

N B FOOTWEAR LIMITED



**26th Annual Report
2013 - 2014**

**N B FOOTWEAR LIMITED
ANNUAL REPORT 2013 - 2014**

Board of Directors

Mr Kannan A Yadav	- Managing Director & CEO
Mr Rajen K Desai	- Director
Mr S Krishnan	- Director - Independent
Mr Sudhakar Shetty	- Director - Independent
Mr Gregory Periera	- Director

Auditors

M/s. J V Ramanujam & Co,
Chartered Accountants,
New No.233, Old No.113, First Floor,
R K Mutt Road, Raja Annamalaipuram,
Chennai 600 028

Bankers

Union Bank of India,
Broadway Branch,
CHENNAI 600 108

Registered Office

No. 87/84A, Mosque Street,
Seduvalai Village,
VELLORE 632 104,
Email : ramky1952@yahoo.co.in
Website: www.nbfootwear.info

Corporate Office

No.11, Bheemanna Garden Road,
Alwarpet,
CHENNAI 600 018
TAMIL NADU

N B FOOTWEAR LIMITED**NOTICE CONVENING TWENTY SIXTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company will be held at Khanna Mahal, Hotel Khanna, No. 16, Officers Line, Vellore 632 101 on Thursday, the 25th September 2014 at 10.00 a.m. to transact the following business :-

ORDINARY BUSINESS

01. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Statement of Profit and Loss 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 Rajen K Desai (DIN: 00382740) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
03. To appoint a Director in place of Mr Gregory Pereira (DIN: 00249388) who retires by rotation at this Annual General Meeting 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.

SPECIAL BUSINESS

05. To appoint Mr S Krishnan (DIN 00583985) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution :-

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, 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 S Krishnan (DIN: 00583985) 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 her 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 a term upto 31st March 2019".

06. To appoint Mr Sudhakar Shetty (DIN 00249448) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution :-

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions, if any, 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 Sudhakar Shetty (DIN: 00249448) 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 a term upto 31st March 2019".

07. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

08. To alter Clause V Capital Clause in the Memorandum of Association of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 13 sub-section (1), read with Section 55, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) Authorised Share Capital of the Company be and is hereby altered from the existing Rs. 20,00,00,000/- (Rupees twenty crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10/- (Rupees ten only) each to Rs. 19,00,00,000/- (Rupees Nineteen Crores) divided into 1,90,00,000 Crores) Equity Shares of Rs. 10/- each and 1,00,000 (One Lakh) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each, by creation of 1,00,000 (One lakh) Redeemable Preference Shares of Rs. 100/- (Rupees one hundred only) each and that Clause V of the Memorandum of Association of the Company be and is hereby altered accordingly".

09. To allot Redeemable Non Convertible Preference Shares on preferential basis to Promoter Group and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to Section 80 and 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") (including any statutory modifications or re-enactments thereof for the time being in force) and subject to the provisions of Section 43, read with Section 55, 62(1) (c) and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment(s) thereof), for the time being in force (the "Companies Act") , the provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 as amended from time to time ("the SEBI Regulations), if any, the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed, any other applicable laws for the time being in force and such approvals as may be required from such authorities from time to time, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" and shall include duly constituted Committee(s) thereof) to create, offer, issue and allot, in one or more tranches, 1,00,000 (One Lakh) Cumulative Non-Convertible Redeemable Preference Shares of the face value of Rs. 100/- (Rupees One Hundred Only) each for cash at par or at a premium (herein after referred to as "Preference Shares") aggregating to a nominal value of Rs.1,00,00,000 (Rupees One Crore Only) to M/s. Aditya Investments and Communication Limited, Grandeur Corporation Private Limited and Chameleon Commodities Private Limited belonging to the Promoter Group on such terms and conditions as may be decided by the Board and subject to the following rights :

- The Preference Shares shall carry a fixed cumulative preference dividend to be determined by the Board of Directors at the time of issue of the Preference Shares, on the capital for the time being paid-up thereon and shall be redeemable not later than the date determined by the Board

of Directors at the time of issue or such other date as may be determined by the Board but not later than a period exceeding ten years.

- The said shares shall rank for dividend in priority to the equity shares for the time being of the Company.
- The said shares shall in winding up be entitled to rank, as regards repayment of capital and arrears of dividend, whether declared or not, up to the commencement of the winding up, in priority to the equity shares but shall not be entitled to any further participation in profits or assets.
- The voting rights of the persons holding the said shares shall be in accordance with the provisions of Section 87 of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force).

RESOLVED FURTHER THAT the Board be and is hereby authorized to make arrangements with any financial institution/bank or any other body or person to underwrite the whole or any part of the issue of the said Preference Shares subject to the provisions of Section 76 of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation, to settle any question, difficulty or doubt that may arise in this regard".

