

N B Footwear Limited

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 - 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 & WORKS

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

ADMINISTRATIVE OFFICE

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

Contents	Page No.
Notice	2
Directors' Report	4
Report on Corporate Governance	5
Auditors' Report	10
Balance Sheet	13
Profit & Loss Account	14
Cash Flow Statement	15
Schedules to Accounts	16
Balance Sheet Abstract	22

NOTICE CONVENING TWENTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the TWENTY FIRST ANNUAL GENERAL MEETING of the Company will be held at Lakshminarayan Hall, Hotel Ganga, No.16, Officers Line, Vellore 632 101 on Wednesday, the 30th September 2009 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 2009 and the 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 the 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 the 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.

By order of the Board

Place : Mumbai
Date : 31st July 2009

KANNAN A YADAV
DIRECTOR & CEO

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 29th September, 2009 to 30th September 2009 (both days inclusive).
03. Members are requested to notify immediately any change in their address.

By order of the Board

Place : Mumbai
Date : 31st July 2009

KANNAN A YADAV
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 area	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)	-	-
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 FIRST ANNUAL REPORT** together with the audited annual accounts for the year ended 31st March 2009.

01. FINANCIAL RESULTS

The financial results for the year ended 31st March 2009 are given below :-

S.No. Description	2008-2009 (Rs. in lakhs)	2007-2008
01. Turnover/Income	0.00	0.00
02. Operating Loss	(17.04)	(17.69)
03. Profit/(Loss) before Interest and Depreciation	(17.04)	(17.69)
04. Interest	0.00	0.00
05. Depreciation	22.11	22.31
06. Net Profit/(Loss)	(39.15)	(40.00)

02. PERFORMANCE

There was no manufacturing activity during the year under review. The operations have resulted in a net loss of Rs. 39.15 lakhs.

03. OUTLOOK :-

The Members are aware that the Company has discontinued operations in 2001. The plant, machinery and other equipment required for manufacture need to be balanced in order to revive commercial production. The Company is looking at reviving the footwear production as also other avenues for revenue generation.

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 AND 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 2009 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.

08. EMPLOYEES

There are no employees who are in receipt of the remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 read with 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 :

- i) Followed the applicable accounting standards in the preparation of annual accounts;
- ii) 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 financial year and profit or loss of the Company for the year under review.
- iii) 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;
- iv) 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 2009 is enclosed.

11. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements 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 Annual Report.

For and on behalf of the Board

Place : Mumbai
Date : 31st July .2009

KANNAN A YADAV
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 to 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 2009.

S.No.	Name of the Director	Category
01.	Mr. Rajen K. Desai	Promoter Director
02.	Mr. Kannan A. Yadav	Non-Executive Independent Director
03.	Mr. Sudhakar Shetty	-do-
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 last Annual General Meeting (AGM) and details of memberships in other Boards and Committees.

The Board met Four times during the financial year on 30th June 2008, 31st July 2008, 31st October 2008 and 31st January, 2009.

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	4	Yes	2	2
Mr. Sudhakar Shetty	Director	4	No	1	1
Mr. S. Krishnan	Director	Nil	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 its 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 management the 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 the internal audit department.

N B Footwear Limited

- (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 30th June 2008, 31st July 2008, 31st October 2008 and 31st January 2009

Name of the Member	Designation	No. of Meetings attended
Mr. Kannan 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 authorised 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 dematerialisation are confirmed on a daily basis.

During the year there were no complaints received from the shareholders and there are no pending investors grievances as on 31.03.2009.

7) General Body Meetings

The last three Annual General Meetings were held as under :

Date of AGM	Time	Venue
September 15 th 2008	11.00 a.m	Lakshminarayan Hall, Hotel Ganga, 16, Officers Line, Vellore – 632 101
August 31 st 2007	11.00 a.m	Lakshminarayan Hall, Hotel Ganga, 16, Officers Line, Vellore – 632 101
September 30 th 2006	11.00 a.m	Lakshminarayan Hall, Hotel Ganga, 16, Officers Line, Vellore – 632 101

No Special/Ordinary resolutions were required to be put through Postal Ballot at the AGM held on 15.09.2008.

8) Disclosures

- a) 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 the company at large.

