

BOARD OF DIRECTORS

Mr. Rajen K. Desai - Director
Mr. S. Krishnan - Director
Mr. A.S. Chowdri - Director
Mr. A.L. Prasad - Director
Mr. Sudhakar Shetty - Director
Mr. Kannan A. Yadav - Managing Director
Mr. Gregory Pereira - Director

AUDITORS

J.V. Ramanujam & Co.,
Chartered Accountants
Chennai

BANKERS

Union Bank of India
Broadway Branch
Chennai - 600 108.

REGISTERED OFFICE

87/84, Mosque Street
Seduvalai Village
Vellore - 632 104.

ADMINISTRATIVE OFFICE

No. 11, Beemanna Garden Road,
Alwarpet,
Chennai - 600 018.
Tamil Nadu, India

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NOTICE CONVENING TWENTY FIFTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company will be held at Lakshminarayanan Hall, Hotel Ganga, No. 16, Officers Line, Vellore 632 101 on Monday, the 30th September 2013 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 2013 and Statement of 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 Sudhakar Shetty 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 Kannan A Yadav 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 16/09/2013 to 30/09/2013 (both days inclusive).
03. Members are requested to notify immediately any change in their address.

By order of the Board

Place : Mumbai

Date : 30th May 2013

KANNAN A YADAV

MANAGING DIRECTOR & CEO

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

| S.No. | Particulars | Sudhakar Shetty | Kannan A Yadav |
|-------|--|--|--|
| 01. | Date of Birth | 04/12/1957 | 24/05/1963 |
| 02. | Date of appointment | 22/03/1996 | 22/03/1996 |
| 03 | Qualifications | B.Com | B.Com |
| 04. | Expertise in specific functional | A graduate in Commerce and having two decades of experience in administration and trading. | A graduate in Commerce and having two decades of experience in administration and trading. |
| 05. | Directorships held in other Public Companies (including Foreign Companies) | NIL | NIL |
| 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 | 81,700 | 76,700 |

DIRECTORS REPORT

The Members,

NB FOOTWEAR LIMITED

The Directors are pleased to present their TWENTY FIFTH ANNUAL REPORT together with the audited Annual Accounts for the year ended 31st March 2013.

01. FINANCIAL RESULTS

The financial results for the year ended 31st March 2013 are given below :-

| S.No | Description | 2012-2013 (Rs. in lakhs) | 2011-2012 |
|------|--|-----------------------------|-----------|
| 01. | Turnover/ Income | 3.57 | 44.46 |
| 02. | Profit/(Loss) before exceptional and extraordinary items | (12.80) | 22.32 |
| 03. | Extraordinary items | 0.00 | 0.00 |
| 04. | Net Profit/(Loss) | (12.80) | 22.32 |

02. PERFORMANCE

There was no manufacturing activity during the year under review. The operations have resulted in a net loss of Rs. 12.80 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 Sudhakar Shetty and Mr Kannan A Yadav, 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 2013 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 2013 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 2013

KANNAN A YADAV

MANAGING DIRECTOR & CEO

ADDENDUM TO DIRECTORS REPORT ON QUALIFICATION / RESERVATION MADE BY THE AUDITORS FOR THE YEAR ENDED 31ST MARCH 2013

- 1) With reference to the Auditors observation on Company's ability to continue as a going concern in the foreseeable future, the Directors wish to submit that the Company is looking at various options including core team to execute business segments as stated elsewhere in this Annual Report.
- 2) As regards Auditors observation in Para 4(ix)(b) in Annexure to Auditors Report, the Directors submit that the disputed dues to Central Excise Act, 1944 and Sales Tax Law have been pending from 1999-2000 and 1995-1996 onwards; that the Company is confident of obtaining favourable outcome in these cases. Hence, these amounts have not been deposited with the concerned authorities.

For and on behalf of the Board

Place : Mumbai
Date : 30th May 2013

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 2013

| 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 has 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.

| 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) Overseeing 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 Chairman 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 31/05/2012, 31/07/2012, 31/10/2012 and 31/01/2013.

| 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 |

05. Remuneration Committee

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

06. Share Transfer/Investor 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 authorized 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 31/03/2013.