

NOTICE CONVENING TWENTY FOURTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the TWENTY FOURTH ANNUAL GENERAL MEETING of the Company will be held at Lakshminarayanan Hall, Hotel Ganga, No. 16, Officers Line, Vellore 632 101 on Saturday, the 29th September 2012 at 11.00 a.m. to transact the following business:-

ORDINARY BUSINESS

01. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and Profit and Loss Account for the year ended on that date together with the report of Directors and Auditors thereon.
02. To appoint a Director in place of Mr S Krishnan who retires by rotation in terms of the Articles of Association of the Company and being eligible offers himself for re-appointment.
03. To appoint a Director in place of Mr Rajen K Desai who retires by rotation in terms of the Articles of Association of the Company and being eligible offers himself for re-appointment.
04. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and fix up their remuneration. M/s. J V Ramanujam & Co, Chartered Accountants, the retiring Auditors are eligible for re-appointment.

Notes :-

01. A Member entitled to attend and vote at the meeting shall be entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy in order to be valid, shall be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
02. The Register of Members and Share Transfer Books of the Company will remain closed from 16/09/2012 to 29/09/2012 (both days inclusive).
03. Members are requested to notify immediately any change in their address.

By order of the Board

Place : Mumbai

KANNAN A YADAV

Date: 30th May 2012 **MANAGING DIRECTOR & CEO**

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

S.No.	Particulars	S Krishnan	Rajen K Desai
01.	Date of Birth	02/09/1962	29/09/1949
02.	Date of appointment	17/10/1998	22/03/1996
03.	Qualifications	B.Sc, A.C.A., A.C.S.	B.Com
04.	Expertise in specific functional	A graduate in Physics from University of Madras. Has over two decades of varied experience in Industry comprising of automobile, leather footwear and pharmaceuticals.	A first generation industrialist and is well conversant in the field of bulk drug manufacturing and having expertise in analyzing financial data.
05.	Directorships held in other Public Companies (including Foreign Companies)	NIL	2
06.	Memberships/Chairmanships of Committees of other public Companies (include only Audit and Shareholders/ Investors Grievance Committee)	NIL	NIL
07.	No. of shares held in the Company	NIL	3,14,900

DIRECTORS REPORT

The Members,
NB FOOTWEAR LIMITED

Dear Sirs,

The Directors are pleased to present their TWENTY FOURTH ANNUAL REPORT together with the audited Annual Accounts for the year ended 31st March 2012.

01. FINANCIAL RESULTS

The financial results for the year ended 31st March 2012 are given below :-

S.No	Description	2011-2012	2010-2011
		(Rs. in lakhs)	
01.	Turnover/ Income	0.00	0.00
02.	Operating Loss		
03.	Profit/(Loss) before exceptional and extraordinary items	22.32	(42.66)
04.	Extraordinary items	0.00	0.00
06.	Net Profit/(Loss)	22.32	(42.66)

02. PERFORMANCE

There was no manufacturing activity during the year under review. The operations have resulted in a net profit of Rs. 22.32 lakhs

03. OUTLOOK

As you are aware, the operations of the Company have been discontinued in 2001. The Company is exploring various options.

04. DIRECTORS

Mr S Krishnan and Mr Rajen K Desai, Directors retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

05. AUDITORS

M/s. J V Ramanujam & Co., Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

06. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND ADAPTATION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details relating to conservation of energy, technology absorption and adaptation and foreign exchange earnings

and outgo for the year ended 31st March 2012 as required under Section 217(1)(e) of the Companies Act, 1956 are NIL.

07. DEPOSITS

The Company has not accepted any deposits from the public during the year under report.

08. EMPLOYEES

There are no employees who were in receipt of the remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and hence annexure as per the Section 217(2A) is not attached.

09. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that they have -

- Followed the applicable accounting standards in the preparation of accounts;
- Selected such accounting policies and applied them consistently and made judgement and estimates that were 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 year and profit or loss of the Company for the year under review;
- 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 detecting fraud and other irregularities;
- Prepared the accounts for the financial year on a 'going concern' basis.

10. CASH FLOW STATEMENT

As required by Clause 32 of the Listing Agreement, Cash Flow Statement for the year ended 31st March 2012 is enclosed.

11. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance with Auditors Certificate on compliance of conditions of Corporate Governance and a Management Discussion and Analysis Report have been attached to form part of the report.

For and on behalf of the Board

Place : Mumbai

Date : 30th May 2012

KANNAN A YADAV

MANAGING DIRECTOR & CEO

REPORT ON CORPORATE GOVERNANCE

01) Philosophy on Code of Governance

The cornerstone of the philosophy of Corporate Governance adopted by your Board has at all times been based on integrity, transparency and fairness in all its dealings. The Company will continue to seek enhancement of shareholder value within the framework of business ethics, regulatory compliances and contribution to society.

