160/-)]	113,419	1,204,081
Interest on Income Tax Refund	-	4,384
Miscellaneous Income	271,825	376,003
	385,243	1,584,468
NOTE PL - 3		
MATERIAL COSTS AND INVENTORY ADJUSTMENT		
Raw Materials :		
Opening Stock	296,733,830	631,927,880
Add : Purchases (including trading goods)	87,338,358	966,787,061
Total (A)	384,072,188	1,598,714,942
Less : Closing Stock		
Raw Materials	221,621,357	285,721,923
Trade Samples	11,011,907	11,011,907
Total (B)	232,633,264	296,733,830
Consumption of Raw Material Total (A - B) (I)	151,438,925	1,301,981,112
Trading Goods :		
Opening Stock	543,226	543,226
Less : Closing Stock	543,226	543,226
(Increase) / Decrease in Stock (II)	-	-
Raw Material Consumed (I + II)	151,438,925	1,301,981,112
NOTE PL - 4		
EMPLOYEE BENEFITS EXPENSES		
Payment and Provision for Salaries and Wages	24,017,971	29,610,674
Payment and Provision for Bonus & Ex-gratia	1,865,529	1,787,315
Director's Remuneration	978,000	1,425,751
<u>CONTRIBUTION TO PROVIDENT AND OTHER FUNDS</u>		
Contribution To Provident Fund	3,319,502	3,979,669
Contribution To Employees State Ins. Fund	200,523	240,649
Contribution To Other Funds	3,744	4,248
Provision for Gratuity	853,020	484,507
<u>OTHER EXPENSES</u>		
Welfare Expenses	1,220,407	856,365
Other Expenses	1,257,003	4,618,706
	33,715,699	43,007,884

	2012 - 13 (Rs.)	2011 - 12 (Rs.)
NOTE PL - 5		
FINANCIAL COST		
Interest	89,425,494	79,276,800
Bank Charges and Other Financial Charges	509,937	4,349,808
Exchange Loss / (Exchange gain)	(12,265,886)	(1,169,275)
	77,669,545	82,457,333
NOTE PL - 6		
OTHER EXPENSES		
MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Stores, Spares and Rubber Moulds :		
Opening Stock	212,699	212,699
Add : Purchases	2,931,134	3,386,715
Less : Closing Stock	212,699	593,778
Consumption	2,931,134	3,005,636
Director's Sitting Fees	70,000	62,000
Security Expenses	552,429	1,027,180
Auditor's Remuneration	1,170,000	981,420
Brokerage	10,000	(160,000)
Freight and Forwarding Expenses	648,717	678,824
Insurance	647,565	913,458
Legal and Professional Fees	3,687,404	3,307,340
Contract Labour Charges	205,330	221,986
Lease Rent	1,902,384	3,203,704
Marketing and Sales Promotion Expenses	850,570	1,265,017
Miscellaneous Expenses	1,028,304	1,086,945
Postage and Communication Expenses	605,037	722,986
Power and Fuel Expenses	6,817,288	6,435,193
Rates, Taxes and License Fees	1,818,005	4,859,135
<u>Repairs and Maintenance, Service & AMC Charges:</u>		
Plant and Machinery and Equipments	45,750	243,886
Others/AMC Charges	65,181	102,872
Other Maintenance and Service Charges	6,318,846	4,433,256
Travelling and Conveyance	1,088,544	1,287,811
Vehicle Expenses	312,051	323,823
Impairment of loss	-	69,460,018
Packing Material	4,400	-
	30,778,940	103,462,490

SCHEDULE – 17 :**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2012-13.****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, 2013.
- 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.
- The Financial year under our reporting company is not having subsidiary in which Minority interest is to be accounted.
- 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 31.03.2013.
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.

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 loss 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 operation.

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 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 except in case of holding company. In case of holding company only monetary assets and liabilities are revalued at exchange rate prevailing on the date of Balance Sheet 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.

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.

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.

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.

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.

10. 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.

11. 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.

