



S. B. & T. INTERNATIONAL LIMITED

**Annual Report for the year 2013 - 14**

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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 27th 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	:	Tuesday September 30, 2014
Time	:	10.00 a.m.
Venue	:	LNM IMC Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.
Date Of Book Closure	:	24th September 2014 to 30th September 2014

## COMPANY INFORMATION

### BOARD OF DIRECTORS

**Mr. Surendra Kumar Sethi**

Chairman & Joint Managing Director

**Mr. Varij Sethi**

Managing Director

**Mr. Sunil Barjatiya**

Independent & Non – executive Director

**Mr. Shrance Sethi**

Independent & Non – executive Director

### AUDITORS :

M/s. M. M. Dubey & Co.,  
Chartered Accountants, Mumbai

### BANKERS

The Federal Bank Limited  
Axis Bank Limited  
Union Bank of India

### COMMITTEES OF BOARD

#### AUDIT COMMITTEE

Mr. Sunil Barjatiya  
Mr. Varij Sethi  
Mr. Shrance Sethi

#### INVESTORS / SHAREHOLDERS' GRIEVANCE COMMITTEE

Mr. Sunil Barjatiya  
Mr. Shrance Sethi  
Mr. Varij Sethi

#### COMPENSATION / REMUNERATION COMMITTEE

Mr. Sunil Barjatiya  
Mr. Varij Sethi  
Mr. Shrance Sethi

#### REGISTERED OFFICE

Yusuf Building 1<sup>st</sup> Floor, Room No 15,  
Abdulrehman street, Mumbai – 400003.  
Website: [www.sbtindia.com](http://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.

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY SEVENTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF S. B. & T INTERNATIONAL LIMITED WILL BE HELD ON 30<sup>TH</sup> SEPTEMBER, 2014 AT 10.00 A.M AT LNM IMC BUILDING TRUST, IMC BUILDING, IMC MARG, CHARCHGATE, MUMBAI – 400 020 TO TRANSACT THE FOLLOWING BUSINESS:

### Ordinary Business:

- 1) To receive, consider, approve and adopt the Audited Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss Account for the Financial Year ended on that date and the Reports of the Auditor's and the Directors' thereon;
- 2) To appoint a Director in place of Mr. Surendra Kumar Baboolaji Sethi who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint Statutory Auditors and fix their remuneration and to consider and if thought fit, pass the resolution with or without modification(s), as an **Ordinary Resolution** the following:

“**RESOLVED THAT** pursuant to the provisions of the Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, M/s. M. M. Dubey & Co., Chartered Accountants, bearing Membership Number 30453, who hold office up to the date of this Annual General Meeting but, being eligible, offer themselves for re-appointment, be and are hereby re-appointed as Auditors of the Company to hold the office for a period of three years i.e. from conclusion of Twenty Seventh Annual General Meeting until conclusion of Thirtieth Annual General Meeting of the Company subject to ratification in every Annual General Meeting at such remuneration plus service tax, out of pocket and travelling expenses, etc; as may be mutually agreed between the Board of Directors of the Company and the Auditors.

**RESOLVED FURTHER THAT** M/s. M. M. Dubey & Co., Chartered Accountants, have given their consent for an appointment and a certificate of eligibility under Section 139(1) of the Companies Act, 2013.

**RESOLVED FURTHER THAT** any director of the Company be and are hereby authorized severally to take all steps as are necessary and to do all such acts, deeds and things as may be considered necessary and incidental to give effect to this resolution.”

### Special Business:

4. To Re- appoint Mr. Varij Sethi (DIN No. 00019065) and to consider and if thought fit, pass the following resolution with or without modification(s) as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any Statutory modification(s) or re-enactment thereof for the time being in force), in compliance with Article no. 147 and 149 of the Articles of Association of the Company and approval by the Board of Directors at a duly convened meeting, the consent of the members of the Company is hereby accorded for the re-appointment of Mr. Varij Sethi, as Managing Director of the Company with effect from 01<sup>st</sup> December, 2014 on terms and conditions including remuneration as set out in Clauses A to E below:

- A. **Period of Appointment** : 01/12/2014 to 30/11/2019
- B. **Salary** : NIL
- C. **Perquisites** : NIL

- D. Minimum Remuneration:** Where in any financial year during the continuation of his tenure as a Managing Director, the Company has no profits or its profits are inadequate, Mr. Varij Sethi shall be entitled to receive above remuneration including perquisites, commission/performance pay, etc. as minimum remuneration subject to the provision of Section 197 read with Schedule V to the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.
- E. Termination:** The appointment is liable for termination by either party by giving 3 month's notice in writing to the other party.

**RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure as a Managing Director, the Company is required to obtain the Central Government's approval under the provisions of the Companies Act, 2013 for the payment of Remuneration, the maximum Remuneration permissible for payment to Mr. Varij Sethi under the provisions of Section 196 and 197 of the Companies Act, 2013 read with Schedule V to the said Act or the maximum limit as may be notified from time to time, be paid till the receipt of the approval of the Central Government.

**RESOLVED FURTHER THAT** on receipt of the approval of the Central Government, the amount of remuneration on the terms as approved by the Central Government, as reduced by such amount of the Remuneration already paid for the period for which the Central Government's approval is sought, be paid to Mr. Varij Sethi, Managing Director in lump sum and that after the date of the approval, Mr. Varij Sethi be paid the remuneration as per the terms and conditions approved by the Central Government.

**RESOLVED FURTHER THAT** the terms and conditions of the appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Schedule V to the Companies Act 2013, other relevant provision of the Companies Act, 2013 and subject to such other modifications/amendments made there under.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors of the Company(hereinafter referred to as "the Board" which term shall be deemed to include any duly constituted and authorised committee thereof, for the time being, exercising the powers conferred by the Board through passing of the resolution) be and are hereby authorized to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required within the limits of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by Central Government from time to time."

- 5 To Re- appoint Mr. Surendrakumar Sethi ( DIN No. 00011625) and to consider and if thought fit, pass the following resolution with or without modification(s) as a **Special Resolution:**

**"RESOLVED THAT** in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any Statutory modification(s) or re-enactment thereof for the time being in force), in compliance with Article 147 and 149 of the Articles of Association of the Company and approval by the Board of Directors at a duly convened meeting, the consent of the members of the Company is hereby accorded for the re-appointment of Mr. Surendrakumar Sethi, as Chairman and Managing Director of the Company with effect from 01<sup>st</sup> December, 2014 on terms and conditions including remuneration as set out in Clauses A to E below:

- A. Period of Appointment :** 01/12/2014 to 30/11/2015  
**B. Salary :** NIL  
**C. Perquisites :** NIL

- D. Minimum Remuneration:** Where in any financial year during the continuation of his tenure as a Managing Director, the Company has no profits or its profits are inadequate, Mr. Surendrakumar Sethi shall be entitled to receive above remuneration including perquisites, commission/performance pay, etc. as minimum remuneration subject to the provision of Section 197 read with Schedule V to the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.
- E. Termination:** The appointment is liable for termination by either party by giving 3 month's notice in writing to the other party.

**RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure as a Managing Director, the Company is required to obtain the Central Government's approval under the provisions of the Companies Act, 2013 for the payment of Remuneration, the maximum Remuneration permissible for payment to Mr. Surendrakumar Sethi under the provisions of Section 196 and 197 of the Companies Act, 2013 read with Schedule V to the said Act or the maximum limit as may be notified from time to time, be paid till the receipt of the approval of the Central Government.

**RESOLVED FURTHER THAT** on receipt of the approval of the Central Government, the amount of remuneration on the terms as approved by the Central Government, as reduced by such amount of the Remuneration already paid for the period for which the Central Government's approval is sought, be paid to Mr. Surendrakumar Sethi, Managing Director in lump sum and that after the date of the approval, Mr. Surendrakumar Sethi be paid the remuneration as per the terms and conditions approved by the Central Government.

**RESOLVED FURTHER THAT** the terms and conditions of the appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Schedule V to the Companies Act 2013, other relevant provision of the Companies Act, 2013 and subject to such other modifications/amendments made there under.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors of the Company(hereinafter referred to as "the Board" which term shall be deemed to include any duly constituted and authorised committee thereof, for the time being, exercising the powers conferred by the Board through passing of the resolution) be and are hereby authorized to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required within the limits of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by Central Government from time to time."

6. To appoint Ms. Rakhi Jain as a Director of the Company and to consider and if thought fit, pass the following resolution with or without modification(s) in this regard as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of the Section 149 and 152 and rules made there under Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013, (including any Statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members be and is hereby accorded to appoint Ms. Rakhi Jain in respect of whom the company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a director of the company, liable to retire by rotation."

7. To appoint Mr. Sunilkumar Barjatiya (DIN No. 02242320) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution with or without modification(s) as **Ordinary Resolution:**



**“RESOLVED THAT** Pursuant to provision of Section 149, 152 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sunilkumar Manakchandra Barjatiya (DIN No. 02242320), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years for the term upto 31st March, 2019, not liable to retire by rotation.”

8. To appoint Mr. Shrance Sethi (DIN No.03230097) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution with or without modification(s) as **Ordinary Resolution**:

**“RESOLVED THAT** Pursuant to provision of Section 149, 152 read along with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Shrance Sethi (DIN No. 03230097), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years for the term upto 31st March, 2019, not liable to retire by rotation.”

**For and on behalf of the Board of Directors**

**Sd/-  
Varij Sethi  
Managing Director**

**Place : Mumbai  
Date: 4<sup>th</sup> September, 2014**

**Registered Office:**  
Yusuf building, 1st floor, Room No 15,  
Abdulrehman Street,  
Mumbai – 400003

**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. 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) A person appointed as proxy shall act on behalf of such member or number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder;
- 3) Members /Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting;
- 4) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting;
- 5) In case of joint holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto and if more than one such joint holders be present at any meeting either personally or by proxy, then that one of the said person so present whose name stands prior in order on the register in respect of such share alone be entitled to vote thereto.  
  
Several executors or administrators of a deceased member in whose sole name any share stands shall for the purpose of this clause be deemed joint holders thereof.
- 6) The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September, 2014 to 30<sup>th</sup> September, 2014 (both days inclusive) for the purpose of Annual General Meeting and for payment of dividend, if declared at the Annual General Meeting;
- 7) Members holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, may send their request in the prescribed Form 2B to the Registrar & Transfer Agents of the Company;
- 8) Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting;
- 9) A Statement pursuant to section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 10) 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;
- 11) Members are requested to notify changes, if any, in their registered addresses along with the pin code to the Company's Registrar and Share Transfer Agent;
- 12) Members are requested to bring their copy of the Annual Report to the Meeting;
- 13) All documents referred to in the notice are open for inspection at the registered office of the Company between 10.00 A.M to 1.00 P.M on all working days up to the date of the Meeting;
- 14) Members whose shareholding is in electronic mode are requested to direct change of address notifications and updations of savings bank account to their respective Depository Participants;
- 15) Members are requested to address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents, M/s. System Support Services, 209, Shivai Ind. Estate, Andheri-Kurla Road, Sakinaka, Above Mac Donalds, Andheri-East, Mumbai, Maharashtra 400072, India, Tel: 022-28500835 ,Fax: 022-28501438
- 16) Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Sharmendra Jain, Production Manager of the Company, at the Company's registered office. Members are requested to note that

dividend not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will thereafter be transferred to the Investor Education and Protection Fund as per Section 124 of the Companies Act, 2013;

- 17) As per the provisions of the Companies Act, 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 Share Transfer Agents of the Company;
- 18) Members seeking any information or clarifications 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;
- 19) Particulars of the dividend transferred to the General Revenue Account of the Central Government i.e. Investor Education & Protection Fund during the Financial Year ended March 31, 2014 pursuant to Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978:

Sr. No.	Date of Declaration of Dividend	Dividend for the Financial Year	Amount transferred to Investor Education & Protection Fund	Date of transfer to Investor Education & Protection Fund
	Nil	Nil	Nil	Nil

- 20) The Shares of the Company are listed at the Bombay Stock Exchange, Mumbai, Phiroze Jeejeeboy Towers, Dalal Street, Mumbai – 400 001 The Listing fees has been paid in time for the year ended 31<sup>st</sup> March, 2014.

**21) E- voting:**

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with the facility to exercise their right to vote at the 27<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The Company has signed an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their vote electronically.

**Process for E –Voting –**

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com);
- ii. Click on “Shareholders” tab;
- iii. Now, select the “**S.B.&T. INTERNATIONAL LIMITED**” from the drop down menu and click on “SUBMIT”;
- iv. Now Enter your User ID ;
  - a) For CDSL: 16 digits beneficiary ID;
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login;

- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used;
- vii. If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

<b>PAN*</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
<b>DOB#</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details#</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b> .

- viii. After entering these details appropriately, click on “**SUBMIT**” tab;
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘**Password Creation**’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice;
- xi. Click on the **EVSN** on which you choose to vote;
- xii. On the voting page, you will see “**RESOLUTION DESCRIPTION**” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution;
- xiii. Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details;
- xiv. After selecting the resolution you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “**OK**”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote;
- xv. Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.

- xvi. You can also take out print of the voting done by you by clicking on “**Click here to print**” option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates;
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com);
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on;
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote;
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same

**In case of members receiving the physical copy:**

Please follow all steps from sl. no. (i) To sl. no. (xvii) Above to cast vote.

- 22) The voting period begins from 9.00 a.m. on Thursday, 25<sup>th</sup> September, 2014 and ends at 06.00 p.m. on Friday, 26<sup>th</sup> September, 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 05<sup>th</sup> September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter;
- 23) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 24) Mr. Pramod S. Shah of M/s. Pramod S. Shah & Associates, Practicing Company Secretaries has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company;
- 25) The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer’s report shall be published on the Company’s website [www.sbtindia.com](http://www.sbtindia.com) and on the website of CDSL within 2 (two) working days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

**For and on behalf of the Board of Directors**

**Place : Mumbai**

**Date: 4<sup>th</sup> September, 2014**

**Sd/-**  
Varij Sethi  
**Managing Director**

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**INFORMATION UNDER CLAUSE 49 (IV)(G)(I) AND CLAUSE 49 (IV)(E)(V) OF THE LISTING AGREEMENT REGARDING RE-APPOINTMENT OF DIRECTORS:**

Mr. Surendra Kumar Baboolalji Sethi aged 73 years.