02) Board of Directors

The Board comprises of the following Directors as on 31st March 2012

S.No.	Name of the Director	Category
01.	Mr. Rajen K. Desai	Promoter Director
02.	Mr. Kannan A.Yadav	Managing Director
03.	Mr. Sudhakar Shetty	Non-Executive Independent Director
04.	Mr. S.Krishnan	-do-
05.	Mr. Gregory Pereira	-do-
06.	Mr. A.S.Chowdri	-do-
07.	Mr. A.L.Prasad	-do-

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

3) Details of Attendance at Board Meetings and Annual General Meeting (AGM) and details of memberships in other Boards and Committees.

The Board met Five times during the financial year on 30/05/11, 15/7/11, 29/7/11, 31/10/11 & 30/1/2012

Name of the Director	Category	No.of Board meetings attended	Whether attended last AGM	Membership in other Boards	Membership in other committees
Mr. Rajen K. Desai	Chairman	4	No	3	1
Mr.Kannan A.Yadav	Director	5	Yes	2	1
Mr.Sudhakar Shetty	Director	4	No	1	1
Mr. S.Krishnan	Director	1	Yes	1	1
Mr.Gregory Pereira	Director	4	No	1	1
Mr. A.S.Chowdri	Director	Nil	No	Nil	Nil
Mr. A.L.Prasad	Director	Nil	No	Nil	Nil

4) Audit Committee

i) Brief description of terms of reference

- (a) Oversight of the Company's financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- (b) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services
- (c) Reviewing with the management annual financial statements before submission to the Board.

- (d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- (e) Reviewing the adequacy of internal audit function, including the structure of internal audit department.
- (f) Discussion with internal auditors any significant findings and follow up thereon.
- (g) Reviewing the findings of any internal investigations by the 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.
- (h) Discussions with external auditors before the audit commences on the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- (i) Reviewing the Company's financial and risk management policies.
- (j) 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.

ii) Composition, Name of Members and Chairperson of the Audit Committee

The Company has an Audit Committee of the Board comprising of 3 Members. The Committee held 4 meetings during the year on 30/05/2011, 29/07/2011, 31/10/2011 and 30/01/2012.

Name of the Member	Designation	No. of Meetings attended
Mr. Kannan A Yadav	Chairman (Independent)	3
Mr. Sudhakar Shetty	Member (Independent)	3
Mr. Gregory Pereira	Member (Independent)	3

5) Remuneration Committee

No remuneration was paid to any Director during the year. Hence, the need for constitution of Remuneration Committee does not arise.

6) Share Transfer / Investors Grievance Committee

The Share Transfer/Investor Grievance Committee consists of Mr Rajen K Desai, Mr S Krishnan and Mr Kannan A Yadav. The Committee is authorize to approve the transfers/transmissions once in a fortnight and to look into grievances of shareholders.

Name of the Non-Executive Director heading the Share Transfer/Investor Grievance Committee : Mr Rajen K Desai.

Name and designation of the Compliance Officer : Mr C Ramakrishnan, Chief Financial Officer.

Requests for dematerialization are confirmed on a daily basis.

During the year there were no complaints received from the shareholders and there are no pending investor grievances as on 31/03/2012.

7) General Body Meetings

a) The last three Annual General Meetings were held as under :

Date of AGM	Time	Venue
30/09/2011	11.00 a.m.	Lakshminarayan Hall, Hotel Ganga, 16, Officers Line, Vellore 632 101
30/09/2010	11.00 a.m.	-do-
30/09/2009	11.00 a.m.	-do-

b) Postal Ballot

During the year, one Postal Ballot was conducted as detailed below :-

Special Resolution under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 was passed on 30th September 2011 to sell, lease, transfer and/or otherwise dispose of the whole or any part of the Company undertaking comprising of the entire land, building, Plant and Machinery and all other movable and immovable assets located at the Company's factory at No. 63, Seduvalai, Virijiniapuram Post, Vellore District 632 104 or any part of the assets and liabilities as a going concern Mr V Gopalswamy, Practising Chartered Accountant was appointed as Scrutinizer to conduct the postal ballot voting process. For the postal ballot, the procedure laid down by Section 192A of the Companies Act, 1956 and the rules made thereunder were followed. The special resolution was approved by the shareholders unanimously. Particulars of the postal ballot voting are as under :-

S.No	Particulars	Result of Postal Ballot	
		No. of Postal Ballots	No. of Votes
1.	Total Postal Ballot Forms received	16	1,06,14,500
2.	Total valid Postal Ballot Forms received	16	1,06,14,500
3.	Total votes in favour	16	1,06,14,500
4.	Percentage (3/2)	100	100.00%
5.	Total votes against	0	0.00
6.	Percentage (5/2)	0.00%	0.00%
7.	Invalid Postal Ballots/ Votes	Nil	Nil

8) Disclosures

- During the year, the Company had not entered into any transaction of material nature with any of the promoters, directors or the management, subsidiaries or relatives etc., which may have potential conflict with the interests of Company at large.
- There was no instance of non-compliance by the company or any matters relating to the capital market nor was there any penalty/strictures imposed by the Stock Exchanges or SEBI or any other statutory authorities during the last three years.
- The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about

unethical behaviour. No person has been denied access to the Audit Committee

- No different treatment other than prescribed in the Accounting Standard has been followed.
- The Company has not entered into any transaction of material nature with any of the promoters, directors of the management, subsidiaries or relatives etc., which may have potential conflict with the interest of the Company at large.
- There are no pecuniary relationship of transactions of Non-Executive Directors vis-à-vis the Company in terms of Clause 49(iv)(e)(i) of the Listing Agreement. The Company has not granted any stock option to any Non-Executive Director in any financial year.
- None of the Executive Directors hold any shares/ convertible instruments.

