

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 (Rs. in lakhs)	2010-2011
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

KANNAN A YADAV

Date : 30th May 2012 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

- 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.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services
- 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, Virijinipuram 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