12. SALES:

Sales are accounted on dispatches of goods at CIF value.

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.

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

- Documentary bills submitted to banks for discounting / advances amounting to Rs. 1,97,53,178/- (P.Y. Rs. 1,97,53,178/-)
- Liabilities against labour cases filed against the Company is meager and therefore, not ascertainable and hence not provide for.
- Company does not have any contingent liability towards Income tax dues (P.Y. NIL). However we are informed that income tax department has gone in appeals in High Court against the order from ITAT in favor of the company.
- 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:

	2012 - 13	(Rs. in Lacs) 2011 - 12
i. <u>Salary / Remuneration</u>		
Vivek Tharaney	NIL	3.42
Shrance Sethi	9.78	9.35
ii. <u>Sitting Fees</u>		
Sunil Bharjatiya	0.20	0.16
Ravi Khubchandani	0.16	0.16
Shrance Sethi	0.04	NIL
iii. <u>Contribution to Provident Fund</u>		
Vivek Tharaney	NIL	0.41
Shrance Sethi	0.70	0.70
	10.88	14.20

4. EARNING PER SHARE (EPS):

	2012 – 13	2011 – 12
(i) Profit / (Loss) after tax and before exceptional Items	(11,00,09,312)	(42,86,44,604)
Profit / (Loss) after tax and after exceptional Items	(11,00,09,312)	(42,86,44,604)
(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. (6.53)	(25.44)
(vi) Basic / Diluted Earnings per Ordinary Share after Exceptional Items	Rs. (6.53)	(25.44)

5. DEFERRED TAX:

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 31.03.2013	As At 31.03.2012
Deferred Tax Liabilities:		
Difference between Book and Tax WDV	5.10	5.07
Expenses allowed u/s 40 (a) (ia) of Income Tax Act, 1961	NIL	NIL
(A)	5.10	5.07
Deferred Tax Assets:		
Difference between Book and Tax WDV	NIL	NIL
Expenses disallowed u/s 40 (a) (ia) of Income Tax Act, 1961	NIL	NIL
Expenses disallowed u/s 40 A (7) of Income Tax 1961	3.48	3.48
Expenses disallowed u/s 43 B of Income Tax Act, 1961	5.57	5.57
(B)	9.05	9.05
Deferred Tax Assets/(Liability) (net)	(A-B)	3.95

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

PRIMARY SEGMENT					
Geographic Segment	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Revenue	819.64	NIL	NIL	1,094.87	1,914.51
	(9,831.46)	(NIL)	(331.52)	(938.42)	(11,101.40)
Identified Operating					
Expenses	648.34	NIL	NIL	866.05	1,514.39
	(11,530.41)	(NIL)	(388.81)	(1,100.58)	(13,019.81)
SEGMENT RESULTS	171.30	N I L	N I L	228.82	400.12
	(1,698.96)	(N I L)	(57.29)	(162.17)	(1,918.41)
Unallocable Operating					644.95
Expenses					(1,464.70)
Interest & Finance charges					776.70
					(824.57)
Depreciation					82.41
					(95.25)
Interest Income					1.13
					(12.04)

Other Income					2.72
					(3.80)
Profit Before Tax					(1,100.07)
					(4,287.09)
Tax					(0.02)
					(0.65)
Profit After Tax					(1,100.09)
					(4,286.45)

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

(B)

	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Segment Assets	14,565.16	NIL	NIL	NIL	14,565.16
	(15,330.66)	(1,109.52)	(NIL)	(NIL)	(16,440.18)
Unallocable Assets					1,165.44
					(483.43)
Total Assets					15,730.60
					(16,923.61)

(C)

	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Segment Liabilities	12,840.45	NIL	NIL	NIL	12,840.45
	(14,810.58)	(220.60)	(NIL)	(NIL)	(15,031.18)
Unallocable Liabilities	NIL	NIL	NIL	NIL	NIL
	(NIL)	(NIL)	(NIL)	(NIL)	NIL
Total Liabilities					12,840.45
					(15,031.18)

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
Shrance Sethi	- Director

b) Relative of Key Management Personnel:

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

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.