9) Means of communication

The unaudited Quarterly results are published in "The Trinity Mirror" in English and "Makkal Kural" in Tamil. The Company does not have a website. The quarterly results and shareholding pattern are regularly sent to all the stock exchanges where the Company's shares are listed. The Management Discussion and Analysis Report form prt of Annual Report.

10) General Shareholder information

a) Annual General Meeting for 2012

Date : 29th September 2012

Time : 11.00 a.m.

Venue : Lakshminarayan Hall, Hotel Ganga, 16, Officers line, Vellore 632 101

b) Financial Calendar for 2012-2013

Unaudited results for the quarter ended 30 th June 2012	Last week of July 2012
Unaudited results for the quarter ended 30 th September 2012	Last week of October 2012
Unaudited results for the quarter ended 31 st December 2012	Last week of January 2013
Audited Financial Results for the year ended 31 st March 2013	Last week of May 2013

c) Book Closure Period

16th September 2012 to 29th September 2012

d) Listing on Stock Exchanges

- The Madras Stock Exchange Limited (MSE)
Second Line Beach, Chennai - 600 001

2. Bombay Stock Exchange Limited,
Floor 25, P J Towers,
Dalal Street,
Mumbai 400 001

3. The Vadodara Stock Exchange Limited
Fortune Towers,
Sajajigunj Vadodara 390 005

e) Listing

Annual Listing fees for 2012-2013 have been paid to all the stock exchanges where the shares are listed.

f) Stock code

MSE NB FOOT

BSE 523242

VSE 523242

g) Share Price Data

Following are the details of high and low share prices for the year ended 31st March 2011 on the Bombay Stock Exchange Limited

Month	Year	High (Rs.)	Low (Rs.)
April	2011	7.61	4.82
May	2011	4.81	4.57
June	2011	4.78	4.14
July	2011	4.75	4.33
August	2011	Nil	Nil
September	2011	4.12	4.12
October	2011	Nil	Nil
November	2011	Nil	Nil
December	2011	Nil	Nil
January	2012	3.92	3.92
February	2012	3.93	3.75
March	2012	4.12	4.12

h) Registrar and Transfer Agents.

The Company has appointed Cameo Corporate Services Limited as the agency for share registry in respect of Demat shares.

i) Share Transfer System

The power to approve transfer shares has been delegated by the Board to the Share Transfer Committee. Share transfer requests are processed within 15 days from the date of receipt.

j) DISTRIBUTION OF SHAREHOLDING AS OF 31st March 2012

CATEGORY (NO OF SHARES)	NO OF SHAREHOLDERS	PERCENTAGE	NO. OF SHARES	PERCENTAGE
UPTO 1000	3220	94.05	16,51,750	12.24
1001 - 2000	110	3.21	1,72,050	1.27
2001 - 3000	32	0.93	81,500	0.60
3001 - 4000	13	0.38	47,200	0.35
4001 - 5000	9	0.26	40,500	0.30
5001 - 10000	14	0.41	94,700	0.70
Above 10000	26	0.76	1,14,12,300	84.54
Total	3424	100.00	1,35,00,000	100.00

k) Pattern of Shareholding as on March 31, 2012

Category	No. of. Shares	%
Promoters Holdings	1,09,33,700	80.99
Corporate Bodies	1,25,236	0.93
Clearing Members	700	0.01
NRI	200	0.00
Indian Public	24,40,164	18.07
Total	1,35,00,000	100.00

l) Dematerialisation of Shares and liquidity

The Company has entered into the necessary agreement with CDSL for dematerialization of shares held by the investors.

Demat ISIN Number : INE0060F01018

Address for communication

Registered Office

87/84A, Mosque Street, Seduvalai Village,
VELLORE 632 104.

Share Transfer Agent

M/s. Cameo Corporate Services Limited,
'Subramanian Building' No.1, Club House Road, Chennai 600 002.

DECLARATION ON CODE OF CONDUCT

It is hereby affirmed that all the Board Members and Senior Management Personnel have complied with the Code of Conduct as per Clause 49(D)(i) of the Listing Agreement for the year ended 31st March 2012.

Place : Mumbai
Date : 30th May 2012

KANNAN A YADAV
Managing Director & CEO

J V RAMANUJAM & CO

Chartered Accountants

New No.233, Old No. 113, First Floor, R K Mutt Road, Raja Annamalaipuram, CHENNAI 600 028

CERTIFICATE

To

The Members N B Footwear Limited

We have examined the compliance conditions of Corporate Governance procedures implemented by N B Footwear Limited during the year ended 31st March 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company, for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. 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 based on 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.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the confirmation given by the Company as on 31st March 2012, there were no investor grievances remaining unattended for more than one month.