By order of the Board of Directors

For N B FOOTWEAR LIMITED

(KANNAN A YADAV)
MANAGING DIRECTOR & CEO

Place : Mumbai

Dated : 30th May 2014

NOTES :-

01. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
02. The proxy form duly filled in and signed by the Shareholder must be lodged with the Company at the Registered Office of the Company at any time not less than 48 hours before the meeting.
03. The Register of Members and Share Transfer Books of the Company will remain closed from 16/09/2014 to 25/09/2014 (both days inclusive).
04. 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.
05. Members are requested to communicate their change of address, if any, quoting their respective folios.
06. Members are also requested to provide their email IDs

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ('The Act')

Item No. 5 and 6

Mr S Krishnan (DIN 00583985) and Mr Sudhakar Shetty (DIN 00249448) are independent Directors of the Company and have held the positions 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 directors by a listed company.

It is proposed to appoint Mr S Krishnan and Mr Sudhakar Shetty as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (Five) consecutive years for a term up to 31st March 2019. Mr S Krishnan and Mr Sudhakar Shetty are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members under Section 160 of the Act proposing the candidatures of each of Mr S Krishnan and Mr Sudhakar Shetty for the office of Directors of the Company.

The Company has also received declarations from Mr S Krishnan and Mr Sudhakar Shetty that they meet with the 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 S Krishnan and Mr Sudhakar Shetty fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr S Krishnan and Mr Sudhakar Shetty are independent of the management.

A brief profile along with other details of the Independent Directors are as follows:

Name of the Director	S KRISHNAN
Director Identification Number	00583985
Date of joining the Board	17/10/1998
Profile of the Director	A Graduate in Physics from University of Madras. He is also Associate Member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India. Has over two decades of varied experience in Industry comprising of automobile, leather footwear and pharmaceuticals, liquor, sugar, hotels and FMCG.
No. of shares held in the Company	NIL
Directorships and Committee Memberships in other Companies	Director in Orchid Chemicals & Pharmaceuticals Limited Member in the Audit Committee & Investor Grievance Committee of Orchid Chemicals & Pharmaceuticals Limited

Name of the Director	SUDHAKAR SHETTY
Director Identification Number	00249448
Date of joining the Board	22/03/1996
Profile of the Director	A graduate in Commerce and having two decades of experience in administration and trading
No. of shares held in the Company	NIL
Directorships and Committee Memberships in other Companies	Director in Grandeur Corporation Private Limited and Prema Healthcare Private Limited

Mr S Krishnan and Mr Sudhakar Shetty are interested in the resolutions set out respectively at Item Nos. 5 and 6 of the Notice. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested; financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 5 and 6 of the Notice for approval
Item No. 7

It is brought to the notice of the Members of the Company that the existing Articles of Association are based on the Companies Act, 1956 and several regulations in the existing Articles of association contain references to specific sections of the Companies Act, 1956 and some regulations in the existing Articles of Association are no longer in conformity with the Companies Act, 2013.

With the coming into force of the Act several regulations of the existing Articles of Association of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

The new Articles of Association to be substituted in place of the existing Articles of Association are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

Item No.8

The Company proposes to issue preference shares in one or more tranches to M/s. Aditya Investments and Communication Limited, Grandeur Corporation Private Limited and Chameleon Commodities Private Limited belonging to the Promoter Group. Consequently, Clause V of the Memorandum of Association requires amendment. Hence the special resolution.

The Board therefore, places the proposed resolution for your consideration and recommends that it be passed as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution

Item No.9

In order to meet working capital requirements, the Company proposes to issue Preference Shares in one or more tranches to M/s. Aditya Investments and Communication Limited, Grandeur Corporation Private Limited and Chameleon Commodities Private Limited belonging to the Promoter Group. The said enabling Resolution empowers the Board to create, offer, issue and allot 1,00,000 (One Lakh) cumulative Non-Convertible Redeemable Preference Shares of face value of Rs.100/- (Rupees one hundred only) each for cash at par or premium aggregating to a nominal value of Rs 1,00,00,000(Rupees One Crore Only) and on such terms and conditions, including but not limited as to the rate of dividend, period and manner of redemption, amount of premium, if any, as the Board in its absolute discretion may determine. The Board shall also be authorized to approve any modification, alteration and re-settling of all or any of the terms and conditions of the Preference Shares from time to time in consultation and agreement with the subscribers/holders of Preference Shares. The terms and conditions of the Preference Shares shall however be subject to provisions of the Companies Act, 1956/Companies Act, 2013 or any modification/reenactment thereof and the provisions of the Memorandum and Articles of Association of the Company.

