

NB FOOTWEAR LIMITED



12th ANNUAL REPORT 1999 - 2000

NB Footwear Limited**BOARD OF DIRECTORS**

Mr. Rajen K. Desai – Chairman
 Mr. S. Krishnan – Wholetime Director & Chief Executive
 Mr. A.S. Chowdri – Director
 Mr. A.L. Prasad – Director
 Mr. Sudhakar Shetty – Director
 Mr. Kannan A. Yadav – Director
 Mr. Gregory Pereira – Director

AUDITORS

A.F. Ferguson & Co.
 Chartered Accountants
 Chennai.

BANKERS

Bank of India
 Chennai Corporate Banking Branch
 4th Floor, Tarapore Towers
 Anna Salai, Chennai - 600 002.

REGISTERED OFFICE & WORKS

#63, Sedhuvalai Village
 Pin Number at : 632 104
 Virinjipuram Post
 Vellore Dist.
 Tamil Nadu, India.

ADMINISTRATIVE OFFICE

Corporate Office
 30, 3rd Street
 East Abhiramapuram
 Mylapore
 Chennai - 600 004.
 Tamil Nadu, India.

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NB Footwear Limited

NOTICE TO SHAREHOLDERS

Notice is hereby given that the TWELFTH ANNUAL GENERAL MEETING of the company will be held at LAKSHMINARAYAN HALL, Hotel Ganga, 16, officers line, Vellore - 632 101, on Friday 29th September 2000 at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the accounts for the year ended 31st March 2000 and the Auditors' Report thereon.
2. To appoint a Director in the place of Mr. A. Kannan Yadav who retires by rotation under Article 86 of the Articles of Association of the company and being eligible offers himself for re-election.
3. To appoint a Director in the place of Mr. S. Sudhakar Shetty who retires by rotation under Article 86 of the Articles of Association of the company and being eligible offers himself for re-election.
4. To appoint a Director in the place of Mr. A.S. Chowdri who retires by rotation under Article 86 of the Articles of Association of the company and being eligible, offers himself for re-election.
5. To appoint Auditors and fix their remuneration. The retiring Auditors, M/s. A.F.Ferguson & Co, Chartered Accountants are eligible for re-appointment. The declaration under Section 224(1- B) of the Companies Act, 1956 has been received.

SPECIAL BUSINESS

6. To consider and if thought fit to pass with or without modification, the following resolution which will be proposed as a special resolution.

"RESOLVED THAT the existing Capital Clause 3 of the Articles of Association of the company as under :

Capital 3 : The Authorised Capital of the company

is Rs. 5,00,00,000 divided into 50,00,000 equity shares of Rs.10/- each be substituted with the following.

Capital 3 : The Authorised capital of the company is Rs. 10,00,00,000 divided into 1,00,00,000 equity shares of Rs.10/- each.

and that Clause V of the Memorandum of Association of the company altered accordingly.

By Order of the Board

S. KRISHNAN

*Wholtime Director
& Chief Executive*

Place : Mumbai

Date : 24th August, 2000

NOTES :

1. Any member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of himself. The proxy need not be a member of the company. The proxies should however be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. The Register of Members of the company will be closed from 26th September 2000 to 3rd October 2000 (both days inclusive)
3. The relative explanatory statement pursuant to section 173(2) of the companies Act, 1956 in respect of special business set out under item, 6 is annexed.
4. All Communications relating to share transfer/transmission are to be addressed only to the Registered Office of the Company at 63, Seduvalai village Virinjipuram Post, Vellore Dist., Pin Code - 632 104.
5. Members are requested to notify immediately any change in their address.

Annual Report

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

The company's present authorised capital is Rs.500 lakhs. In order to expand the capital base and also to augment the long term fund requirements of the company an expansion of capital is being planned. This would necessitate an increase of authorised capital from Rs. 500 Lakhs to Rs. 1000 Lakhs. As per Articles of Association of the Company the resolution is required to be proposed as a special resolution.

None of the Directors is concerned or interested in the resolution.

Your Director commend the resolution for adoption.

By Order of the Board

Place : Mumbai

Date : 24th August, 2000

S. KRISHNAN
*Wholetime Director
& Chief Executive*

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NB Footwear Limited

DIRECTORS' REPORT

The Directors are pleased to present their TWELFTH ANNUAL REPORT together with the audited accounts for the year ended 31st March 2000.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
	1999-2000	1998-1999
Turnover	458.70	655.33
Loss before interest and depreciation	226.07	47.56
Interest	79.16	55.63
Depreciation	24.19	23.24
Net Loss	329.42	126.43

GENERAL REVIEW

It was another disappointing year for the company. The adverse effect of the product mix and the inability to effect price recoveries continued to affect the company's performance. The company's focus continues to be on improved management of working capital, and better sales realisation.

OUTLOOK FOR THE CURRENT YEAR

The general slowing down of business witnessed during the later part of last year continued well into the current year. However marked improvement in demand is expected during winter and this would help considerably in the Company's Performance.

DIRECTORS

Mr. A. Kannan Yadav, Mr. S. Sudhakar Shetty and Mr. A. S. Chowdhri retire by rotation at the ensuing Annual General Meeting and are eligible for re-election.

INDUSTRIAL SICKNESS

The Company is a sick company as per definition in the Sick Industrial Companies (Special Provisions) Act. It may be recalled that the company was a potentially sick company at the end of the previous year. In the opinion of the Directors, the process of revival is being implemented and the company will be out of the purview of the Sick Industrial Companies (Special Provisions) Act, 1985, shortly due to improving business prospects and the proposed increase in capital.

AUDITORS

M/s. A.F. Ferguson & Co., Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for reappointment. The declaration under section 224 (1-B) of the Companies Act, 1956 has been received from them.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The foreign exchange earned during the year by export was Rs.346.16 Lakhs and the foreign exchange outgo was Rs.42.84 Lakhs.

DEPOSITS

The company has not accepted any deposits from the public.

EMPLOYEES

There are no employees covered under Section 217 (2A) of the Companies Act, 1956.

TRAINING AND DEVELOPMENT

Your company continues its endeavours to be a learning organisation. It is proposed to involve more employees in training programmes to improve their skills relevant to the modern markets and technologies.

AUDITOR'S REPORT

With regard to the opinion of Auditors given in para 2 (e) of their report, it is submitted that Note 15 of Notes on Accounts forming part of the accounts for the year is self explanatory.

ACKNOWLEDGEMENT

The Directors wish to place on record the support received from Financial Institutions, Banks, Government Authorities and employees.

For and on behalf of the Board,

RAJEN K. DESAI

Chairman

S. KRISHNAN

Wholetime Director

& Chief Executive

Place : Mumbai

Date : 24th August, 2000

Annual Report**FORM B**

Disclosure of particulars with respect to Research and Development and Technology Absorption as required under Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988 and forming part of the report of the Board of Directors for the year ended 31st March 2000.

RESEARCH AND DEVELOPMENT (R & D)

R & D efforts of the company were directed towards development of new styles for the fashion oriented overseas markets.

TECHNOLOGY ABSORPTION

The technology absorbed from abroad has proved useful.

For and on behalf of the Board,

RAJEN K. DESAI

Chairman

S. KRISHNAN

Wholetime Director

& Chief Executive

Place : Mumbai

Date : 24th August, 2000

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