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

For J V RAMANUJAM & CO
Chartered Accountants

Place : Chennai
Date : 30th May 2012

J Vedantha Ramanujam
Membership No. 22188, Partner, FRN 02947S

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

01. Outlook

The Management is looking at various options including identifying core team to execute business segments.

02. Opportunities and Threats

Even though there exists lot of opportunities for growth, cut throat competition coupled with higher costs in the inputs and the inflationary levels are thrown open to the industry.

03. Disclaimer

The information and opinion expressed in this report may contain forward looking statements, which the Management believes are true to the best of its knowledge at the time of its presentation. The Management shall not be liable for any loss which may arise as a result of any action taken on the basis of information contained therein.

AUDITOR'S REPORT

TO THE MEMBERS OF NB FOOTWEAR LIMITED

1. We have audited the attached Balance Sheet of NB Footwear Limited (the Company) as at 31st March 2012 and the statement of Profit and Loss and cash flow statement for the year ended on that date both annexed thereto. 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.
2. We have 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 from any material misstatement. 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 presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and amended by the Companies (Auditor's Report) (Amendment) Order 2004 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956 of India (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, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to above, we state that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 such books;
 - (c) The balance Sheet, profit and loss Account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred

to in sub section (3C) of Section 211 of the Companies Act, 1956;

- (e) On the basis of the written representations received from the Directors of the Company as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2012 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
- (f) The accumulated losses of the Company have exceeded shareholders funds by Rs 48.97 lakhs. The Company has also been declared sick by the Board for Industrial and Financial Reconstruction (BIFR) on 21/05/2001. The Company is facing severe liquidity problems and continuing losses as operations have been discontinued for the past nine years.
During the year 2011-12, the Company has disposed of its entire block of Fixed Assets worth Rs. 41.54 lakhs at a profit of Rs. 44.46 lakhs.
These facts raise substantial doubts about the Company's ability to continue as a going concern in the foreseeable future. Consequently, adjustments may be required to the recoverability and classification of asset carrying amounts or classification of liabilities that might be necessary should the Company be unable to continue as a going concern, the impact of which is not ascertained.
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required by the Company and consequent to our comments in paragraph (f) above give a true and fair view in conformity with the accounting principles generally accepted in India.
 - 1) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
 - 2) In so far as it relates to the Statement of Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - 3) In so far as it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.

For J V Ramanujam & Co
Chartered Accountants

(J Vendantha Ramanujam)

Place : Chennai
Date : 30th May 2012

Membership No. 22188, Partner
FRN :02947S

ANNEXURE TO THE AUDITOR'S REPORT

Clauses u/s227 (4A) of the Companies Act, 1956

(Referred to in Para 3 of our report of even date)

- (1) Having regard to the nature of business/activities during the year the following clauses under CARO reporting are not applicable.
- Clause 4 (xii) regarding granting of loans.
- Clause 4 (xiii) regarding special provisions relating to nidhi / mutual benefit fund/society.
- Clause 4 (xiv) regarding dealing/trading in shares.
- Clause 4 (xv) regarding issuing of guarantees.
- Clause 4 (xviii) regarding allotment of shares.
- Clause 4 (xix) regarding issue of debentures.
- Clause 4 (xx) regarding issue of shares to public are not applicable.
- 4(1)(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 4(1)(b) As explained to us, all the fixed assets have been physically verified by the management during the year with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed during verification.
- 4(1)(c) During the current year 2011-2012 entire Block of assets worth Rs. 41.54 lakhs were sold and disposed of. These facts raise substantial doubt about the Company's ability to continue as a going concern in the foreseeable future.
- 4 (ii) The Company has no inventories.
- 4(ii) Clause (a) to (d) are not applicable as the Company has not granted any loans to Companies, firms or other parties covered in the register maintained under S.301 of the Companies Act, 1956.
- (e) As per the information and explanation given to us, in respect of unsecured loan taken by the Company from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956, the Company has taken loan from one party included u/s 301 of the Companies Act, 1956.
- (f) As the loan received is interest-free, the rate of interest being prejudicial to the to the interests of the Company will not arise.
- (g) As the principal is repayable on demand the question of overdue does not arise.
- 4(iv) As per the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system.
- 4(v) Based on the audit procedure applied by us and according to the information and explanation provided by the management, we are of the opinion that the contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been properly entered in the said register.
- 4(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- 4(vii) During the year, no internal audit has been carried out by the management.
- 4(viii) Since the Company has not carried out commercial production during the financial year, maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 does not arise.
- 4(ix)(a) According to the records and as per information and explanation given to us the Company is generally regular in depositing undisputed statutory dues including GPF, EPF, Sales Tax, Service Tax, Tax deducted on salaries, rent etc. to the appropriate authorities.
- According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March 2012 for a period of more than six months from the date they became payable.
- 4(ix)(b) According to the information and explanation given to us, the following are the particulars of disputed dues as on 31/03/2012 on account of excise duty and sales tax that have not been deposited with the authorities concerned.