He is Bachelor in Arts and has pursued L.L.B

He is Businessman by Profession. He is having experience of more than 45 years. He is responsible for the legal, financial & administrative Matters of the group. He joined the Company w.e.f. October 1986. At Present he is Chairman and Joint Managing Director of the Company.

Shareholding of Mr. Surendra Kumar Baboolalji Sethi (both own or held by / for other persons on a beneficial basis) as on date is 83920.

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

**Item No. 4**

At the Meeting of the Board of Directors held on 13<sup>th</sup> August, 2014, the directors of the Company approved the re-appointment of Mr. Varij Sethi as Managing Director for the period from 1<sup>st</sup> December, 2014 to 30<sup>th</sup> November, 2019.

- A. Period of Appointment :** 01/12/2014 to 30/11/2019
- B. Salary :** NIL
- C. Perquisites :** NIL
- D. Minimum Remuneration:** Where in any financial year during the continuation of his tenure as a Managing Director, the Company has no profits or its profits are inadequate, Mr. Varij Sethi shall be entitled to receive above remuneration including perquisites, commission/performance pay, etc. as minimum remuneration subject to the provision of Section 197 read with Schedule V to the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.
- E. Termination:** The appointment is liable for termination by either party by giving 3 month's notice in writing to the other party.

The remuneration proposed to the members is in accordance with Section 196 and Section 197 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any Statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and as approved by the Remuneration Committee and Board of Directors at a duly convened meeting and is presented in the meeting for the approval of Shareholders of the Company by way of a Special Resolution.

The Company is not required to take the approval of Central Government for payment of the remuneration to the Managing Director as the Company would pay the remuneration within the limits as specified under Section 197 of the Companies Act, 2013 read with Schedule V, Part II, and Section II.

The Company has not made any default in repayment of any of its debts (including deposits) or debentures or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of re-appointment of Mr. Varij Sethi as the Managing Director of the Company.

The aforesaid revisions in the terms of re-appointment of Mr. Varij Sethi as Managing Director requires the approval of the Shareholders under Section 197 of the Companies Act, 2013 read with Schedule V to the Act. The Board accordingly recommends the resolutions to be passed as a special resolution, set out as item no. 4 in the accompanying notice. Your approval is sought for the same.

None of the Directors, Manager or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution.

**(a) A brief resume of the director is as follows;**

Mr. Varij Sethi aged 46 Years has been a Managing Director of the Company since 14<sup>th</sup> October, 1986

He is a Non Executive Director, a Graduate in Commerce.

**(b) Nature of his expertise in specific functional areas is as follows;**

His specialization is in Finance field.

**(c) Names of companies in which the person also holds the directorship and the membership of Committees of the Board is as follows**

Sr. No.	Name of the Company	Membership of the Committees of the Board
1.	Sethi Mercantile Private Limited	NIL
2.	S.B and T Designs Limited	NIL
3.	Arup Builders And Developments Private Limited	NIL
4.	Mimansa Jewellery Private Limited	NIL

**(d) Shareholding of non-executive directors as stated in Clause 49 (IV) (E) (v) of the Listing Agreement**

Shareholding of Mr. Varij Sethi (both own or held by / for other persons on a beneficial basis) as on date is 1066.

**Item No. 5**

At the Meeting of the Board of Directors held on 13<sup>th</sup> August, 2014, the directors of the Company approved the re-appointment of Mr. Surendrakumar Sethi as Managing Director for the period from 1<sup>st</sup> December, 2014 to 30<sup>th</sup> November, 2015.

**A. Period of Appointment :** 01/12/2014 to 30/11/2015

**B. Salary :** NIL

**C. Perquisites :** NIL

**D. Minimum Remuneration:** Where in any financial year during the continuation of his tenure as a Managing Director, the Company has no profits or its profits are inadequate, Mr. Surendrakumar Sethi shall be entitled to receive above remuneration including perquisites, commission/performance pay, etc. as minimum remuneration subject to the provision of Section 197 read with Schedule V to the Companies Act, 2013 or as may be prescribed by the Central Government from time to time.

**E. Termination:** The appointment is liable for termination by either party by giving 3 month's notice in writing to the other party.

The remuneration proposed to the members is in accordance with Section 196 and Section 197 of the Companies Act, 2013 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any Statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and as approved by the Remuneration Committee and Board of Directors at a duly convened meeting and is presented in the meeting for the approval of Shareholders of the Company by way of a Special Resolution.

The Company is not required to take the approval of Central Government for payment of the remuneration to the Managing Director as the Company would pay the remuneration within the limits as specified under Section 197 of the Companies Act, 2013 read with Schedule V, Part II, and Section II.



The Company has not made any default in repayment of any of its debts (including deposits) or debentures or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of re-appointment of Surendrakumar Sethi as the Managing Director of the Company.

The aforesaid revisions in the terms of re-appointment of Surendrakumar Sethi as Managing Director requires the approval of the Shareholders under Section 197 of the Companies Act, 2013 read with Schedule V to the Act. The Board accordingly recommends the resolutions to be passed as a special resolution, set out as item no. 5 in the accompanying notice. Your approval is sought for the same.

None of the Directors, Manager or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution.

**(a) A brief resume of the director is as follows;**

Mr. Surendra Kumar Baboolalji Sethi aged 73 years. He is Bachelor in Arts and has pursued L.L.B. He is Businessman by Profession. He is having experience of more than 45 years. He is responsible for the legal, financial & administrative Matters of the group. He joined the Company w.e.f. October 1986. At Present he is Chairman and Joint Managing Director of the Company.

**(b) Names of companies in which the person also holds the directorship and the membership of Committees of the Board is as follows**

Sr. No.	Name of the Company	Membership of the Committees of the Board
1.	S.B. AND T. Designs Limited	NIL
2.	S B Synthetics Private Limited	NIL
3.	Sethi Mercantile Private Limited	NIL
4.	Arup Builders And Developments Private Limited	NIL
5.	Mimansa Jewellery Private Limited	NIL

**(c) Shareholding of non-executive directors as stated in Clause 49 (IV) (E) (v) of the Listing Agreement**

Shareholding of Mr. Surendra Kumar Baboolalji Sethi (both own or held by / for other persons on a beneficial basis) as on date is 83920.

**Item No. 6**

As per the provisions of amended clause 49 of the listing agreement and pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013, the company should have at least one women director.

Keeping in view the above legal requirements, the Board of Directors have proposed that Ms. Rakhi Jain be appointed as a director of the company.

The company has received a notice in writing from a member alongwith the deposit of the requisite amount under Section 160 of the act proposing the candidature of Ms. Rakhi Jain for the office of Director of the company.

Ms. Rakhi Jain is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

**(a) Brief resume of Smt. Rakhi Jain**

Ms. Rakhi Jain Aged 42 years has done Master of Science & Bachelor of Education from Ajmer University



(b) **Nature of his expertise in specific functional areas:-**  
She is specialized in business & Marketing Filed since 4 year.

(c) **Names of companies in which the person also holds the directorship and the Membership of Committees of the Board; and**

Sr. No.	Name of the Company	Membership of the Committees of the Board
	NIL	NIL

(d) **Shareholding of non-executive directors as stated in Clause 49 (IV) (E) (v) of the Listing Agreement as**  
Shareholding of Ms. Rakhi Jain (both own or held by / for other persons on a beneficial basis) as on date is NIL

The Board commends the Ordinary Resolution set out at Item No. 6 for approval by the Members.

None of the Directors, Manager or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution.

**Item No. 7:**

Mr. Sunilkumar Barjatiya (DIN No. 02242320) is an Independent Director of the Company and have held the position as such for more than 5(five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Director by a Listed Company.

It is proposed to appoint Mr. Sunilkumar Barjatiya (DIN No. 02242320) as Independent Director under section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5(five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation.

Mr. Sunilkumar Barjatiya (DIN No. 02242320) is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Director.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Sunilkumar Barjatiya (DIN No. 02242320) for the office of Director of the Company.

The Company has also received declarations from Mr. Sunilkumar Barjatiya (DIN No. 02242320) that he meets with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Sunilkumar Barjatiya (DIN No. 02242320) fulfills the conditions for appointment as Independent Directors as specified in the Act and the listing Agreement. Mr. Sunilkumar Barjatiya (DIN No.02242320) is independent of the Management.

(a) **A brief resume of the director is as follows;**

Mr. Sunilkumar Barjatiya aged 56 Years has been an Independent Director of the Company since 14<sup>th</sup> January, 2013.

He is a Non Executive Independent Director, a Graduate in Commerce.

**(b) Nature of his expertise in specific functional areas is as follows;**

His specialization is in Finance field.

**(c) Names of companies in which the person also holds the directorship and the membership of Committees of the Board is as follows**

Sr. No.	Name of the Company	Membership of the Committees of the Board
1.	S. B. AND T. Designs Limited	NIL

**(d) Shareholding of non-executive directors as stated in Clause 49 (IV) (E) (v) of the Listing Agreement**

Shareholding of Mr. Sunilkumar Barjatiya (both own or held by / for other persons on a beneficial basis) as on date is NIL.

The Board commends the Ordinary Resolution set out at Item No. 7 for approval by the Members.

None of the Directors, Manager or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution.

**Item No. 8**

Mr. Shrance Sethi (DIN No. 03230097) is an Independent Director of the Company and have held the position as such for more than 5(five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Director by a Listed Company.

It is proposed to appoint Mr. Shrance Sethi as Independent Director under section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5(five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation.

Mr. Shrance Sethi is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Director.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Shrance Sethi for the office of Director of the Company.

The Company has also received declarations from Mr. Shrance Sethi that he meets with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Shrance Sethi fulfills the conditions for appointment as Independent Directors as specified in the Act and the listing Agreement. Mr. Shrance Sethi is independent of the Management.

**(a) A brief resume of the director is as follows;**

Mr. Shrance Sethi, 43 years is a Graduate in Commerce.

**(b) Nature of his expertise in specific functional areas is as follows;**

His specialization is in Finance field.

- (c) **Names of companies in which the person also holds the directorship and the membership of Committees of the Board is as follows;**

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Membership of the Committees of the Board</b>
1.	S.B. AND T Designs Limited	NIL
2.	Ifcon Impex Private Limited	NIL

- (d) **Shareholding of non-executive directors as stated in Clause 49 (IV) (E) (v) of the Listing Agreement;**  
Shareholding of Mr. Shrance Sethi (both own or held by / for other persons on a beneficial basis) as on date is NIL.

The Board commends the Ordinary Resolution set out at Item No. 8 for approval by the Members.

None of the Directors, Manager or Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the aforesaid resolution.

**For and on behalf of the Board of Directors**

**Sd/-  
Varij Sethi  
Managing Director**

**Place : Mumbai**

**Date: 4<sup>th</sup> September, 2014**

**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 Seventh Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2014.

### 1. FINANCIAL RESULTS

Particulars	2013-2014	(INR In Million) 2012-2013
Gross Profit	(32.08)	(48.67)
Less: Depreciation	1.49	1.75
Profit before Tax	(33.58)	(50.41)
Provision for Tax – Current	NIL	NIL
Deferred	NIL	NIL
Profit after Tax	(33.58)	(50.41)
Add: Balance brought forward	NIL	NIL
<b>Profit available for appropriation</b>	<b>(33.58)</b>	<b>(50.41)</b>
Appropriations	NIL	NIL
Proposed Final Dividend	NIL	NIL
Corporate Dividend Tax	NIL	NIL
<b>Balance carried to Balance Sheet</b>	<b>(33.58)</b>	<b>(50.41)</b>

### 2. OPERATIONS

Turnover of the Company is INR. 126.82 million for the year ended 31<sup>st</sup> March, 2014 as compared to INR 65.27 million for the year ended 31<sup>st</sup> March, 2013.

### 3. DIVIDEND

In order to conserve resources, no dividend has been declared for the financial year 2013 – 2014.

### 4. 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 Industrail / EXIM Policy.

**WEAKNESSES:**

- Small firms lacking technological / export information expertise.
- Low Productivity compared to labour in China, Thailand and Srilanka.
- 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 turnover 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:**

The Company has two segments one is manufacturing and other is trading. The detailed reporting of segment wise performance of the Company is mentioned in 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 especially in the developed economies and it may continue for some time 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 2012 to 2015. At present, the Indian gems and jewellery market is dominated by the unorganized sector; however, the trend is set to change in near future with the branded jewellery market growing at an expected CAGR of more than 41% in the coming four years.

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

**e) RISK MANAGEMENT:**

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.

**g) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Turnover of the Company is Rs. 126.82 million for the year ended 31st March, 2014 as compared to Rs. 65.27 million for the year ended 31st March, 2013. Net loss for the year ended 31st March 2014 is Rs. 33.58 million against Net Loss Rs. 50.41 million for the year ended 31<sup>st</sup> March, 2013.

**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 recognizes 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 prescribed norms of ethical practices and code of conduct for the Directors of 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](http://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.

**5. THE COMPANIES ACT, 2013**

The Companies Act, 2013 (the Act) came into force as on 1<sup>st</sup> April, 2014 (in the manner, to the extent notified by the Ministry of Corporate Affairs). The Act has replaced the Companies Act, 1956 and has brought a new set of compliances for companies.

The new Legislation will facilitate greater transparency, more Disclosures and enhanced corporate governance. The Company is taking necessary steps for implementation of the provisions of the Act.

**6. BOARD OF DIRECTORS**

**RE-APPOINTMENT/ APPOINTMENT:**

In accordance with the Articles of Association of the Company and provisions of the Companies Act, 2013, at least two-third of our Directors shall be subject to retirement by rotation. One- third of these retiring Directors must retire from office at each Annual General Meeting, Mr. Surendrakumar Sethi will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Your Directors recommend his re-appointment.

The Company has decided to appoint Ms. Rakhi Jain as a Director, liable to retire by rotation of the Company in the Annual General Meeting of the Company in respect of whom the company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director.