	2012 - 13		2011 - 12	
	Transaction	Closing Balance	Transaction	Closing Balance
(Rs. In Lacs)				
b) Loans taken (Rs. In Lacs):				
Varij Sethi	NIL	154.11	111.82	154.11
Sethi Merchantile (P) Ltd.	NIL	100.00	NIL	100.00
S. K. Sethi	65.00	111.00	7.00	56.00
Swel Jewels	67.00	0.81	NIL	21.22
Arup Builders Pvt. Ltd	15.00	177.02	91.02	262.02
Jyoti Sethi	45.00	76.00	6.00	31.00
Kala Shah	NIL	33.50	NIL	36.00
c) Loans Repaid (Rs. In Lacs) :				
S. K. Sethi	10.00	111.00	7.00	56.00
Varij Sethi	NIL	154.11	NIL	154.11
Sethi Merchantile (P) Ltd.	NIL	100.00	NIL	100.00
Swel Jewels	87.41	0.81	NIL	21.22
Kala Shah	2.50	33.50	NIL	36.00

8. A) Balances of sundry debtors, sundry creditors, loans and advances and bank borrowings are subject to confirmation, reconciliation and consequential adjustment, if any.

B) Interest paid is net of interest received/accrued but not due of Rs. NIL (P.Y. Rs. 11,50,499/-) on margin money kept with banks. Tax deducted at source Rs. NIL (P.Y. Rs. 1,15,050 /-)

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:

	<u>F. Y. 2012-13</u>	<u>F. Y. 2011-12</u>
A)* Rent payable for 1 Year	17.30	30.44
Rent payable for 1 to 5 Years	NIL	1.74
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	17.30	30.44
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:

(Rs. In lacs)

	<u>F.Y. 2012-13</u>	<u>F.Y. 2011-12</u>
A) *Rent payable for 1 year	17.30	30.44
Rent payable for 1 to 5 years	NIL	1.74
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	17.30	30.44
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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

Place: Mumbai
Date : 25th November, 2013

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 in Subsidiary	Turnover	Profit / Loss before Taxation	Provision for Taxation	Profit / Loss after Taxation	Proposed Dividend	Country
1	S. B. & T Designs Ltd.	INR	150,000,000	(112,054,212)	651,525,821	651,525,821	-	147,250,069	(48,022,746)	-	(48,022,746)	-	INDIA
2	Mimansa Jewellery Pvt. Ltd.	INR	10,525,000	(5,025,189)	337,325,574	337,325,574	-	3,225,380	(11,571,532)	2,080	(11,573,612)	-	INDIA

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

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director

Place: Mumbai
Date: 25th November, 2013

ATTENDANCE SLIP



INTERNATIONAL LIMITED

Registered Office: Yusuf Building, 1st Floor, Room No. 15, Abdul Rehman Street, Mumbai – 400 003.

26th Annual General Meeting, Monday, December 30, 2013

I hereby record my presence at the **26th Annual General Meeting** of the Company (including adjournment thereof) at LNM IMC Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020 on Monday, December 30th, 2013 at 11.30 a.m.

Folio No. _____ DP ID _____ Client ID _____

No. of Shares held _____

Full name of the Shareholder/Proxy (in block letter)

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.

PROXY FORM



INTERNATIONAL LIMITED

Registered Office: Yusuf Building, 1st Floor, Room No. 15, Abdul Rehman Street, Mumbai – 400 003.

26th Annual General Meeting, Monday, December 30, 2013

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 / her _____

of _____ in the district of, _____

as my/our proxy to vote for me/us and on my/our behalf at the **26th Annual General Meeting** of the Company (including adjournment thereof) at LNM IMC Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020 on Monday, December 30th, 2013 at 11.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013

Affix a
One Rupee
Revenue
Stamp

- 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

Yusuf Building, 1st Floor, Room No. 15, Abdul Rehman Street, Mumbai – 400 003.