Name of the Statute	Nature of Dues	Amount of Demand (Rs.)	Period to which amount relates	Forum Where Dispute is Pending
Central Excise Act, 1944	Custom Duty	57,429/-	1999 - 2000	Commissioner of Central Excise(Appeals)
Sales Tax Law	Sales Tax	1,71,533/-	1995 - 1996	Appellate Assistant Commissioner

- 4(x) The accumulated losses of the Company as at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses during the financial year and in the immediately preceding financial year.
- 4(xi) Based on our audit procedures and according to the information and explanations given to us by the Management, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- 4(xvi) According to the information and explanations given to us, the term loan availed by the Company were utilized for which the loans were obtained.
- 4(xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, on an overall basis, no funds raised on short term basis have, prima facie, been used during the year for long term investment.
- 4(xix) In our opinion and according to the explanation given to us, no fraud on or by the Company has been noticed or reported during the year, that cause the financial statements to be materially misstated.

For J.V.Ramanujam & Co.
Chartered Accountants

(J.Vedantha Ramanujam)
Membership No 22188, Partner
FRN : 02947S

Place : Chennai
Date : 30th May 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	135,000,000	135,000,000
(b) Reserves and Surplus	2	(137,897,916)	(140,130,249)
(c) Money received against share warrants			
(2) Share application money pending allotment		4,324,668	7,319,668
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	-	-
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities	4	-	-
(d) Long-term provisions	5	-	-
(4) Current Liabilities			
(a) Short-term borrowings	6	-	2,800,000
(b) Trade payables		408,049	437,413
(c) Other current liabilities	7	-	-
(d) Short-term provisions	8	30,000	30,000
	Total	<u>1,864,801</u>	<u>5,456,832</u>
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	-	2,855,643
(ii) Intangible assets	10	-	-
(iii) Capital work-in-progress		-	1,518,979
(iv) Intangible assets under development			
(b) Non-current investments	11	-	-
(c) Deferred tax assets (net)			
(d) Long term loans and advances	12	1,231,971	200,971
(e) Other non-current assets	13	-	-
(2) Current assets			
(a) Current investments	14	-	-
(b) Inventories	15	-	-
(c) Trade receivables	16	-	-
(d) Cash and cash equivalents	17	632,830	881,239
(e) Short-term loans and advances	18	-	-
(f) Other current assets			
	Total	<u>1,864,801</u>	<u>5,456,832</u>

The Notes form an integral part of these financial statement
This is the Balance Sheet referred to in our report of even date.

FOR J.V.RAMANUJAM & CO.
Chartered Accountants

For and on behalf of the Board

J.VEDANTHA RAMANUJAM
Partner, Membership No.22188
FRN : 02947S

C.RAMAKRISHNAN
CFO & Compliance Officer

KANNAN A YADAV **RAJEN K.DESAI**
Managing Director & CEO Director

Place : Chennai
Date : 30/05/2012

Place: Mumbai
Date: 30/05/2012

STATEMENT OF PROFIT AND LOSS

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	20	-	-
II. Other Income	23	4,445,761	-
III. Total Revenue (I +II)		4,445,761	-
IV. Expenses:			
Cost of materials consumed			
Purchase of Stock-in-Trade			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade			
Employee benefit expense	24	488,825	458,651
Financial costs	22	-	-
Depreciation and amortization expense		220,383	2,209,128
Other expenses	25	1,504,221	1,597,725
Total Expenses		2,213,429	4,265,504
V. Profit before exceptional and extraordinary items and tax (III - IV)		2,232,332	(4,265,504)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		2,232,332	(4,265,504)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		2,232,332	(4,265,504)
X. Tax expense:			
(1) Current tax			
(2) Deferred tax			
XI. Profit/(Loss) from the period from continuing operations (VII - VIII)		2,232,332	(4,265,504)
XII. Profit/(Loss) from discontinuing operations			
XIII. Tax expense of discounting operations			
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		2,232,332	(4,265,504)
XVI. Earning per equity share:			
(1) Basic		0.17	(0.32)
(2) Diluted		0.17	(0.32)

The Schedules referred to above form an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date.

FOR J.V.RAMANUJAM & CO.