The Company has also decided to re-appoint Mr. Varij Sethi and Mr. Surendrakumar Sethi as Managing Directors of the Company for a period of Five year and One year respectively with effect from 01<sup>st</sup> December, 2014, liable to retire by rotation.

Pursuant to the provisions of the new Companies Act, 2013 and revised Clause 49 of the Listing Agreement (effective from October 1, 2014), the Company has decided the term of Independent Directors as below:

Mr. Sunilkumar Barjatiya (DIN No.02242320) and Mr. Shrance Sethi (DIN No.03230097) be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years for the term upto March 31st, 2019, not liable to retire by rotation.

#### **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, 2014 was Rs.50,000/- (Rupees Fifty Thousand Only). There were no outstanding or unclaimed fixed deposits as on 31st March, 2014. In terms of the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit Rules), 1975, the Company has not accepted fixed deposits during the year.

#### **8. SUBSIDIARY COMPANY**

The Ministry of Corporate Affairs vide its General Circular No. 2 / 2011 dated 8<sup>th</sup> 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. 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 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.



## 12. 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, 2014; 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, 2014 and of the profit of the Company for the said 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, 2014, on a going concern basis.

## 13. COST AUDIT:

The Cost Audit under Section 233B of the Companies Act, 1956 is applicable to the Company for the Financial Year 2013-14 and accordingly Mr. Naresh Kumar Jethwani were appointed as the Cost Auditor, for the said year.

## 14. STATUTORY AUDITORS:

Pursuant to provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, it is proposed to appoint M/s. M. M. Dubey & Co., Chartered Accountants, Mumbai, Statutory Auditors of your Company (Firm Registration No. 30453) from the conclusion of the ensuing AGM till the conclusion of Thirtieth AGM to be held in the year 2017, subject to annual ratification by members at the Annual General Meeting.

The Auditors have confirmed that, their re-appointment, if made, would be in accordance with the Section 139 of the Companies Act, 2013 and the rules made thereunder and that they are not qualified in terms of Section 141 of the Act.

## 15. SECRETARIAL AUDITOR:

Pursuant to the provisions of the Section 179(3) and 204 of the Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 and as a measure of good corporate governance practice, the Board of Directors of the Company hereby appoint M/s. Pramod S. Shah & Associates (Membership No. 334), Practicing Company Secretaries, Mumbai as a Secretarial Auditors of the Company for the financial year 2014-2015 on such remuneration as may be decided by the Board in consultation with the Secretarial Auditor.

## 17. INTERNAL AUDITOR:

Pursuant to the provisions of Section 138 and 179(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Directors of the Company hereby appoint M/s. N. K. Suthar & Co. (Membership No.126694), Mumbai as Internal Auditors of the Company for the financial year 2014-2015 on such remuneration as may be decided by the Board in consultation with the Internal Auditor.

## 18. COMMITTEES OF THE BOARD:

The details of the Committees of the Board including their composition are provided in the Corporate Governance Section of this Annual Report.

**Nomination and Remuneration Committee –Companies Act 2013.**

Pursuant to the provisions of Section 178 of Companies Act, 2013, the Board of Directors of the Company has consented the change in nomenclature of existing Remuneration Committee to 'Nomination and Remuneration Committee' as provided under Companies Act, 2013 and has also approved the revised terms of reference of the Nomination and Remuneration Committee as per the provisions of the Companies Act, 2013 (effective from 01/04/2014).

As per the said terms of reference approved by the Board the Nomination and Remuneration Committee shall formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Director, Key Managerial Person (KMP) and other employees. The Company's policy on Directors appointment and remuneration and other specifications as mentioned above will be disclosed in the Boards' Report as provided under Section 134 (3) (e) once the same is formulated by the Committee.

**19. CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, Report on Corporate Governance is furnished as a part of the Directors' Report and forms part of this report. Certificate from the Practicing Company Secretaries regarding compliance is annexed hereto and forms part of this report.

**20. ACKNOWLEDGMENT:**

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from all our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels.

We thank the Government of India, the Ministry of Communication and Information Technology, the State Government, various government agencies and the Government of United States of America where we have operations, for their immense support, and look forward to their continued support in the future.

**For and on behalf of the Board of Directors**

**Place: Mumbai**

**Date: 4<sup>th</sup> September, 2014**

**Surendra Kumar Sethi  
Chairman**

Registered Office:

Yusuf building, 1st floor, Room No. 15,  
Abdulrehman 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, 2014.**

**(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, optimization 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:**

The total exports for the year 2013 – 2014 amounts to Rs. 11,90,23,533/-. 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**

**Place: Mumbai**  
**Date: 4<sup>th</sup> September, 2014**

**Surendra Kumar Sethi**  
**Chairman**

**ANNEXURE**

**Information and explanation on reservation, qualification or adverse remarks contained in the Auditors Report**

We invite your attention to point 19, 20 and point 22 of the Auditor's Report and explanation etc. thereon are as under:

**1) Refer point 19 of the Auditors Report:**

As pointed out by the Statutory Auditor, the Assessing officer has done the tax assessment in the Company from the Financial Year 2009-10 to Financial Year 2013- 2014 and the amounts which was demanded by the Assessing officer are not justifiable and for justifying the same, the Company has filed the review application with the concern department also presented the facts and submitted all the information or other related documents as required by the concerned department from time to time. The case is still pending with the concerned department and once the final order is made, the Company will make the payment of all undisputed amount in respect of dues which are outstanding for a period of more than six months.

**2) Refer point 20 of the Auditors Report:**

As pointed out by the Statutory Auditor, the company has suffered huge losses due to a steep fall in the business of the company, the Company was delayed in making payment of Custom duty and due to the delayed payment made the Custom department has charged high penalties and interest, the Company has filed the review application with the concern department and has requested for charging reasonable penalties and interest and the case is still pending. However, once the final order is made, the Company will make the payment of outstanding dues. The management is making every effort to grow the business of the company and assuring that the business of the company will be brought back on track in the coming years.

**3) Refer point 22 of the Auditors Report:**

As pointed out by the Statutory Auditor, the company has suffered huge losses due to a steep fall in the business of the company and due to financial difficulties the Company was irregular in repayment of dues, however, the Company has asked for one time settlement for the default made by the Company in repayment of banks Loans from the Bank and the reply is to be made by the Bank on the same. However, the Company will clear all repayment of dues once the reply is made by the Bank.

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

**Varij Sethi  
Managing Director**

**Surendra Kumar Sethi  
Chairman & Managing Director**

**Place: Mumbai**

**Date: 4<sup>th</sup> September, 2014**

## **REPORT ON THE CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2013-2014**

### **(As required under Clause 49 of the Listing Agreement with the Stock Exchanges in India)**

#### **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 stake holders.

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.

We believe that timely disclosures, transparent accounting policies and a strong and Independent Board go a long way in maintaining good corporate governance, preserving shareholders trust and maximizing long-term corporate value.

Your Board of Directors presents the Corporate Governance Report for the year 2013-14.

#### **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:

<b>Category</b>	<b>Name of the Directors</b>
Chairman & Joint Managing Director	Mr. Surendra Kumar Sethi
Managing Director	Mr. Varij Sethi
Independent & Non Executive Director	Mr. Shrance Sethi
Independent & Non Executive Director	Mr. Sunil Barjatiya

**b) The following table gives the number of other Directorships and Chairmanships / Membership of Committees of each Director in various Companies as on 31<sup>st</sup> March, 2014.**

Name of the Directors	Category	No. of Directorship(s) in other Companies*		No. of Membership / Chairmanship of other Board Committees**
		Private	Public	Member/ Chairman
Mr. Surendra Kumar Sethi	Chairman & Joint Managing Director	7	—	—
Mr. Varij Sethi	Managing Director	7	—	—
Mr. Sunil Barjatiya	Independent & Non Executive Director	1	—	3
Mr. Shrance Sethi	Director (Independent & Non Executive)	2	—	—

**Notes:**

\* Excluding Directorship and Membership / Chairmanship in S.B. & T International Limited.

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

**c) Board Meetings:**

The Board meets at regular intervals to discuss and decide on company/ business policy and strategy apart from other normal Board business. The Board/ Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors to facilitate them to plan their schedules and to ensure meaningful participation in the meetings well in advance. However, in case of a special and urgent business need, the Board's approval is taken by circulating the resolution, which is ratified in the subsequent Board Meeting.

The agenda for the Board/Committee meetings is generally accompanied by background notes and other material information which is circulated to Directors well in advance to facilitate discussions and for taking an informed decision. The Independent Directors meet amongst themselves and separately with the Chairman before every Board meeting to discuss on various issues and their concerns, if any.

During the accounting year 2013-14, Six (6) Board Meetings were held on 30<sup>th</sup> May, 2013, 7<sup>th</sup> June, 2013, 14<sup>th</sup> August, 2013, 2<sup>nd</sup> September, 2013, 14<sup>th</sup> November, 2013, 14<sup>th</sup> February, 2014.

The details of attendance of Directors at the Board Meetings held during the year commencing 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014 and the last AGM held on 30<sup>th</sup> December, 2013 are as under:

Name of Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Surendra Kumar Sethi	6	Present
Mr. Varij Sethi	6	Present
Mr. Sunil Barjatiya	6	Present
Mr. Shrance Sethi	6	Present

**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.
- Disclosure of Independent Directors at the time of appointment/annually
- Disclosure of Directors Interest and their shareholding

**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:

The Board Committees focus on specific areas and make informed decisions within the authority delegated. Each such Committee is guided by its Charter, which defines the composition, scope and powers. The Committees also make specific recommendations to the Board on various matters when required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. The Company has 3 (three) Board-level Committees, namely:

- Audit Committee;
- Remuneration Committee;
- Shareholders' Grievance Committee;



### 3. AUDIT COMMITTEE :

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

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 2013-14, Five Audit Committee Meetings were held on 30<sup>th</sup> May, 2013, 14<sup>th</sup> August, 2013, 11<sup>th</sup> September, 2013, 25<sup>th</sup> November, 2013 and 14<sup>th</sup> February, 2014.

Name of Directors	Designation	Category	No. of Audit Committee Meetings attended
Mr. Varij Sethi	Managing Director	Independent & Non Executive Director	5
Mr. Sunil Barjatiya	Chairman	Independent & Non Executive Director	5
Mr. Shrance Sethi	Member	Independent & Non Executive Director	5

Addition to the members of the Audit Committee, these meetings are attended by the internal auditors and statutory auditors of the Company, whenever necessary and those executives of the Company who can provide inputs to the Committee. The quarterly/half-yearly and annual audited financials of the Company are reviewed by the audit committee before consideration and approval by the Board of Directors.

#### b. The functions of the Audit Committee include the following: -

- Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosures of related party transactions;
- Qualifications in draft audit report;
- Reviewing with management the annual / half-yearly / quarterly financial statements before submission to the Board;
- Reviewing with management, the performance of Statutory & Internal Auditors, adequacy of internal control systems;



- Reviewing the adequacy of internal audit function, if any, 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 internal auditors on 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;
- Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as 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;
- To review the function of the Whistle Blower Mechanism;
- Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the 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 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 19<sup>th</sup> 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. Sunil Barjatiya	Chairman	Independent & Non Executive Director	1
Mr. Shrance Sethi	Member	Independent & Non-Executive Director	1
Mr. Varij Sethi	Member	Independent & Non Executive Director	-

##### 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.
- To approve the Remuneration Plan of the Company;
- To review and grant increments to Executive/Managing Director;
- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend /approve.

##### c. Attendance at the Remuneration Committee Meetings

During the Accounting year 2013-14, one meeting of the Remuneration Committee was held on 25<sup>th</sup> November, 2013.

**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.

**Details of remuneration paid to Directors for the financial year ended March 31, 2014 are as under:**

Name of Directors	Salary (Amt. in Rs)	Sitting fees (Amt. in Total) (Rs.)	Total (Amt. Rs)	Stock Option granted
Mr. Surendra Kumar Sethi	-	-	-	-
Mr. Varij Sethi	-	-	-	-
Mr. Sunil Barjatiya	-	14,000	-	-
Mr. Shrance Sethi	-	14,000	-	-

Mr. Surendra Kumar Sethi, Managing Director and Chairman and Varij Sethi, Managing Director were appointed w.e.f. 1<sup>st</sup> December, 2013 and the details of the remuneration during the accounting year ended March 31<sup>st</sup>, 2014 are given as under:

Name of Directors	Fixed Salary	Perquisite	Performance linked Incentive	Sitting Fees	Total	Service Contract/Notice Period	Stock Option granted, if any
Mr. Surendra Kumar Sethi	NIL	NIL	N.A.	NIL	NIL	The appointment is for one year	NIL
Mr. Varij Sethi	NIL	NIL	N.A.	NIL	NIL	The appointment is for one year	NIL

**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. Shrance Sethi	Member	Independent & Non Executive	4
Mr. Sunil Barjatiya	Chairman	Independent & Non Executive	4
Mr. Varij Sethi	Member	Independent & Non Executive	4

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

During the accounting year 2013-14, 4 meetings of the Members of the Committee were held on 30<sup>th</sup> May, 2013, 14<sup>th</sup> August, 2013, 11<sup>th</sup> September, 2013 and 14<sup>th</sup> February, 2014.

**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.

**e) Investor's/ Shareholders' Grievance Redressal:**

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 <sup>st</sup> March, 2014.
Complaints received on SCORES website	Non Receipt of Refund orders and/or non credit of Shares in Demat account	NIL	NIL	NIL	NIL
Complaints received in other mode	N.A	N.A	N.A	N.A	N.A

During the accounting year ended 31<sup>st</sup> March, 2014, One complaint was received from shareholders all valid share transfers applications received during accounting year ended 31<sup>st</sup> March, 2014 have been acted upon.