N B Footwear Limited

- b) There was no instance of non-compliance by the company on any matters relating to the capital markets nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authorities during the last three years.
- c) 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.
- d) No different treatment other than that prescribed in the Accounting Standard has been followed.
- e) 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.
- f) 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.
- g) 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 "Makkai Kural" in Tamil. The Company does not have a website. The quarterly results and the shareholding pattern are regularly sent to all the stock exchanges where the Company's shares are listed. The Management Discussion and Analysis Report form part of Annual report.

10) General Shareholder information

a) Annual General Meeting for 2009

Date : 30th September 2009
 Time : 11.00 a.m.
 Venue : Lakshminarayan Hall, Hotel Ganga,
 16, Officers line, Vellore 632 101

b) Financial Calendar for 2009-2010

Unaudited results for the quarter ended 30 th June 2009	31 st July 2009
Unaudited results for the quarter ended 30 th September 2009	On or before 31 st October 2009
Unaudited results for the quarter ended 31 st Dec. 2009	On or before 31 st January 2010
Audited Financial Results for the year ended 31 st March 2010	On or before 30 th June 2010

c) Book Closure Period

29th September 2009 to 30th September 2009

d) Listing on Stock Exchanges

The Madras Stock Exchange Limited (MSE)
 Second Line Beach, Chennai - 600 001
 Bombay Stock Exchange Limited,
 Floor 25, P J Towers, Dalal Street,
 Mumbai - 400 001

The Vadodara Stock Exchange Limited
 Fortune Towers, Sajajigunj Vadodara - 390 005

e) Listing

Annual Listing fees for 2009-2010 have been paid to all 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 shares prices for the year ended 31st March 2009 :-

Month	High (Rs.)	Low (Rs.)
September 2008	7.40	7.40
October 2008	7.77	7.77

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 of 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. Letters are sent to transferees giving an option for dematerialisation of shares acquired in physical form.

N B Footwear Limited

j) DISTRIBUTION OF SHAREHOLDING AS OF 31.03.2009

CATEGORY (NO OF SHARES)	NO OF SHAREHOLDERS	PERCENTAGE	NO.OF SHARES	PERCENTAGE
UPTO 1000	3351	97.84	1866844	41.48
1001-2000	7	0.20	9356	0.21
2001-3000	5	0.14	11800	0.26
3001-4000	5	0.14	18600	0.41
4001-5000	12	0.35	55600	1.24
5001-10000	19	0.56	125500	2.79
Above 10000	26	0.77	2412300	53.61
	3425	100.00	4500000	100.00

k) Pattern of Shareholding as on March 31, 2009

Category	No. of. Shares	%
Non-Resident Individuals	200	0.01
Corporate Bodies	1720980	38.24
Individuals and others	2778820	61.75
Total	4500000	100.00

l) Dematerialisation of Shares and liquidity

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

Demat ISIN Number:INE 006F01018

m) Plant Location: 63, Seduvalai, Virinjipuram, Vellore – 632 104

n) Address for communication

Registered Office

NB FOOTWEAR LIMITED

NO.63 SEDUVALAI

VIRINJIPURAM

VELLORE

TAMIL NADU – 632 104

Share Transfer Agent

M/S. CAMEO CORPORATE SERVICES LIMITED
SUBRAMANIAN BUILDING NO.1, CLUB HOUSE
ROAD

CHENNAI TAMILNADU – 600 002

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(I)(D)(i) of the Listing Agreement for the year ended 31st March 2009.

Place : Mumbai
Date : 31st July 2009

KANNAN A YADAV
Director & CEO

CERTIFICATE

To

The Members of NB Footwear Limited

We have examined the compliance of conditions of Corporate Governance procedures implemented by NB Footwear Limited, during the year ended 31st March 2009, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company, for ensuring compliance with the conditions of the 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 knowledge 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 2009 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 : 31st July 2009

J Vedantha Ramanujam
Membership No. 22188, Partner

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) OUTLOOK

The management is exploring the possibility of identifying and diversifying into newer areas and newer products.

2) OPPORTUNITIES AND THREATS

The growing economy of the country presents a lot of opportunities for growth. The Company by diversifying into other areas and newer lines, could withstand the competition.

3) DISCLAIMER

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

AUDITOR'S REPORT

TO THE MEMBERS OF NB FOOTWEAR LIMITED

We have audited the attached balance sheet of NB Footwear Limited as at 31st March, 2009 and also the profit and loss account 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.