Chartered Accountants

J.VEDANTHA RAMANUJAM

Partner

Membership No.22188

FRN : 02947S

Place : Chennai

Date : 30/05/2012

For and on behalf of the Board

KANNAN A YADAV
Managing Director & CEO

RAJEN K.DESAI
Director

Place: Mumbai
Date: 30/05/2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

	2011 - 2012 Rs. P.	2010 - 2011 Rs. P.
A. CASH FLOW FROM OPERATING ACTIVITIES		
A. Profit/(Loss) for the year	2,232,332	- 4,265,504
Adjustments for :		
Depreciation	0	2209128
Operating profit before working capital changes	<u>2,232,332</u>	<u>- 2056376</u>
Increase in Sundry Debtors	0	0
Decrease/(Increase) in loans & advances	-1031000	8500
Increase/(Decrease) in liabilities	-2829363	1517
Increase/(Decrease) in provisions	0	0
Cash generated from operations	<u>-1,628,031.00</u>	<u>- 2,046,359.00</u>
Direct Taxes (paid)/received	0	0
Net cash from operating activities	<u>-1,628,031.00</u>	<u>- 2,046,359.00</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/(Sale) of fixed assets	4374622	0
Net cash flow investing activities	<u>4374622</u>	<u>0</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in share capital -	0	90,000,000.00
Proceeds from share application money pending allotment	- 2995000	- 89,215,000.00
Increase/(Decrease) in unsecured loans	0	0
Net cash used in financing activities	<u>-2995000</u>	<u>785,000.00</u>
Net increase/(decrease) in Cash and Cash Equivalents	<u>-248,409</u>	<u>-1,261,359.00</u>
Opening Balance of Cash and Cash Equivalents	881239	2,142,598.00
Closing Balance of Cash and Cash Equivalents	632,830	881,239.00

Notes to the Cash Flow Statement

FOR J.V.RAMANUJAM & CO.

Chartered Accountants

J.VEDANTHA RAMANUJAM

Partner

Membership No.22188

FRN : 02947S

C.RAMAKRISHNAN

CFO & Compliance Officer

For and on behalf of the Board

KANNAN A YADAV RAJEN K.DESAI

Managing Director & CEO

Director

Place : Chennai

Date : 30/05/2012

Place: Mumbai

Date: 30/05/2012

FOR THE YEAR ENDED 31.03.2012

Note No.	Figures for the current reporting period	Figures for the previous reporting period
1	2	3
1	2	3
1 Share Capital		
Equity Share Capital		
Authorised Share capital	200,000,000.00	200,000,000.00
Issued, subscribed & fully paid share capital	135,000,000.00	135,000,000.00
13500000 Equity shares of Rs.10/- each		
Calls unpaid		
Forfeited shares		
Preference Share Capital		
Authorised Share capital		
Issued, subscribed & fully paid share capital		
Calls unpaid		
Forfeited shares		
Total	135,000,000.00	135,000,000.00
2 Reserves and Surplus		
Capital Reserves	2,000,000.00	2,000,000.00
Capital Redemption Reserves		
Securities Premium Reserves	30,000,000.00	30,000,000.00
Debenture Redemption Reserves		
Revaluation Reserves		
Other Reserve / fund		
Surplus	(169,897,916.00)	(172,130,249.00)
Total	(137,897,916.00)	(140,130,249.00)
3 Long-term borrowings		
Secured		
Bonds/Debentures		
Term Loans		
Deferred payment liabilities		
Deposits		
Unsecured		
Bonds/Debentures		
Term Loans		
Deferred payment liabilities		
Deposits		
Total	-	-

N B Footwear Limited
2011 - 2012

FIXED ASSETS

(Amount in Rs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 31/03/2011	Additions	Deletions	As at 31/03/2012	As at 31/03/2012	As at 31/03/2011	For the year	Reversal on deletions	As at 31/3/2012	As at 31/3/2012	As at 31/3/2011
Land-freehold	501184	-	-	501,184	-	-	-	-	-	-	501,184
Buildings	6800192	-	-	6800192	-	4,669,789	151,417	4821206	-	-	2,130,403
Electrical installation	2152985	-	-	2152985	-	2,026,254	68,174	2094428	-	-	126,731
Plant and machinery	39548174	-	-	39548174	-	39,454,036	-	39454036	-	-	94,138
Computer	488939	-	-	488939	-	488,939	-	488939	-	-	-
Vehicles	12,605	-	-	12,605	-	9,418	792	10120	-	-	3,187
Total	49504079	-	-	49504079	0	46648436	220,383	46868729	-	-	2,855,643
Previous year	49504079		-	49504079	49504079	42,218,869	2,220,439	-	44439308	5064771	7,285,210
Capital work in Progress / Advance										0	1,518,979

Note No.		Figures for the current reporting period	Figures for the previous reporting period
1	2	3	4
4	Other long term liabilities	-	-
	Trade payables	-	-
	Others	-	-
	Total	-	-
5	Long-term provisions		
	Provision for employee benefits	-	-
	Others	-	-
	Total	-	-
6	Short-terms borrowings		
	Secured	-	-
	Loans repayable on demand	-	-
	Loans and advances from related parties	-	-
	Deposits	-	-
	Other loan and advances	-	-
	Unsecured	-	-
	Loans repayable on demand	-	-
	Loans and advances from related parties	-	-
	Deposits	-	-
	Other loan and advances	-	2,800,000.00
	Total	-	2,800,000.00
7	Other current liabilities		
	Current maturities of long term debt	-	-
	Current maturities of finance lease obligation	-	-
	Interest accrued but not due on borrowings	-	-
	Interest accrued and due on borrowings	-	-
	Income received in advance	-	-
	Unpaid dividends	-	-
	Refundable share application money	-	-
	Unpaid matured deposits and interest accrued thereon	-	-
	Unpaid matured debentures and interest accrued thereon	-	-
	Other payables	-	-
	Total	-	-
8	Short-term provisions		
	Provision for employee benefits	-	-
	Others	30,000.00	30,000.00
	Total	30,000.00	30,000.00
9	Tangible Assets		
	Land/ Building/ Plant & Equipment/ Furniture & fixtures/ Vehicles/ Office Equipment/	49,504,079.00	49,504,079.00
	Others (individually) capital work in progress	1,518,979.00	-
	Opening Balance	-	-
	Add: acquisition through business combination	-	-
	Other Adjustments	-	-
	Sub total	51,023,058.00	49,504,079.00