**6. GENERAL BODY MEETINGS:**

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

Financial Year	Day and Date	Location of AGM	Time
2012-2013	30/12/2013	LNM IMC Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai- 400 020	11.30 A.M
2011-2012	28/12/2012	Hotel Suncity Residency, 16th Road, MIDC, Marol, Andheri (E), Mumbai - 400 093	11.00 A.M
2010 - 2011	23/12/2011	Hotel Suncity Residency, 16th Road, MIDC, Marol, Andheri (E), Mumbai - 400 093	10.00 A.M

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

**At the Annual General Meeting of the Shareholders held on 30<sup>th</sup> December, 2013, 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 a Managing Director of the Company.
- Regularization of Mr. Shrance Sethi as a Director.

**At the Annual General Meeting of the Shareholders held on 28<sup>th</sup> 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 23<sup>rd</sup> 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.

**Details of Special Resolution passed during financial year under review through postal ballot:**

No Special Resolution was passed through Postal Ballot during the financial year 2013-14 by the Company.

## 7. DISCLOSURES:

### (a) Related Party Transactions:

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.

Related Parties and transactions as required under Accounting Standard (AS-18) are furnished under 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) Compliance by the Company:

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

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

### (c) Whistle Blower Policy:

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.

### (d) Mandatory & Non Mandatory requirement of this clause:

Adoption of non mandatory requirements under Clause 49 of the Listing Agreement is reviewed by the Board from time to time.

- (e) 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/-

### (f) 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. 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	<a href="http://www.sbtindia.com">www.sbtindia.com</a>
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

**9. GENERAL SHAREHOLDER INFORMATION**

**a) Annual General Meeting:**

Date	Time	Venue
30th September, 2014	10.00 am	LNM IMC Building Trust, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.

✦ **Financial Calendar:**

Financial reporting for the quarter ending:

Quarter ending 30 <sup>th</sup> June, 2013	14 <sup>th</sup> August, 2013
Quarter/Half year ending 30 <sup>th</sup> September, 2013	14 <sup>th</sup> November, 2013
Quarter ending 31 <sup>st</sup> December, 2013	14 <sup>th</sup> February, 2014
Quarter/Year ending 31 <sup>st</sup> March, 2014	30 <sup>th</sup> May, 2014

**Date of Book Closure:** Book closure is from 24<sup>th</sup> September, 2014 to 30<sup>th</sup> September 2014, both days inclusive.

✦ **Market Information:**

**a) Listing on the Stock Exchange:**

The Company is listed on Bombay Stock Exchange Limited. The Company has paid Listing fees for the year 2013-2014 to Bombay Stock Exchange Limited.

**b) Stock Code :**

Bombay Stock Exchange Limited	:	13583
ISIN in NSDL and CDSL for Equity Shares	:	INE465B01015
Corporate Identification No	:	L36911MH1986PLC041237

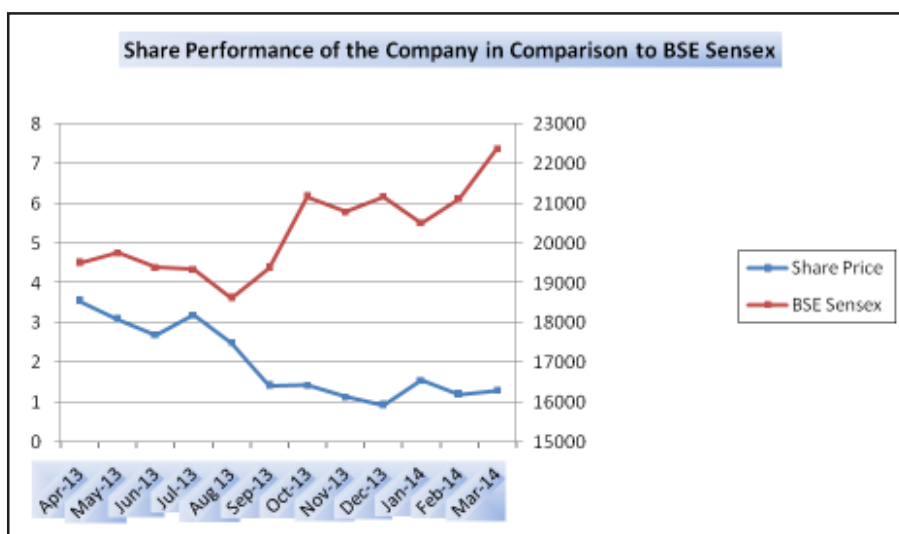
**c) Market Price Data:**

**Stock Market Data:**

The NSE suspended the Company on 22<sup>nd</sup> October, 2012. Hence, the Stock Market data of NSE is only upto the period ended 30<sup>th</sup> October, 2012. The High / Low price during each month of 2013-14 on Bombay Stock Exchange Limited is 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)
2013 Apr	1.92	4.30	1.86	3.55	3,82,692	419	12,23,819	19622.68	18144.22	19504.18
May	3.38	3.79	2.52	3.08	1,47,069	257	4,38,006	20443.62	19451.26	19760.3
Jun	3.22	3.48	2.38	2.70	65,344	330	1,92,896	19860.19	18467.16	19395.81
Jul	2.78	3.41	2.40	3.20	21,841	188	57,054	20351.06	19126.82	19345.7
Aug	3.34	3.65	2.50	2.50	48,130	41	1,46,605	19569.2	17448.71	18619.72
Sept	2.38	2.62	1.42	1.42	95,620	152	1,65,030	20739.69	18166.17	19379.77
Oct	1.40	1.57	1.15	1.44	1,28,013	162	1,67,802	21205.44	19264.72	21164.52
Nov	1.37	1.37	1.00	1.14	1,36,356	122	1,56,911	21321.53	20137.67	20791.93
Dec	1.14	1.14	0.80	0.93	1,07,186	145	98,234	21483.74	20568.7	21170.68
2014 Jan	0.96	1.80	0.96	1.56	4,29,850	368	5,56,551	21409.66	20343.78	20513.85
Feb	1.63	1.63	1.11	1.20	55,685	293	73,064	21140.51	19963.12	21120.12
Mar	1.20	1.39	0.98	1.30	2,74,857	457	3,17,853	22467.21	20920.98	22386.27

	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sept 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14
Share Price (closing)	3.55	3.08	2.70	3.20	2.50	1.42	1.44	1.14	0.93	1.56	1.20	1.30
BSE Sensex (closing)	19504.18	19760.3	19395.81	19345.7	18619.72	19379.77	21164.52	20791.93	21170.68	20513.85	21120.12	22386.27



#### 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 for the half-year ended 30<sup>th</sup> September, 2013 and 15 days for the half-year ended 31<sup>st</sup> March, 2014 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, Production Manager 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.

- **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)

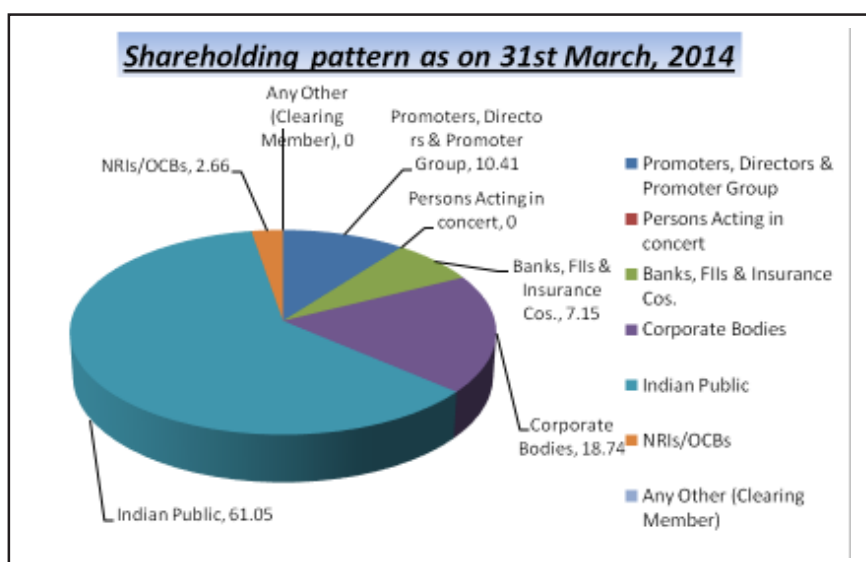
- **DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2014:**

No. of Equity Shares held	No. of Shares	% of Shares	No. of Shareholders	% of Shareholders
1 – 500	1200165	7.123	6361	74.879
501 – 1000	809231	4.803	935	11.006
1001 – 2000	796507	4.727	495	5.827
2001 – 3000	514572	3.054	191	2.248
3001 – 4000	322795	1.916	90	1.059
4001- 5000	493383	2.928	103	1.212
5001-10000	1161498	6.893	153	1.801
10001 & above	11551849	68.557	167	1.966
Shares in Transit	-	-	-	-
<b>Total</b>	16850000	100.000	8495	100.000



**SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2014:**

	Category	No. of shares held	% of shareholding
<b>A.</b>	<b>Promoter's holding</b>		
1	Promoter's		
	- Indian Promoters	403802	2.40
	- Foreign Promoters	1350000	8.01
2	Persons acting in Concert	-	-
	<b>Sub-Total</b>	<b>1753802</b>	<b>10.41</b>
<b>B.</b>	<b>Non-Promoters Holding</b>		
a.	Mutual Funds and UTI	1700	0.01
b.	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions/ non-government institutions)	1093316	6.49
		-	-
c.	FIs	109215	0.65
	<b>Sub-Total</b>	<b>1204231</b>	<b>7.15</b>
<b>C.</b>	<b>Others</b>		
a.	Private Corporate Bodies	3157213	18.74
b.	Indian Public	10287160	61.05
c.	NRIs/OCBs	447594	2.66
d.	Any Other(please specify)In Transit (DEMAT)	-	-
	<b>Sub-Total</b>	<b>13891967</b>	<b>82.45</b>
	<b>GRAND TOTAL</b>	<b>1,68,50,000</b>	<b>100.00</b>



- **Dematerialization of shares:**  
98.509 % of the shares issued by the Company have been dematerialized up to 31<sup>st</sup> March, 2014.

Break up of shares in physical and demat form as of 31<sup>st</sup> March, 2014:

No. of Share	Percentage of Shares
Physical Segment	8.052%
<b>Demat Segment</b>	
NSDL	58.199%
CDSL	33.749%
<b>Total</b>	<b>100.00</b>

• **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
<b>Total</b>	<b>72,00,000</b>
Working Capital utilized	72,00,000
<b>Total</b>	<b>72,00,000</b>

- Address for Correspondence : Mr. Sharmendra Jain  
Production Manager  
Yusuf Building, 1st Floor ,Room No 15,  
Abdulrehman Street,  
Mumbai – 400003  
Fax: 67421445  
Email id: [sharmendra@sbtindia.com](mailto:sharmendra@sbtindia.com)

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

**10. 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.

**11. 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](http://www.sbtindia.com)

**12. SECRETARIAL AUDIT REPORT:**

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, inter-alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

**13. 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.

**14. CEO/CFO Certification**

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

**15. 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.

## **MANAGEMENT CERTIFICATION**

We, Surendra Kumar Sethi, Chairman & Joint Managing Director, and Mr. Varij Sethi, Managing Director and CFO 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 : 4th September, 2014**

## **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 31<sup>st</sup> March, 2014 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: 4<sup>th</sup> September, 2014**  
**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 31<sup>st</sup> March 2014.

**For S.B. & T International Limited**

**Date: 4<sup>th</sup> September, 2014**  
**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 31<sup>st</sup> March, 2014, 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 with General Circular 15/2013 dated 13<sup>th</sup>, September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 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 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors of the Company, we report that none of the Director is disqualified as on at 31<sup>st</sup> March, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.
    - 1) in case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2014,
    - 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: 4<sup>th</sup> September, 2014**

**Fixed Assets:**

1. We are informed that the company *is* 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. 3,203.71 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. 793.44 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	6.18	2011 – 12
Maharashtra Profession Act	Profession Tax	1.20	2011 – 12
Maharashtra Profession Act	Profession Tax	1.12	2012 - 13
Maharashtra Profession Act	Profession Tax	1.06	2013 - 14

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. 335.76 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, 2014 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: 4<sup>th</sup> September, 2014**

**BALANCE SHEET AS AT 31ST MARCH, 2014**

	NOTES	As at 31-Mar-14	(Amount in Rs.) As at 31-Mar-13
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHARE HOLDERS' FUNDS :</b>			
(a) Share Capital	1	168,500,000	168,500,000
(b) Reserves and Surplus	2	561,798,579	595,374,160
		<b>730,298,579</b>	<b>763,874,160</b>
<b>(2) NON-CURRENT LIABILITIES :</b>			
(a) Long-Term Borrowings	3	55,060,914	49,460,914
(b) Long Term Provisison	4	2,010,267	1,976,267
		<b>57,071,180</b>	<b>51,437,181</b>
<b>(3) CURRENT LIABILITIES :</b>			
(a) Short Term Borrowings	5	301,207,583	298,891,737
(b) Trade Payable	6	208,705,863	248,890,851
(c) Other Current Liabilites	7	143,137,999	247,433,703
		<b>653,051,445</b>	<b>795,216,290</b>
<b>TOTAL</b>		<b>1,440,421,203</b>	<b>1,610,527,631</b>
<b>II ASSETS</b>			
<b>1 NON-CURRENT ASSETS</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	8	9,867,975	11,564,835
(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	5,364,819	5,363,263
		<b>382,871,030</b>	<b>384,566,334</b>
<b>2 CURRENT ASSETS</b>			
(a) Inventories	12	73,844,303	78,551,297
(b) Trade Receivable	13	602,254,065	783,462,550
(c) Cash And Cash Equivalents	14	7,354,470	8,001,180
(d) Short Term Loans And Advances	15	374,068,290	355,794,531
(e) Other Current Assets	16	29,044	151,739
		<b>1,057,550,173</b>	<b>1,225,961,297</b>
<b>TOTAL</b>		<b>1,440,421,203</b>	<b>1,610,527,631</b>

Significant Accounting Policies &amp; 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: 4th September, 2014