The material facts in connection with the aforesaid issue of Preference Shares are as follows :-

(a)	Size of the issue and number of preference shares to be issued and nominal value of each share.	The Company proposes to create, offer, issue and allot 1,00,000(One Lakh) Preference Shares of the face value of Rs. 100/- (Rupees One Hundred Only) each for cash at par or at a premium aggregating to a nominal value of Rs. 1,00,00,000 (Rupees One Crore Only) to M/s. Aditya Investments and Communication Limited, Grandeur Corporation Private Limited and Chameleon Commodities Private Limited belonging to the Promoter Group												
(b)	Nature of such shares i.e. cumulative, non cumulative, participating or non-participating, convertible or non-convertible	Cumulative, Non-Participating and Non-Convertible												
(c)	Objectives of the issue	To meet the working capital requirements												
(d)	Manner of issue of shares	Private Placement												
(e)	Price at which such shares are proposed to be issued	At par or at a premium												
(f)	Basis on which the price has been arrived at	While the issuances would generally be made at par, in case the issuance is made at premium, the same would be at a price determined on the basis of valuation by a registered valuer in accordance with the extant provisions as applicable.												
(g)	Terms of issue, including terms and rate of dividend on each share, premium etc.	The tenor shall be for a period not exceeding 10 (Ten) years. The issuances would be subject to conditions of money market, appetite of the investors, prevalent tax regulators, credit rating of the instrument etc. and the rate of dividend would be linked to the returns provided by similar instruments.												
(h)	Terms of conversion, if convertible	Not applicable												
(i)	Terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion.	Tenure of redemption would be based on cash flow forecasts of the Company												
(j)	Manner and modes of redemption	Out of profit and/or out of fresh issue of capital.												
(k)	Current shareholding pattern of the Company	<p>Equity shareholding pattern as on 30th June 2014</p> <table border="1"> <thead> <tr> <th>Category</th><th>No of shares</th><th>% to Equity Capital</th></tr> </thead> <tbody> <tr> <td>Promoter</td><td>1,01,12,300</td><td>74.91%</td></tr> <tr> <td>Public</td><td>33,87,700</td><td>25.09%</td></tr> <tr> <td>Total</td><td>1,35,00,000</td><td>100.00%</td></tr> </tbody> </table>	Category	No of shares	% to Equity Capital	Promoter	1,01,12,300	74.91%	Public	33,87,700	25.09%	Total	1,35,00,000	100.00%
Category	No of shares	% to Equity Capital												
Promoter	1,01,12,300	74.91%												
Public	33,87,700	25.09%												
Total	1,35,00,000	100.00%												
(l)	Expected dilution in equity share capital upon conversion of preference shares	Not applicable												

The Members are requested to authorize the Board (including any Committee(s) of the Board) to issue and allot such number of Preference Shares upto nominal value of Rs. 1,00,00,000/- (Rupees One Crore Only) as stipulated above, in one or more tranches.

The Board recommends the Special Resolution set forth in Item No.9 of the Notice for approval of the Members.

Mr Kannan A Yadav being Director in Aditya Investments and Communication Limited, Mr Rajen K Desai being Director in Grandeur Corporation Private Limited and Mr Sudhakar Shetty being Director in Grandeur Corporation Private Limited may be deemed to be concerned or interested in the resolution. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

By order of the Board of Directors

For N B FOOTWEAR LIMITED

(KANNAN A YADAV)
MANAGING DIRECTOR & CEO

Place : Mumbai

Dated : 30th May 2014

N B FOOTWEAR LIMITED

DIRECTORS REPORT

The Members

N B FOOTWEAR LIMITED

The Directors are pleased to present their TWENTY SIXTH ANNUAL REPORT together with the audited Annual Accounts for the year ended 31st March 2014.

01. FINANCIAL RESULTS

The financial results for the year ended 31st March 2014 are given below :-

S.No.	Description	2013-2014	2012-2013
		(Rs. in lakhs)	
01.	Turnover/ Income	0.00	0.00
02.	Profit/(Loss) before exceptional and extraordinary items	(18.55)	(12.80)
03.	Extraordinary items	0.00	0.00
04.	Net Profit/(Loss)	(18.55)	(12.80)

02. PERFORMANCE

There was no manufacturing activity during the year under review. The operations have resulted in a net loss of Rs. 18.55 lakhs

03. OUTLOOK

As you are aware, the operations of the Company have been discontinued in 2001. The Company is exploring various options including the possibility of entering the Biotech space in the FMCG window. The plans are likely to be firmed up and implemented during the current fiscal year.

04. 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.

05. DISCLAIMER

The information and opinion expressed in this report may contain forward looking statements, which the Managements 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.

06. DIRECTORS

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

07. AUDITORS

M/s. J V Ramenujam & 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.