Less: Disposals	4,154,239.00	-
Gross Block at year end (a)	46,868,819.00	49,504,079.00
Less: Depreciation		
Opening Depreciation	46,648,436.00	44,439,308.00
Depreciation for the year	220,383.00	2,209,128.00
Total accumulated depreciation (b)	46,868,819.00	46,648,436.00
Net carrying value (a) - (b)	-	2,855,643.00
Total	-	2,855,643.00
<hr/>		
10 Intangible Assets		
Goodwill	-	-
Brands/ Trademarks/ Computer Software/ Mastheads and publishing titles/ Mining rights/ Copyrights/ Patents/ Licenses, etc (individually)	-	-
Opening Balance	-	-
Add: acquisition through business combination	-	-
Other Adjustments	-	-
Sub total	-	-
Less: Disposals	-	-
Gross Block at year end (a)	-	-
Less: Depreciation	-	-
Opening Amortization	-	-
Amortization for the year	-	-
Total accumulated Amortization (b)	-	-
Net carrying value (a) - (b)	-	-
Total	-	-
<hr/>		
11 Non-current investments		
Trade Investments	-	-
Investment property	-	-
Investments in Equity instruments	-	-
Investments in Preference shares	-	-
Investments in Government and Trust securities	-	-
Investments in Debentures or bonds	-	-
Investments in Mutual funds	-	-
Investments in Partnership firms	-	-
Other non-current investments	-	-
Total	-	-
<hr/>		
12 Long Term Loans and Advances		
Secured considered good	-	-
Capital Advances	-	-
Security Deposits	-	-
Loans and advances to related parties	-	-
Other loans and advances	1,231,971.00	200,971.00
Sub Total	1,231,971.00	200,971.00
Unsecured considered good		
Capital Advances	-	-
Security Deposits	-	-
Loans and advances to related parties	-	-
Other loans and advances	-	-
Sub Total	-	-
Doubtful	-	-
Capital Advances	-	-
Security Deposits	-	-

	Loans and advances to related parties	-	-
	Other loans and advances	-	-
	Sub Total	-	-
	Total	1,231,971.00	200,971.00
13	Other non-current assets		
	Long term trade receivables	-	-
	Secured considered good	-	-
	Unsecured considered good	-	-
	Doubtful	-	-
	Others	-	-
	Total	-	-
14	Current Investments		
	Investments in Equity instruments	-	-
	Investments in Preference shares	-	-
	Investments in Government and Trust securities	-	-
	Investments in Debentures or bonds	-	-
	Investments in Mutual funds	-	-
	Investments in Partnership firms	-	-
	Other current investments	-	-
	Total	-	-
15	Inventories		
	Raw materials	-	-
	Work in progress	-	-
	Finished goods	-	-
	Stock in trade	-	-
	Stores and spares	-	-
	Loose Tools	-	-
	Others	-	-
	Total	-	-
16	Trade receivables		
	Secured/ Unsecured/ Doubtful	-	28,694,055.00
	Less: Allowance for Bad debts	-	28,694,055.00
	Total	-	-
17	Cash and cash equivalents		
	Balances with banks	611,515.00	874,871.00
	Cheques, drafts on hands	-	-
	Cash on hand	21,315.00	6,368.00
	Others	-	-
	Total	632,830.00	881,239.00
18	Short term loans and advances		
	Loans and advances to related parties (Secured/ Unsecured/ Doubtful)	-	-
	Others	-	-
	Total	-	-
19	Contingent liabilities and commitments (to the extent not provided for)		
	Contingent liabilities	-	-
	Claims against the company not acknowledged as debt	-	-
	Guarantees	-	-
	Other money for which the company is contingently liable	-	-
	Sub Total	-	-
	Commitments	-	-