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, 2014**

	NOTES	2013-14	(Amount in Rs.) 2012-13
<b>REVENUE :</b>			
<b><u>REVENUE FROM OPERATIONS</u></b>			
I <b>Revenue From Operations</b>	<b>PL - 1</b>		
(a) Sale Of Products		126,819,329	65,273,221
(b) Sale Of Services		7,315,077	13,348,141
II Other Income	<b>PL - 2</b>	783,932	10,757,754
III Total Revenue (I+II)		<b>134,918,338</b>	<b>89,379,116</b>
<b>IV EXPENSES</b>			
a) Cost Of Material Consumed	<b>PL - 3</b>	118,955,752	51,766,474
b) Employee Benefits Expenses	<b>PL - 4</b>	9,748,158	12,135,057
c) Finance Costs	<b>PL - 5</b>	2,728,689	57,678,414
d) Depreciation And Amortization Expenses	<b>Note 8</b>	1,493,724	1,746,968
e) Other Expenses	<b>PL - 6</b>	35,567,596	16,465,157
		<b>168,493,919</b>	<b>139,792,070</b>
<b>Profit for the year before tax, exceptional item &amp; prior period adjustments</b>		<b>(33,575,581)</b>	<b>(50,412,954)</b>
Prior Period adjustments		-	-
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>(33,575,581)</b>	<b>(50,412,954)</b>
<b>Provision for Tax</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>(33,575,581)</b>	<b>(50,412,954)</b>
Earning Per Share (Face value of Shares of Rs. 10/- each)			
Basic / Diluted (Refer Note B (15) to Schedule 17)		(1.99)	(2.99)
Significant Accounting Policies & Notes to Accounts	<b>17</b>		

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

M. M. Dubey  
Proprietor

Place: Mumbai  
Date: 4th September, 2014

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, 2014**

	<b>31.3.2014 (Rs.)</b>	<b>31.3.2013 (Rs.)</b>
<b>A. Cash flow from Operating Activities</b>		
Net Profit Before Tax, Extra-ordinary and Prior Period Items	(33,575,581)	(50,412,954)
<b>Adjustments for :</b>		
Depreciation	1,493,724	1,746,968
Non Cash (income)/expenses	(176,569)	(10,579,502)
Interest Expense (Net)	2,728,689	57,678,414
Other Interest received	(15,042)	(28,611)
Operating Profit before Working Capital Changes	(29,544,779)	(1,595,686)
<b>Adjustments for :</b>		
Current Assets	186,038,273	281,545,806
Current Liabilities	(44,448,483)	(318,354,354)
Cash generated from Operations	112,045,011	(38,404,233)
Tax adjustment	1,098,822	-
<b>Net Cash Flow from / (used) Operating Activities</b>	<b>110,946,189</b>	<b>(38,404,233)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	413,603	(163,186)
Receipt of deposit with authorities	-	-
Interest received	15,042	28,611
<b>Net Cash from / (used) in Investing Activities</b>	<b>428,645</b>	<b>(134,575)</b>
<b>C. Cash Flow from Financing Activities</b>		
Inter Corporate Deposit Taken	31,514,469	62,982,921
Repayment of Inter Corporate Deposit	(36,014,469)	(64,255,871)
Bank Borrowings	-	-
Temporary Overdraft from Bank	(94,433,386)	73,332,490
Receipt / (Repayment) of Loan from Director	5,600,000	10,350,000
Interest & Other Financial Charges	(2,728,689)	(13,752,307)
Loan Repaid/given	(15,959,470)	(29,435,376)
<b>Net Cash from / (used) in Financing Activities</b>	<b>(112,021,545)</b>	<b>39,221,857</b>
Net Increase in Cash and Cash Equivalents	<b>(646,711)</b>	<b>683,049</b>
Opening Balance of Cash and Cash Equivalents	<b>8,001,181</b>	<b>7,318,132</b>
Closing Balance of Cash and Cash Equivalents	<b>7,354,470</b>	<b>8,001,181</b>
<b>Cash &amp; Cash Equivalent comprises-</b>		
Cash in Hand	6,367,332	7,028,940
Balance with Scheduled Banks in Current Accounts	967,138	952,240
Balance with Scheduled Banks in Deposit Accounts	20,000	20,000
	<b>7,354,470</b>	<b>8,001,181</b>

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

M. M. Dubey  
Proprietor

Place: Mumbai  
Date: 4th September, 2014

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 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
<b>NOTE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
20,000,000 (P.Y. 20,000,000) Equity Shares of Rs.10/- each	200,000,000	200,000,000
	<b>200,000,000</b>	<b>200,000,000</b>
<b><u>Issued, subscribed and paid-up Capital :</u></b>		
Equity Share Capital		
16,850,000 (P.Y.16,850,000) Equity shares of Rs.10/- each fully paid-up (Refer B(3) of Schedule 17)	168,500,000	168,500,000
	<b>168,500,000</b>	<b>168,500,000</b>
<b>PAID-UP CAPITAL INCLUDES :</b>		
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		
<b>The Details of Shareholders Holding more than 5% Equity Shares :</b>		
i. The Federal Bank Ltd.	<b>Nos.</b> 1,093,116	1,093,116
	<b>%</b> 6.49	6.49
ii. Mr. Kapil Puri	<b>Nos.</b> 902,727	902,727
	<b>%</b> 5.36	5.36
iii. Mr. Virendra Kumar Sethi	<b>Nos.</b> -	900,000
	<b>%</b> -	5.34
<b>NOTE 2</b>		
<b>RESERVES AND SURPLUS</b>		
<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
<b>Balance in Statement of Profit and Loss (Surplus) :</b>		
Profit brought forward from last year	(284,005,241)	(233,592,287)
Add / Less : Profit / (Loss) as per Statement of Profit and Loss	(33,575,581)	(50,412,954)
Total available for allocations and appropriations	(317,580,822)	(284,005,241)
Less : Allocations and appropriations :	-	-
Proposed Dividend	-	-
Provision for Corporate Dividend Tax	-	-
Amount transferred to General Reserve	-	-
Profit / (loss) Carried forward to next year	(317,580,822)	(284,005,241)
	<b>561,798,579</b>	<b>595,374,160</b>

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
<b>NOTE 3</b>		
<b>LONG-TERM BORROWINGS</b>		
Loan from Directors and relatives parties (Interest Free)	55,060,914	49,460,914
	<b>55,060,914</b>	<b>49,460,914</b>
<b>NOTE 4</b>		
<b>LONG-TERM PROVISIONS</b>		
Provision for Gratuity	1,807,560	1,778,060
Provision for Leave Salary/Encashment	202,707	198,207
	<b>2,010,267</b>	<b>1,976,267</b>
<b>NOTE 5</b>		
<b>SHORT-TERM BORROWINGS</b>		
From Banks (Secured against hypothecation of Stock and Book Debts)	301,207,583	298,891,737
	<b>301,207,583</b>	<b>298,891,737</b>
<b>NOTE 6</b>		
<b>TRADE PAYABLES</b>		
Sundry Creditors :		
For Goods	191,874,870	235,468,828
For Capital Goods	322,293	957,289
For Expenses	16,508,700	12,464,733
	<b>208,705,863</b>	<b>248,890,850</b>
<b>NOTE 7</b>		
<b>OTHER CURRENT LIABILITIES</b>		
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	10,628,189
Proposed Final Dividend	-	-
TDS Payable	159	98,981
Provision for Income Tax	20,390,609	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	18,220,434	22,720,434
Provision for Bank Interest	60,186,107	60,186,107
Temporary Overdraft from Bank	1,989,253	96,422,639
Advance From Parties - Interest Free	29,515,911	33,779,407
	<b>143,137,999</b>	<b>247,433,703</b>



**NOTE 8  
FIXED ASSETS**

Sr.No	Particulars	Rate %	Gross Block				Depreciation			Net Block		
			As on 01.04.2013	Addition During The year	Deduction During The year	As on 31.03.2014	As on 01.04.2013	For the Period	Adjustment	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
1	Office Premises	5.00	3,630,000	-	-	3,630,000	2,410,028	60,999	-	2,471,026	1,158,974	1,219,972
2	Residential Flat	5.00	1,828,620	-	-	1,828,620	1,006,726	41,095	-	1,047,821	780,799	821,894
3	Factory Building	10.00	2,170,215	-	-	2,170,215	1,019,654	115,056	-	1,134,710	1,035,505	1,150,561
4	Plant & Machinery	13.91	31,971,188	413,026	257,830	32,126,384	26,261,983	804,279	41,194	27,025,068	5,101,316	5,709,205
5	Furniture , Fixture & Fitting	18.10	14,156,861	-	26,779	14,130,082	12,451,948	308,326	10,996	12,749,278	1,380,804	1,704,913
6	Equipments	13.91	2,105,914	59,740	583,045	1,582,609	1,364,990	95,688	145,846	1,314,832	267,777	740,924
7	Vehicles	25.89	3,527,503	-	-	3,527,503	3,397,386	33,687	-	3,431,073	96,430	130,117
8	Computer System	40.00	9,188,686	-	18,715	9,169,971	9,101,438	34,594	12,430	9,123,601	46,370	87,249
<b>Total (Current Year)</b>			<b>68,578,987</b>	<b>472,766</b>	<b>886,369</b>	<b>68,165,384</b>	<b>57,014,152</b>	<b>1,493,724</b>	<b>210,467</b>	<b>58,297,409</b>	<b>9,867,975</b>	<b>11,564,835</b>
<b>Total(Previous Year)</b>			<b>68,415,801</b>	<b>163,186</b>	<b>-</b>	<b>68,578,987</b>	<b>55,267,184</b>	<b>1,746,968</b>	<b>-</b>	<b>57,014,152</b>	<b>11,564,835</b>	

**As at**  
**31.03.2014**  
**(Rs.)**

**As at**  
**31.03.2013**  
**(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 Pvt.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 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
<b>NOTE 10</b>		
<b>DEFERRED TAX ASSETS (NET) :</b>		
<b>Deferred Tax Assets:</b>		
Opening Balance at the beginning of the year	523,208	523,208
Adjustment for the Year	-	-
Closing Balance at the end of the year	<b>523,208</b>	<b>523,208</b>
<b>NOTE 11</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
Deposits	5,364,819	5,363,263
	<b>5,364,819</b>	<b>5,363,263</b>
<b>NOTE 12</b>		
<b>INVENTORIES</b>		
(As valued and certified by the Management)		
Stock in Trade (At cost, unless otherwise stated)		
Raw Materials	67,805,456	66,996,164
Trading Goods	543,226	543,226
Trade Samples	5,495,621	11,011,907
	<b>73,844,303</b>	<b>78,551,297</b>
<b>NOTE 13</b>		
<b>TRADE RECEIVABLES</b>		
<b>(Unsecured, considered good)</b>		
Debtors outstanding for more than 6 months		
Debtors	593,144,031	783,274,470
Other Debts Less Than 6 Months		
Debtors	9,110,034	188,080
	<b>602,254,065</b>	<b>783,462,550</b>
<b>NOTE 14</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	6,367,332	7,028,940
Balances with Scheduled Banks :		
in Current Accounts	967,138	952,240
in Fixed Deposits towards Margin Money (More than 12 Months)	20,000	20,000
	<b>7,354,470</b>	<b>8,001,180</b>
<b>NOTE 15</b>		
<b>LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good)</b>		
Advances recoverable in cash or in kind or for value to be received		
	34,137,448	39,340,064
Income Tax	20,006,652	19,857,385
VAT	20,441	(454,477)
Loans to Subsidiary	319,903,749	297,051,558
[Maximum balance outstanding during the year Rs. 32,03,71,238/-(P.Y. Rs 29,79,45,777/-)]		
	<b>374,068,290</b>	<b>355,794,530</b>
<b>NOTE 16</b>		
<b>OTHER CURRENT ASSETS</b>		
Prepaid Expenses	29,044	151,738
	<b>29,044</b>	<b>151,738</b>

**NOTES TO STATEMENT OF PROFIT AND LOSS**

	2013 - 14 (Rs.)	2012-13 (Rs.)
<b>NOTE PL - 1</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sales Of Products	126,819,329	65,273,221
Sales Of Services (Job Working Charges)	7,315,077	13,348,141
Net Revenue From Operatons	<b>134,134,406</b>	<b>78,621,362</b>
<b>NOTE PL - 2</b>		
<b>OTHER INCOME</b>		
Interest Income (TDS Rs. 1,505/- (P.Y. Rs. 2,842/-))	15,042	28,611
Miscellaneous Income	268,717	271,325
Exchange Loss / (Exchange gain)	500,173	10,457,818
	<b>783,932</b>	<b>10,757,754</b>
<b>NOTE PL - 3</b>		
<b>MATERIAL COSTS AND INVENTORY ADJUSTMENT</b>		
Raw Materials :		
Opening Stock	78,008,071	41,090,945
Add : Purchases (including trading goods)	114,248,758	88,683,600
<b>Total (A)</b>	<b>192,256,829</b>	<b>129,774,545</b>
Less : Closing Stock		
Raw Materials	67,805,456	66,996,164
Trade Samples	5,495,621	11,011,907
<b>Total (B)</b>	<b>73,301,077</b>	<b>78,008,071</b>
<b>Consumption of Raw Material Total (A - B) (I)</b>	<b>118,955,752</b>	<b>51,766,474</b>
Trading Goods :		
Opening Stock	543,226	543,226
Less : Closing Stock	543,226	543,226
<b>(Increase) / Decrease in Stock (II)</b>	<b>-</b>	<b>-</b>
<b>Raw Material Consumed (I) +(II)</b>	<b>118,955,752</b>	<b>51,766,474</b>
<b>Particulars of Raw Material Consumed</b>		
Diamonds	86,608,097	33,311,288
Colour Stone	778,769	2,056,623
Gold	25,986,322	16,383,882
Silver	66,280	14,682
Trade Sample	5,516,284	-
	<b>118,955,752</b>	<b>51,766,474</b>
<b>NOTE PL - 4</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Payment and Provision for Salaries and Wages	8,123,449	7,530,446
Payment and Provision for Bonus & Ex-gratia	42,043	571,528
Director's Remuneration	-	-