N B Footwear Limited

	Estimated amount of contracts unexecuted on capital account		
	Uncalled liability on shares and other investments partly paid	-	-
	Other commitments		
	Sub Total	-	-
	Total	-	-
20	Revenue from Operations (for companies other than a finance company)		
	Revenue from - Share of products	-	-
	Sale of services	-	-
	Other operating revenues	-	-
	Less: Excise Duty	-	-
	Total	-	-
21	Revenue from Operations (for finance companies)		
	Interest	-	-
	Other financial services	-	-
	Total	-	-
22	Finance Costs		
	Interest expenses	-	-
	Other borrowing costs	-	-
	Applicable net gain/ loss on foreign currency transactions/ translation	-	-
	Total	-	-
23	Other Income		
	Interest income	-	-
	Divident income	-	-
	Net gain/ loss on sale of investments	-	-
	Other non-operating income (net of expenses directly attributable to such income)	4,445,761.00	-
	Total	4,445,761.00	-
24	Employee Benefits Expense		
	Salaries and wages	455,598.00	422,885.00
	Contribution to provident and other funds	16,512.00	17,088.00
	Expense on Employees stock option scheme (ESOP) 2 and Employee stock purchase plan (ESPP)	-	-
	Staff welfare expenses	16,715.00	18,678.00
	Total	488,825.00	458,651.00
25	Other Expenses		
	Advertisement	41,040.00	39,360.00
	Audit Fee	33,090.00	33,090.00
	Power and fuel	16,352.00	5,839.00
	Repairs to buildings	182,735.00	168,024.00
	Insurance	5,580.00	5,580.00
	Labour Compensation Expenses	-	173,921.00
	Postage, Telephone and Telex	51,490.00	39,025.00
	Professional and Consultancy charges	499,505.00	431,808.00
	Rates and Taxes, excluding taxes on income	362,595.00	300,870.00
	Security Charges	194,568.00	291,852.00
	Miscellaneous expenses	64,230.00	51,117.00
	Traveling and Conveyance	27,374.00	43,631.00
	Vehicle Hire charges	25,662.00	13,608.00
	Total	1,504,221.00	1,597,725.00

1. NOTES TO THE FINANCIAL STATEMENTS

1 Related party disclosure under Accounting Standard - 18

(i) The list of related parties as identified by the Management are as under :

Enterprises owned by/over which Key Management Personnel (KMP) is able to exercise significant influence:-

1 Chameleon Commodities Private Limited

(ii) There were no transactions with the related parties.

2 Earning Per Share	Year ended 31/03/2012	Year ended 31/03/2011
	Rs.	Rs.
Profit / (Loss) after taxation	2,232,332	-4265504
No. of equity shares outstanding	13,500,000	13,500,000
Basic and Diluted earning per share	0.17	-0.32

3 Accounting Standard 22- Accounting for taxed on income issued by the Institute of Chartered Accountants is applicable to the Company. However, due to substantial losses, on principles of prudence, the Company has not recognised any deferred tax asset.

4 Accounting Standard 28 - Impairment of Assets During the year 2011-12, the entire block of assets were sold and hence

5 there is no impairment of assets observed.

6 The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956.

7 Consequent to the notification under the Companies Act 1956, the financial statements for the year ended 31st March 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(annexed to and forming part of the financial statements for the year ended 31.03.2012)

1 These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance with all materials aspects, with the applicable accounting principles in India, the applicable accounting standards notified under section 211 (3C) and the other relevant provisions of the Companies Act 1956.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than 12 months.

(i) FIXED ASSETS AND DEPRECIATION

Expenditure which are of a capital nature are capitalised at cost. Depreciation is charged on straight-line method in accordance with the rates specified under Schedule XIV to the Companies Act, 1956.

(ii) REVENUE RECOGNITION

Revenue from sales and conversion charges is recognised at the point of despatch of goods to customers.

(iii) RETIREMENT BENEFITS

Contribution to Provident Fund is made monthly at a predetermined rate to the authorities and debited to the Profit and Loss Account on accrual basis.

Gratuity has not been provided in the books of accounts.

NB FOOTWEAR LIMITED

Regd. Office : # 87/84, Mosque Street, Virinjipuram Post, Vellore - 632 104. Tamil Nadu

PROXY FORM

I / We
of in district of
..... being a Member(s) of the above named Company,
hereby appoint Mr. / Ms.
of in the district of
or failing him / her Mr. / Ms.
of in the district of

as my / our proxy to vote for me / us, on my / our behalf at the Twenty Fourth Annual General Meeting of the Company to be held on Saturday 29th September 2012 at Lakshminarayan Hall, Hotel Ganga, 16, Officers Line, Vellore - 632 101 at 11.00 a.m. and at any adjournment thereof.

Signature this day of 2012

Regd. Folio No.

No. of Shares held

Affix
Re. 1.00
Revenue
Stamp

The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.



NB FOOTWEAR LIMITED

Regd. Office : # 87/84, Mosque Street, Virinjipuram Post, Vellore - 632 104. Tamil Nadu

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Full Name of the Member attending (in Block Letters)

Full Name of the First Joint - holder

(to be filled-in first named joint-holder does not attend the Meeting)

Name of the proxy

(To be filled-in the Proxy Form has been duly deposited with the Company)

I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company to be held on Saturday, 29th September 2012 at Lakshminarayan Hall, Hotel Ganga, 16, Officers Line, Vellore - 632 101 at 11.00 a.m.

Regd. Folio No.

No. of Shares held

Member's Proxy's Signature
(to be signed at the time of handing over this slip)