	<b>2013 - 14</b>	<b>2012-13</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
<b><u>CONTRIBUTION TO PROVIDENT AND OTHER FUNDS</u></b>		
Contribution To Provident Fund	953,142	906,435
Contribution To Employees State Ins. Fund	169,424	200,523
Contribution To Other Funds	3,600	3,744
Provision for Gratuity	1,220	707,850
<b><u>OTHER EXPENSES</u></b>		
Welfare Expenses	341,165	957,528
OTHER EXPENSES	114,115	1,257,003
	<b>9,748,158</b>	<b>12,135,057</b>

**NOTE PL - 5**

**FINANCIAL COST**

Interest	2,595,299	57,421,818
Bank Charges and Other Financial Charges	133,390	256,596
	<b>2,728,689</b>	<b>57,678,414</b>

**NOTE PL - 6**

**OTHER EXPENSES**

**MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES**

Stores, Spares and Rubber Moulds :		
Opening Stock	-	-
Add : Purchases	1,021,923	1,671,986
Less : Closing Stock	-	-
Consumption	1,021,923	1,671,986
Director's Sitting Fees	28,000	40,000
Security Expenses	176,095	-
Auditor's Remuneration	100,000	700,000
Brokerage	-	10,000
Freight and Forwarding Expenses	663,419	418,487
Insurance	119,851	334,744
Legal and Professional Fees	1,476,277	2,334,857
Penalty Charges	515,251	249
Contract Labour Charges	20,919	-
Lease Rent	2,650,772	1,902,384
Marketing and Sales Promotion Expenses	358,375	178,813
Miscellaneous Expenses	23,858,482	666,445
Postage and Communication Expenses	103,955	175,915
Power and Fuel Expenses	1,037,513	1,864,477
Rates, Taxes and License Fees	1,372,561	248,766
<b><u>Repairs and Maintenance, Service &amp; AMC Charges:</u></b>		
Repairs to Fixed Assets:		
Plant and Machinery and Equipments	21,000	28,750
Others/AMC Charges	56,221	26,018
Other Maintenance and Service Charges	1,459,045	5,218,129
Travelling and Conveyance	372,800	611,617
Vehicle Expenses	155,137	33,520
	<b>35,567,596</b>	<b>16,465,157</b>

**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. NIL) on margin money kept with banks. Tax deducted at source Rs. NIL (P.Y. Rs. . NIL)
- 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:

	(Rs. in Lacs)	
	2013-14	2012-13
<b>I <u>Sitting Fees</u></b>		
Sunil Bharjatiya	0.14	0.20
Shrance Sethi	0.14	0.04
Ravi Khubchandani	NIL	0.16
	<b>0.28</b>	<b>0.4</b>

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

	(Rs. in Lacs)	
	2013-14	2012-13
Profit / (Loss) as per Profit & Loss A/c	(335.76)	(504.13)
Add: Director's Remuneration	0.28	0.40
Depreciation as per Books	14.94	17.47
	<b>(320.54)</b>	<b>(486.26)</b>
Less: Depreciation as per Section 350 of the Companies Act, 1956	14.94	17.47
Profit / Loss available for Remuneration	<b>(335.48)</b>	<b>(503.73)</b>
Hence overall Maximum Remuneration Under Section 198 of The Companies Act.	NIL	NIL
Actual Remuneration Paid	0.28	0.40
Commission payable @ 1% of profit	NIL	NIL

10) AUDITORS REMUNERATION:

	2013-14	2012-13
Audit Fees	70,000	6,50,000
Tax Audit	30,000	50,000
<b>Total (Rs.)</b>	<b>1,00,000</b>	<b>7,00,000</b>

11) EMPLOYEE BENEFITS

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

(A) **Defined contribution plans**

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

The provident fund and the employees state insurance are operated by the Regional Provident Fund Commissioner and Maharashtra Labour Welfare Fund is operated by Commissioner of Maharashtra Labour Welfare Board. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities.

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

	<u>Year ended 31<sup>st</sup> March, 2014</u>
(i) Contribution to Provident Fund	Rs. 9,53,142
(ii) Contribution to Employee's State Insurance Scheme	Rs. 1,69,424
(iii) Contribution to Maharashtra Labour Welfare Fund	Rs. 3,600

**(B) Defined Benefit Plans**

a. Gratuity	Rs. 1,220
b. Leave Encashment	Rs. 3,715

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

	<b>Gratuity</b>	<b>Leave Encashment</b>
(i) Changes in present Value of Obligation		
❖ Present value of Obligation as at 1 <sup>st</sup> April 2013	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 <sup>st</sup> March, 2014	<b>17,78,060</b>	<b>1,98,207</b>
(ii) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets		
❖ Present value of Unfunded Obligation as at 31 <sup>st</sup> March, 2014	<b>(17,78,060)</b>	<b>(1,98,207)</b>
❖ Unrecognized Past Service Cost	NIL	NIL
❖ Unrecognized Actuarial (Gain) / Loss	NIL	NIL
❖ Unfunded Net Liability recognised in the Balance Sheet	<b>(17,78,060)</b>	<b>(1,98,207)</b>
(iii) Amounts recognised in the Balance Sheet		
❖ Present Value of Obligation as at 31 <sup>st</sup> March 2014	<b>(17,78,060)</b>	<b>(1,98,207)</b>
❖ Fair value of Plan Assets as at 31 <sup>st</sup> March 2014	NIL	NIL
❖ (Asset)/ Liability recognized in the Balance Sheet	<b>(17,78,060)</b>	<b>(1,98,207)</b>
(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	<b>7,07,850</b>	<b>57,003</b>
(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.

<b>PRIMARY SEGMENT</b>					
<b>Geographic Segment</b>					
	<b>INDIA</b>	<b>MAURITIUS</b>	<b>UAE</b>	<b>OTHERS</b>	<b>TOTAL</b>
Revenue	141.03	NIL	NIL	1,200.31	1,341.34
	(94.88)	(NIL)	(NIL)	(691.34)	(786.21)
Identified Operating Expenses	125.07	NIL	NIL	1,064.48	1,189.56
	(62.47)	(NIL)	(NIL)	(455.20)	(517.66)
<b>SEGMENT RESULTS</b>	<b>15.96</b>	<b>N I L</b>	<b>N I L</b>	<b>135.83</b>	<b>151.79</b>
	<b>(32.41)</b>	<b>(N I L)</b>	<b>(NIL)</b>	<b>(236.14)</b>	<b>(268.55)</b>
Unallocable Operating Expenses					453.16
					(286.00)
Interest & Finance charges					27.29
					(576.78)
Depreciation					14.94
					(17.47)
Interest Income					0.15
					(0.29)
Other Income					7.69
					(107.29)
Profit Before Tax					<b>(335.76)</b>
					<b>(-504.13)</b>
Tax					NIL
					NIL
Profit After Tax					<b>(335.76)</b>
					<b>(-504.13)</b>

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

**(B) SEGMENT ASSETS**

	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Segment Assets	8,080.43	1,093.84	236.41	279.06	9,689.73
	(9,561.38)	(1,093.84)	(237.00)	(609.59)	(11,501.82)
Unallocable Assets					4,714.48
					(4,603.46)
<b>Total Assets</b>					<b>14,404.21</b>
					(16,105.28)

**(C) SEGMENT LIABILITIES**

	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Segment Liabilities	2,062.60	NIL	NIL	24.45	2,087.06
	(2,455.84)	NIL	(0.0)	(33.06)	(2,488.91)
Unallocable Liabilities					5,014.17
					(5,977.63)
<b>Total Liabilities</b>					<b>7,101.23</b>
					(8,466.53)

**(D) SECONDARY SEGMENT**

	Business Segment	
	Revenue	Asset
	2013 - 14	2013 - 14
	Rs. (in lacs)	Rs. (in lacs)
Studded Jewellery	1,260.62	1,024.43
	(652.73)	(3,114.35)
Diamond	-	4,983.77
	-	(4,707.30)
Gold	3.86	3.86
	-	-
Others	76.86	10.48
	(133.48)	(12.98)
<b>TOTAL :-</b>	<b>1,341.34</b>	<b>6,022.54</b>
	<b>(786.21)</b>	<b>(7,834.63)</b>

**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	d) Promoter :
S B & T Designs Limited	S.B. & T. Gems Import Inc.
Mimansa Jewellery (P) Ltd.	
  - 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.

	2013 - 14		2012 - 13	
	Transaction	Closing Balance	Transaction	Closing Balance
<b>b) Sales (Rs. In Lacs) :</b>				
S B & T Designs Ltd.	3.86	—	—	—
Mimansa Jewellery (P) Ltd.	59.54	—	(140.44)	—
<b>c) Purchase (Rs. In Lacs):</b>				
Mimansa Jewellery (P) Ltd.	—	—	47.61	—
S B & T Designs Ltd.	42.81	—	469.65	—
<b>d) Loans taken (Rs. In Lacs):</b>				
Varij Sethi	48.00	202.11	—	154.11
Sethi Merchantile (P) Ltd.	—	100.00	—	100.00
S. K. Sethi	48.00	159.00	65	111.00
Arup Builders & Devpt. (P) Ltd.	10.00	182.02	15.00	177.02
Swel Jewels	20.27	4.14	67.00	0.81
		Dr. Bal.		
Jyoti Sethi	15.00	56.00	45.00	76.00
Kala Shah	—	33.50	—	33.50
<b>e) Loans Repaid ( Rs. In Lacs) :</b>				
S. K. Sethi	—	159.00	10.00	111.00
Varij Sethi	—	202.11	—	154.11

Sethi Merchantile (P) Ltd.	—	100.00	—	100.00
Arup Builders & Devpt. (P) Ltd.	5.00	182.02	—	177.02
Jyoti Sethi	35.00	56.00	—	76.00
Kala Shah	—	33.50	2.50	33.50
Swel Jewels	25.22	4.14.	87.41	0.81
		Dr. Bal		

**f) Loans Given (Rs. In Lacs) :**

S B & T Designs Ltd.	238.07	1548.14	437.01	1,319.62
		(Dr. Bal.)		(Dr. Bal.)
S B & T Holdings Ltd.	—	1650.89	102.30	1650.89
			(ERD)	

**h) Loans given received back (Rs. In Lacs) :**

S B & T Designs Ltd.	9.55	1548.14	45.38	1,319.62
		(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 :**

		(Rs. in Lacs)	
		<u>F. Y. 2013-14</u>	<u>F. Y. 2012-13</u>
A)*	Rent payable for 1 Year	NIL	17.30
	Rent payable for 1 to 5 Years	NIL	NIL
	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	NIL	17.30
	Lease Rental capitalized during the year	NIL	NIL

**15) EARNING PER SHARE (EPS):**

		2013-14	2012-13
(i)	Profit / (Loss) after tax and exceptional and extra ordinary item	(33,575,581)	(50,412,954)
(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. (1.99)	(2.99)

**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 31.03.2014	As At 31.03.2013
<b>Deferred Tax Liabilities:</b>			
	Difference between book and tax depreciation	NIL	NIL
		<b>NIL</b>	<b>NIL</b>
<b>Deferred Tax Assets:</b>			
	Expenses disallowed u/s 40A (7) of Income Tax Act 1961	NIL	NIL
	Expenses disallowed u/s 43 B of Income Tax Act, 1961	NIL	NIL
		NIL	NIL
	<b>Deferred Tax Asset / (Liability)</b>	<b>NIL</b>	<b>NIL</b>

17) In order to conserve resources, no dividend had been declared for the year 2013-14.

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, 2014 (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 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
i. Precious & Semi – precious, Studded gold jewelry and sales of Diamonds	Rs. 12,68,19,329	Rs. 6,52,73,220
<b>B. Closing Inventory:</b>		
i. Colour Stone	Rs. 1,94,32,755	1,95,00,560
ii. Diamonds	Rs. 3,40,69,682	3,38,40,272
iii. Gold	Rs. 1,41,67,601	1,36,16,266
iv. Silver	Rs. 1,35,418	39,066
v. Trade Sample	Rs. 54,95,621	1,10,11,907
vi. Trading Goods	Rs. 5,43,226	5,43,226
<b>C. Opening Inventory:</b>		
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. Silver	Rs. 39,066	NIL
v. Trade Sample	Rs. 1,10,11,907	1,10,11,907
vi. 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	NIL	NIL	130	0.01
ii Indigenous	10,21,923	100.00	16,69,169	99.99
<b>Total</b>	<b>10,21,923</b>	<b>100.00</b>	<b>16,69,299</b>	<b>100.00</b>

**II Raw Materials :**

	Current Year		Previous Year	
	Value	(%)	Value	(%)
i Imported	11,22,19,974	0.00	NIL	0
ii Indigenous	75,68,195	100.00	5,17,66,474	100
<b>Total</b>	<b>11,97,88,169</b>	<b>100.00</b>	<b>5,17,66,474</b>	<b>100.00</b>

<b>4 Earning in Foreign Exchange :</b>	<b>Current Year</b>	<b>Previous Year</b>
i. Export of Goods (At F.O.B.)	<u>11,90,23,533</u>	<u>6,25,12,235</u>
	<b><u>11,90,23,533</u></b>	<b><u>6,25,12,235</u></b>
<b>5 Expenditure in Foreign Currency :</b>		
i. Foreign Traveling	<u>NIL</u>	<u>NIL</u>
	<b><u>NIL</u></b>	<b><u>NIL</u></b>

**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	:	1,459,215
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.

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**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: 4th September, 2014**





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**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	3/31/2014	3/31/2014	3/31/2014
(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, 2014 amounted to -			
(i) for the Subsidiaries financial year ended as in (A) above	USD ( NIL)	INR (3,09,30,200)	INR (25,46,061)
(ii) for the previous financial years of the Subsidiaries since they became the Holding Company's Subsidiary	USD ( NIL)	INR (4,80,22,746)	INR (1,15,73,612)
(b) Dealt with in the accounts of S.B. & T International Limited for the year ended 31.03.2014 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

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**By Order of the Board of Directors**
**SURENDRA KUMAR SETHI**  
**Chairman**
**VARIJ SETHI**  
**Managing Director**
**Place : Mumbai**  
**Date : 4th September, 2014**

## **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 31<sup>st</sup> March, 2014 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 31<sup>st</sup> March, 2014 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. 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, 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 31<sup>st</sup> March, 2014,
  - 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: 4<sup>th</sup> September, 2014**

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

	NOTES	As at 31/03/2014	(Amount in Rs.) As at 31/03/2013
<b>I. EQUITY AND LIABILITIES</b>			
(1) SHARE HOLDERS' FUNDS :			
(a) Share Capital	1	168,500,000	168,500,000
(b) Reserves and Surplus	2	399,339,783	465,895,103
		<b>567,839,783</b>	<b>634,395,103</b>
(2) NON-CURRENT LIABILITIES :			
(a) Long-Term Borrowings	3	75,688,281	62,113,873
(b) Long Term Provisison	4	4,303,539	4,360,539
		<b>79,991,820</b>	<b>66,474,412</b>
(3) CURRENT LIABILITIES :			
(a) Short Term Borrowings	5	538,901,979	536,586,133
(b) Trade Payable	6	242,560,249	391,949,195
(c) Other Current Liabilites	7	174,699,802	289,035,710
		<b>956,162,029</b>	<b>1,217,571,037</b>
<b>TOTAL</b>		<b>1,603,993,633</b>	<b>1,918,440,552</b>
<b>II ASSETS</b>			
1 NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	8	59,970,600	67,029,313
(ii) Capital Work-in-progress		396,000	396,000
(iii) Goodwill (On Consolidation)		7,160,076	116,544,104
(b) Non Current Investment	9	186,694,028	77,310,000
(c) Deferred Tax	10	399,984	395,603
(d) Long-Term Loans And Advances	11	6,684,721	6,727,726
		<b>261,305,409</b>	<b>268,402,745</b>
2 CURRENT ASSETS			
(a) Inventories	12	253,725,637	261,213,944
(b) Trade Receivable	13	832,351,804	1,121,002,927
(c) Cash And Bank Equivalentents	14	14,621,860	14,122,946
(d) Short Term Loans And Advances	15	241,794,892	253,402,457
(e) Other Current Assets	16	194,033	295,533
		<b>1,342,688,224</b>	<b>1,650,037,807</b>
<b>TOTAL</b>		<b>1,603,993,633</b>	<b>1,918,440,552</b>

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: 4th September, 2014

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, 2014**

	Note No.	2013 - 14	(Amount in Rs.) 2012 - 13
<b>I REVENUE :</b>			
(a) Revenue From Operations	PL - 1		
(i) Sale Of Products		120,376,120	174,377,261
(ii) Sale Of Services		11,315,279	17,074,107
(b) Other Income	PL - 2	930,369	12,651,129
Total Revenue (a+b)		<b>132,621,768</b>	<b>204,102,497</b>
<b>II EXPENSES</b>			
(a) Cost Of Material Consumed	PL - 3	112,018,317	151,438,925
(b) Employee Benefits Expenses	PL - 4	27,393,522	33,715,699
(c) Finance Costs	PL - 5	2,748,704	89,935,432
(d) Depreciation And Amortization Expenses	Note 8	7,141,904	8,240,734
(e) Other Expenses	PL - 6	50,354,624	30,778,940
		<b>199,657,071</b>	<b>314,109,729</b>
<b>Profit for the year before tax, exceptional item &amp; prior period adjustments</b>		<b>(67,035,303)</b>	<b>(110,007,232)</b>
Prior Period adjustments		-	-
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>(67,035,303)</b>	<b>(110,007,232)</b>
<b>Provision for Tax</b>			
Current Tax		-	-
Deferred Tax		4,381	(2,080)
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>(67,030,922)</b>	<b>(110,009,312)</b>
Earning Per Share (Face value of Shares of Rs. 10/- each)			
Basic / Diluted (Refer Note D (4) to Schedule 17)		(3.98)	(6.53)
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: 4th September, 2014

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, 2014

	<b>31.3.2014</b> <b>(Rs.)</b>	<b>31.3.2013</b> <b>(Rs.)</b>
<b>A. Cash flow from Operating Activities</b>		
Net Profit Before Tax, Extra-ordinary and Prior Period Items	(67,035,303)	(110,007,232)
<b>Adjustments for :</b>		
Depreciation	7,141,904	8,240,734
Non Cash (income)/expenses	(57,000)	(12,621,592)
Interest Expense (Net)	2,748,704	89,935,431
Other Interest received	(126,099)	(113,419)
Operating Profit before Working Capital Changes	<b>(57,327,794)</b>	<b>(24,566,078)</b>
<b>Adjustments for :</b>		
Current Assets	296,240,930	313,417,037
Current Liabilities	(151,438,621)	(375,265,327)
Cash generated from Operations	87,474,515	(86,414,368)
Tax adjustment	151,503	2,081
<b>Net Cash Flow from / (used) Operating Activities</b>	<b>87,626,018</b>	<b>(86,412,287)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(759,093)	(226,573)
Interest received	126,099	113,419
<b>Net Cash from / (used) in Investing Activities</b>	<b>(632,994)</b>	<b>(113,154)</b>
<b>C. Cash Flow from Financing Activities</b>		
Inter Corporate Deposit Taken (Net of Repayment)	(16,872,391)	(1,272,950)
Receipt from Related Party for Loans & Advances	43,005	1,608,747
Bank Borrowings	2,315,846	23,479,313
Other Borrowings (Net)	11,607,565	(47,355,083)
Receipt / (Repayment) of Loan from Director	13,574,408	(4,898,697)
Temporary Overdraft from Bank	(94,413,841)	74,572,614
Interest Paid	(2,748,704)	(26,163,269)
<b>D. Net Cash from / (used) in Financing Activities</b>	<b>(86,494,112)</b>	<b>19,970,675</b>
Effect of Foreign Currency Translation Reserve	-	68,845,033
Net Increase in Cash and Cash Equivalents	498,912	2,290,267
Opening Balance of Cash and Cash Equivalents	14,122,947	11,832,680
Closing Balance of Cash and Cash Equivalents	<b>14,621,859</b>	<b>14,122,947</b>
<b>E. Cash &amp; Cash Equivalents Comprises-</b>		
Cash in hand	13,428,745	13,094,538
<b>Balance with Schedule Bank</b>		
- Current Accounts	967,138	966,617
- Deposit Accounts	-	20,000
<b>Balance with other Bank</b>		
- Current Accounts	225,976	41,792
- Deposit Accounts	-	-
	<b>14,621,859</b>	<b>14,122,947</b>

As per our attached report on even date

For M. M. Dubey & Co.  
Chartered Accountants

M. M. Dubey  
Proprietor

Place: Mumbai  
Date: 4th September, 2014

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**

	<b>As at 31.03.2014 (Rs.)</b>	<b>As at 31.03.2013 (Rs.)</b>
<b>NOTE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised:</b>		
20,000,000 (P.Y. 20,000,000) Equity Shares of Rs.10/- each	200,000,000	200,000,000
	<b>200,000,000</b>	<b>200,000,000</b>
<b>Issued, subscribed and paid-up Capital :</b>		
Equity Share Capital		
16,850,000 (16,850,000) Equity shares of Rs.10/- each fully paid-up	168,500,000	168,500,000
	<b>168,500,000</b>	<b>168,500,000</b>
<b>NOTE 2</b>		
<b>RESERVES AND SURPLUS</b>		
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	82,761,798	192,771,110
Foreign Currency Translationa reserve	436,790	(12,399,657)
Surplus in Profit and Loss Account	(79,391,765)	(110,009,312)
	<b>399,339,783</b>	<b>465,895,103</b>
<b>NOTE 3</b>		
<b>LONG-TERM BORROWINGS</b>		
Loan from Directors and relatives parties (Interest Free)	75,688,281	62,113,873
	<b>75,688,281</b>	<b>62,113,873</b>
<b>NOTE 4</b>		
<b>LONG-TERM PROVISIONS</b>		
Provision for Gratuity	3,758,160	3,779,160
Provision for Leave Salary/Encashment	545,379	581,379
	<b>4,303,539</b>	<b>4,360,539</b>
<b>NOTE 5</b>		
<b>SHORT-TERM BORROWINGS</b>		
From Banks	538,901,979	536,586,133
(Secured against hypothecation of Stock and Book Debts)		
Loan-Shareholder/Director/Company under same management	-	-
	<b>538,901,979</b>	<b>536,586,133</b>
<b>NOTE 6</b>		
<b>TRADE PAYABLES</b>		
Sundry Creditors :		
For Goods	214,622,847	366,061,234
For Capital Goods	364,462	2,001,718
For Expenses	27,572,940	23,886,243
	<b>242,560,249</b>	<b>391,949,195</b>

	<b>As at 31.03.2014 (Rs.)</b>	<b>As at 31.03.2013 (Rs.)</b>
<b>NOTE 7</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Fixed Deposits from Public	50,000	50,000
[Amount repayable within one year Rs. 50,000/- (P.Y. Rs. 50,000/-)]		
Interest accrued on Fixed deposits from Public	50,195	50,195
Unclaimed Dividend	766,273	766,273
Unpaid Dividend	10,628,189	10,628,189
TDS Payable	(27,922)	108,211
Provision for Income Tax	21,416,249	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	18,220,434	35,092,825
Provision for Bank Interest	80,973,075	80,973,075
Temporary Overdraft from Bank	7,930,180	102,344,021
Advance From Parties - Interest Free	32,095,163	34,008,705
	<b>174,699,802</b>	<b>289,035,710</b>

**NOTE 8**  
**FIXED ASSETS**

Sr. No.	Particulars	Gross Block					Depreciation					Net Block	
		As on 01-04-13	Additions during the Year	Adjustment	Deductions during the Year	As on 31-03-14	As on 01-04-13	For the year	Deductions during the Year	Adjustment	As on 31-03-14	As on 31-03-14	As on 31-03-13
1	Land (Lease hold)	12,183,614	-	-	-	12,183,614	1,048,061	131,008	-	-	1,179,069	11,004,545	11,135,553
2	Office Premises	3,630,000	-	-	-	3,630,000	2,410,028	60,999	-	-	2,471,026	1,158,974	1,219,972
3	Residential Flat	1,828,620	-	-	-	1,828,620	1,006,726	41,095	-	-	1,047,821	780,799	821,894
4	Factory Building	56,018,565	-	-	-	56,018,565	29,685,367	2,633,320	-	-	32,318,687	23,699,878	26,333,198
5	Plant & Machinery	57,132,157	413,026	-	257,830	57,287,353	42,812,848	2,001,945	-	41,194	44,773,598	12,513,754	14,319,309
6	Furniture, Fixtures & Fittings	34,617,403	-	-	26,779	34,590,624	27,743,010	1,244,002	-	10,996	28,976,016	5,614,608	6,874,393
7	Equipments	15,986,336	346,067	-	583,045	15,749,358	10,449,920	784,892	-	145,846	11,088,966	4,660,392	5,536,416
8	Vehicles	5,704,140	-	-	-	5,704,140	5,204,627	129,324	-	-	5,333,951	370,189	499,513
9	Computer System	13,525,205	-	-	18,715	13,506,490	13,236,139	115,321	-	12,430	13,339,029	167,460	289,066
10	Website Cost	-	-	-	-	-	-	-	-	-	-	-	-
11	Trademark	-	-	-	-	-	-	-	-	-	-	-	-
12	Leasehold Business premises	-	-	-	-	-	-	-	-	-	-	-	-
13	Marketing Rights	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Current Year</b>	<b>200,626,039</b>	<b>759,093</b>	<b>-</b>	<b>886,369</b>	<b>200,498,763</b>	<b>133,596,726</b>	<b>7,141,904</b>	<b>-</b>	<b>210,467</b>	<b>140,528,164</b>	<b>59,970,599</b>	<b>67,029,313</b>
	<b>Previous Year</b>	<b>19,544,867</b>	<b>854,599</b>	<b>-</b>	<b>-</b>	<b>200,399,466</b>	<b>115,688,390</b>	<b>9,581,890</b>	<b>-</b>	<b>-</b>	<b>125,270,280</b>	<b>75,129,186</b>	<b>-</b>

**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
<b>Unquoted</b> 3,00,000 Equity Shares of Rs 10/-each fully paid in Tanvin Trade Fin Private Limited	75,000,000	75,000,000



	<b>As at 31.03.2014 (Rs.)</b>	<b>As at 31.03.2013 (Rs.)</b>
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	-
6,54,958 Preference Shares of US\$1/- each fully paid up in S B & T Holding Limited (Mauritius)	29,703,478	-
	<b>186,694,028</b>	<b>77,310,000</b>
<b>NOTE 10</b>		
<b>DEFERRED TAX ASSETS (NET) :</b>		
<b>Deferred Tax Assets:</b>		
Opening Balance at the beginning of the year	395,603	397,683
Adjustment for the Year	4,381	(2,080)
Closign Balance at the end of the year	<b>399,984</b>	<b>395,603</b>
<b>NOTE 11</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
Deposits	6,684,721	6,727,726
	<b>6,684,721</b>	<b>6,727,726</b>
<b>NOTE 12</b>		
<b>INVENTORIES</b>		
(As valued and certified by the Management)		
Stock in Trade (At cost, unless otherwise stated)	593,778	593,778
Raw Materials	219,891,586	221,621,357
Trading Goods	543,226	543,226
Trade Samples	5,495,621	11,011,907
Finished Goods	27,201,426	27,443,676
	<b>253,725,637</b>	<b>261,213,944</b>
<b>NOTE 13</b>		
<b>TRADE RECEIVABLES</b>		
<b>(Unsecured, considered good)</b>		
Debtors outstanding for more than 6 months		
Debtors	934,043,875	1,435,328,009
Subsidiaries		
Other Debts Less Than 6 Months		
Debtors	(101,692,072)	(314,325,082)
Subsidiaries		
	<b>832,351,804</b>	<b>1,121,002,927</b>
<b>NOTE 14</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	13,428,745	13,094,538
Balances with Scheduled Banks :		
in Current Accounts	967,138	966,617
in Fixed Deposits towards Margin Money (More than 12 Months)	225,976	61,792
	<b>14,621,860</b>	<b>14,122,946</b>
<b>NOTE 15</b>		
<b>LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good)</b>		
Advances recoverable in cash or in kind or for value to be received	53,049,204	361,588,063
Income Tax / Advance Tax	21,195,918	21,356,879
VAT	2,460,369	1,919,672
Loans & Advances to related parties	165,089,401	(131,462,157)
	<b>241,794,892</b>	<b>253,402,457</b>

	<b>2013 - 14</b>	<b>2012 - 13</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
<b>NOTE 16</b>		
<b>OTHER CURRENT ASSETS</b>		
Prepaid Expenses	194,033	295,533
	<b>194,033</b>	<b>295,533</b>
<b>NOTES TO STATEMENT OF PROFIT AND LOSS</b>		
<b>REVENUE FROM OPERATIONS</b>		
a Sales Of Products	120,376,120	174,377,261
b Sales Of Services (Job Working Charges)	11,315,279	17,074,107
Net Revenue From Operatons	<b>131,691,399</b>	<b>191,451,368</b>
<b>NOTE PL - 2</b>		
<b>OTHER INCOME</b>		
Interest Income [T.D.S. Rs 3,408/- (P.Y. Rs.1,160/-)]	126,099	113,419
Interest on Income Tax Refund	-	-
Miscellaneous Income	304,097	271,825
Exchange Loss / (Exchange gain)	500,173	12,265,886
	<b>930,369</b>	<b>12,651,130</b>
<b>NOTE PL - 3</b>		
<b>MATERIAL COSTS AND INVENTORY ADJUSTMENT</b>		
Raw Materials :		
Opening Stock	232,633,264	296,733,830
Add : Purchases (including trading goods)	104,772,260	87,338,358
<b>Total (A)</b>	<b>337,405,524</b>	<b>384,072,188</b>
Less : Closing Stock		
Raw Materials	219,891,586	221,621,357
Trade Samples	5,495,621	11,011,907
<b>Total (B)</b>	<b>225,387,207</b>	<b>232,633,264</b>
<b>Consumption of Raw Material Total (A - B) (I)</b>	<b>112,018,317</b>	<b>151,438,925</b>
Trading Goods :		
Opening Stock	543,226	543,226
Less : Closing Stock	543,226	543,226
<b>(Increase) / Decrease in Stock (II)</b>	<b>-</b>	<b>-</b>
<b>Raw Material Consumed (I + II)</b>	<b>112,018,317</b>	<b>151,438,925</b>
<b>NOTE PL - 4</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Payment and Provision for Salaries and Wages	22,007,448	24,017,971
Payment and Provision for Bonus & Ex-gratia	207,932	1,865,529
Director's Remuneration	978,000	978,000
<b>CONTRIBUTION TO PROVIDENT AND OTHER FUNDS</b>		
Contribution To Provident Fund	2,963,038	3,319,502
Contribution To Employees State Ins. Fund	169,424	200,523
Contribution To Other Funds	3,600	3,744
Provision for Gratuity	423,459	853,020

	2013 - 14 (Rs.)	2012 - 13 (Rs.)
<b><u>OTHER EXPENSES</u></b>		
Welfare Expenses	526,506	1,220,407
Other Expenses	114,115	1,257,003
	<b>27,393,522</b>	<b>33,715,699</b>
<b>NOTE PL - 5</b>		
<b>FINANCIAL COST</b>		
Interest	2,595,299	89,425,494
Bank Charges and Other Financial Charges	153,405	509,937
	<b>2,748,704</b>	<b>89,935,431</b>
<b>NOTE PL - 6</b>		
<b>OTHER EXPENSES</b>		
<b>MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES</b>		
Stores, Spares and Rubber Moulds :		
Opening Stock	212,699	212,699
Add : Purchases	1,644,133	2,931,134
Less : Closing Stock	212,699	212,699
Consumption	1,644,133	2,931,134
Director's Sitting Fees	58,000	70,000
Security Expenses	684,211	552,429
Auditor's Remuneration	250,000	1,170,000
Brokerage	-	10,000
Freight and Forwarding Expenses	762,208	648,717
Insurance	229,779	647,565
Legal and Professional Fees	2,832,392	3,687,404
Contract Labour Charges	58,045	205,330
Lease Rent	2,650,772	1,902,384
Marketing and Sales Promotion Expenses	900,617	850,570
Miscellaneous Expenses	29,683,224	1,028,304
Postage and Communication Expenses	502,857	605,037
Power and Fuel Expenses	5,167,214	6,817,288
Rates, Taxes and License Fees	1,415,479	1,818,005
<b><u>Repairs and Maintenance, Service &amp; AMC Charges:</u></b>		
Plant and Machinery and Equipments	36,450	45,750
Others/AMC Charges	92,206	65,181
Other Maintenance and Service Charges	2,448,338	6,318,846
Travelling and Conveyance	746,391	1,088,544
Vehicle Expenses	192,308	312,051
Packing Material	-	4,400
	<b>50,354,624</b>	<b>30,778,940</b>

**SCHEDULE – 17 :****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2013-14.****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, 2014.
- 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: -

<b>Name of the Subsidiary Company</b>	<b>Country of Incorporation</b>	<b>% of Ownership as on 31.03.2014.</b>
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
  - 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 and hence not provide for.
  - c. Company does not have any contingent liability towards Income tax dues. 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. MANAGERIAL REMUNERATION IN THE PARENT COMPANY:

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

	(Rs. in Lacs)	
	2013 - 14	2012 - 13
i. <b><u>Salary / Remuneration</u></b>		
Shrance Sethi	9.78	9.78
ii. <b><u>Sitting Fees</u></b>		
Sunil Bharjatiya	0.14	0.20
Ravi Khubchandani	0.00	0.16
Shrance Sethi	0.14	0.04
iii. <b><u>Contribution to Provident Fund</u></b>		
Shrance Sethi	0.70	0.70
	<b>10.76</b>	<b>10.88</b>

**4. EARNING PER SHARE (EPS):**

	<b>2013 – 14</b>	<b>2012 – 13</b>
(i) Profit / (Loss) after tax and before exceptional Items	(6,70,30,922)	(11,00,09,312))
Profit / (Loss) after tax and after exceptional Items	(6,70,30,922)	(11,00,09,312)
(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. (3.98)	(6.53)
(vi) Basic / Diluted Earnings per Ordinary Share after Exceptional Items	Rs. (3.98)	(6.53)

**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.

<b>Deferred Tax Asset / (Liability)</b>	<b>As At 31.03.2014</b>	<b>As At 31.03.2013</b>
<b>Deferred Tax Liabilities:</b>		
Difference between Book and Tax WDV	5.06	5.10
Expenses allowed u/s 40 (a) (ia) of Income Tax Act, 1961	NIL	NIL
	<b>(A) 5.06</b>	<b>5.10</b>
<b>Deferred Tax Assets:</b>		
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 Act, 1961	3.48	3.48
Expenses disallowed u/s 43 B of Income Tax Act, 1961	5.57	5.57
	<b>(B) 9.05</b>	<b>9.05</b>
<b>Deferred Tax Assets/(Liability) (net)</b>	<b>(A-B) 3.99</b>	<b>3.95</b>

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

<b>PRIMARY SEGMENT</b>					
<b>Geographic Segment</b>					
	<b>INDIA</b>	<b>MAURITIUS</b>	<b>UAE</b>	<b>OTHERS</b>	<b>TOTAL</b>
Revenue	76.40	NIL	NIL	1,240.51	1,316.91
	(819.64)	(NIL)	NIL	(1,094.87)	(1,914.51)
Identified Operating Expenses	64.99	NIL	NIL	1,055.19	1,120.18
	(648.34)	(NIL)	NIL	(866.05)	(1,514.39)
<b>SEGMENT RESULTS</b>	<b>11.41</b>	<b>N I L</b>	<b>NIL</b>	<b>185.32</b>	<b>196.73</b>
	<b>(171.29)</b>	<b>(N I L)</b>	<b>(NIL)</b>	<b>(228.82)</b>	<b>(400.12)</b>
Unallocable Operating Expenses					777.48
					(644.95)
Interest & Finance charges					27.49
					(899.35)
Depreciation					71.42
					(82.41)
Interest Income					1.26
					(1.13)
Other Income					8.04
					(125.37)
Profit Before Tax					<b>(670.35)</b>
					<b>(-1,100.07)</b>
Tax					0.04
					(-0.02)
Profit After Tax					<b>(670.31)</b>
					<b>(-1,100.07)</b>

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

**(B)**

	<b>INDIA</b>	<b>MAURITIUS</b>	<b>UAE</b>	<b>OTHERS</b>	<b>TOTAL</b>
Segment Assets	15,899.55	NIL	NIL	NIL	15,899.55
	(14,565.16)	(NIL)	(NIL)	(NIL)	(14,565.16)
Unallocable Assets					71.60
					(1,165.44)
Total Assets					15,971.15
					(15,730.60)



(C)

	INDIA	MAURITIUS	UAE	OTHERS	TOTAL
Segment Liabilities	11,646.77	NIL	NIL	NIL	11,646.77
	(12,840.45)	(NIL)	(NIL)	(NIL)	(12,840.45)
Unallocable Liabilities	NIL	NIL	NIL	NIL	NIL
	(NIL)	(NIL)	(NIL)	(NIL)	NIL
Total Liabilities					11,646.77
					(12,840.45)

## 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.

(Rs. In Lacs)

	2013 – 14		2012 – 13	
	Transaction	Closing Balance	Transaction	Closing Balance
<b>b) Loans taken (Rs. In Lacs):</b>				
Varij Sethi	48.00	202.11	—	154.11
Sethi Merchantile (P) Ltd.	—	100.00	—	100.00
S. K. Sethi	48.00	159.00	65.00	111.00
Arup Builders Pvt. Ltd	10.00	182.02	15.00	177.02
Swel Jewels	20.27	4.14	67.00	0.81
		Dr. Bal.		
Jyoti Sethi	15.00	56.00	45.00	76.00
Kala Shah	—	33.50	—	33.50

**c) Loans Repaid ( Rs. In Lacs ) :**

S. K. Sethi	—	159.00	10.00	111.00
Varij Sethi	—	202.11	—	154.11
Sethi Merchantile (P) Ltd.	—	100.00	—	100.00
Arup Builders & Devpt. (P) Ltd.	5.00	182.02	—	177.02
Jyoti Sethi	35.00	56.00	—	76.00
Kala Shah	—	33.50	2.50	33.50
Swel Jewels	25.22	4.14	87.41	0.81
		Dr. Bal.		

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. NIL) on margin money kept with banks. Tax deducted at source Rs. NIL (P.Y. Rs. NIL)
- C) The Company does not owe any amount to small-scale industrial undertaking as on year end (P.Y. NIL).

**9. LEASES:**

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

	(Rs. in Lacs)	
	<u>F. Y. 2013-14</u>	<u>F. Y. 2012-13</u>
A)* Rent payable for 1 Year	NIL	17.30
Rent payable for 1 to 5 Years	NIL	NIL
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	NIL	17.30
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. 2013-14</u>	<u>F.Y. 2012-13</u>
A) *Rent payable for 1 year	NIL	17.30
Rent payable for 1 to 5 years	NIL	NIL
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	NIL	17.30
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- 10 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 : 4<sup>th</sup> September, 2014

## 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	(142,984,412)	417,328,815	417,328,815	-	8,300,801	(30,930,200)	-	(30,930,200)	-	INDIA
2	Mimansa Jewellery Pvt. Ltd.	INR	10,525,000	(7,571,250)	193,325,042	193,325,042	-	6,498,658	(2,550,442)	(4,381)	(2,546,061)	-	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: 4th September, 2014**

## NOTES

ATTENDANCE SLIP



INTERNATIONAL LIMITED

Registered Office: Yusuf Building, 1st Floor room No 15, Abdulrehman Street Mumbai -400003.
CIN: L36911MH1986PLC041237

Please complete this Attendance Slip and hand it over at the meeting hall. It helps us to make proper arrangements. Failure to bring this Attendance Slip will cause unnecessary inconvenience to you. Please write below

Name of the member:
Registered Folio No.:
Client ID No.:
(Please write your name in BLOCK Letters)
No. of Shares held:
DP ID No.:

I hereby record my presence at the 27th ANNUAL GENERAL MEETING of the Company scheduled to be held at LNM IMC BUILDING TRUST, IMC BUILDING, IMC MARG, CHARCHGATE, MUMBAI – 400 020 on Tuesday, 30th September, 2014 at 10.00 AM.

Members/Proxy's Signature
(To be signed at the time of handing over this slip)

NOTES:

- 1. Members/Proxy holders are requested to bring their copy of the Annual Report with them at the meeting.
2. Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the meeting hall.

Form No. MGT-11



PROXY FORM
INTERNATIONAL LIMITED

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies Management and Administration) Rules, 2014]
CIN: L36911MH1986PLC041237

Registered office: Yusuf Building 1st Floor room No 15, Abdulrehman Street Mumbai 400003 Maharashtra India

Name of the member (s):
Registered address:
E-mail Id: Folio No/ Client Id: DP ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

- 1. Name : Address : E-mail Id : Signature : or failing him
2. Name : Address : E-mail Id : Signature : or failing him
3. Name : Address : E-mail Id : Signature : or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the company, to be held on Tuesday, 30th day of September, 2014 at 10.00 a.m. at LNM IMC BUILDING TRUST, IMC BUILDING, IMC MARG, CHURCHGATE, MUMBAI – 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

- 1. Adoption of Audited Statement of Profit & Loss, Balance Sheet, Report of Board of Directors and Auditors for year ended 31st March, 2014.
2. Re-appointment of Mr. Surendra Kumar Sethi as a Managing Director of the Company.
3. Appointment of Auditors.
4. Re-appointment Mr. Varij Sethi as Managing Director of the Company.
5. Re-appointment of Mr. Surendrakumar Sethi, as Chairman and Managing Director of the Company.
6. Appointment of Ms. Rakhi Jain as a Director of the company.
7. Re-appointment of Mr. Sunilkumar Manakchandra Barjatiya as an Independent Director of the Company.
8. Re-appointment of Mr. Shrance Sethi as an Independent Director of the Company.

Signed this..... day of..... 2014

Affix a One Rupee Revenue Stamp

Signature of shareholder Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.