1. 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 of 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 financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. 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 in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we ~~we~~ enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report 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) Mr.A.L.Prasad and Mr.A.S.Chowdri, Directors of the company, have not produced written

representations as to which companies they are directors as on 31st March, 2009 In the absence of such representations, we are unable to comment whether Mr.A.L.Prasad and Mr.A.S.Chowdri are disqualified from being appointed as a director under section 274 (1) (g) of the Companies Act, 1956. As far as other directors are concerned, on the basis of the written representations received from such directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the remaining directors are disqualified as on 31st March, 2009 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 shareholder's funds by Rs. 8.67 Crores. The Company has also been declared sick by the Board for Industrial and Financial Reconstruction (BIFR) on 21.05.01. The Company is facing severe liquidity problems and continuing losses as operations have been discontinued for the past eight years. These facts raise substantial doubt 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 recorded asset amounts, or classification of liabilities, 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 given 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 the Balance Sheet, of the state of affairs of the company as at 31st March, 2009.
 2. in so far as it relates to the Profit and Loss Account, of the loss 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 Vandantha Ramanujam)
Partner

Place : Chennai
Date : 31st July 2009

Membership .No. 22188

**Annexure to Auditor's Report to the Members of M/s. N B Footwear Limited
on the accounts for the year ended 31st March 2009**

Referred to in paragraph 3 of our report of even date

1. In respect of its fixed assets

- a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- 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 explanations given to us no material discrepancies were noticed verification.
- c) During the year, the Company has not disposal off any substantial/major part of fixed assets,

2. The Company has no inventories.

3. (a) 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 under Section 301 of the Companies Act, 1956, The Company has taken loan from one party included under Section 301 of the Companies Act, 1956. Total outstanding at the year end is Rs. 50,00,000/-

(b) As the loan received is interest free, the rate of interest being prejudicial to the interest of the Company will not arise.

(c) There are no terms as to the repayment of principal as it is repayable on demand.

(d) As the principal is payable on demand, the question of overdue does not arise.

4. (a) In our opinion and according to 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 and 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.

5. 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.

6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.

7. During the year no internal audit has been carried out by the management.

8. 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.

- 9(a) According to the records provided to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Excise Duty, Customs Duty, Income Tax, Sales Tax and cess and other statutory dues with the appropriate authorities.

- (b) 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 2009 for a period of more than six months from the date they become payable. except Fringe Benefit Tax which has not been remitted.

- (c) According to the information and explanation given to us, the following are the particulars of disputed dues as on 31.03.2009 on account of excise duty and sales tax that have not been deposited with the concerned authorities.

N B Footwear Limited

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 Commissioner	Sales Tax	1,71,533	1995-1996	Appellate Assistant

10. The accumulated losses of the Company as at the end of the year are more than fifty percent of its net worth. The company has incurred cash losses during the year and also in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/mutual benefit fund /society and as such this clause of the order is not applicable,
14. The company is not dealing or trading in shares, securities, debentures and other investments.
15. The Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the term loan availed by the company were utilised for which the loans were obtained.
17. 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 investments.
18. During the year, the company has not allotted any shares no preferential basis to parties and companies covered in the register maintained under section 301 of the companies Act 1956.
19. According to the information and explanations given to us and the records examined by us, the Company has not issued any debentures during the year.
20. The company has not raised any monies by way of public issues during the year.
21. Based on the audit procedures adopted by us and information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

For J.V.Ramanujam & Co.
Chartered Accountants

(J.Vedantha Ramanujam)
Partner
Membership No 22188

Place: Chennai
Date: 31st July 2009

N B Footwear Limited

BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE	AS AT 31.03.2009 RS.	AS AT 31.03.2008 RS.
SOURCES OF FUNDS		
Shareholders Funds		
Share capital	1	45,000,000
Reserves and surplus	2	32,000,000
Loan Funds		
Secured loans		
Unsecured loans	3	96,049,668
Total	173,049,668	170,954,668
APPLICATION OF FUNDS		
Fixed Assets		
Gross block	4	50,846,415
Less: Depreciation		43,561,205
Net Block		7,285,210
Capital work-in-progress/advances		1,518,979
		8,804,189
Current assets, loans and advances		
Inventories		-
Sundry debtors	5	-
Cash and bank balances	6	1,955,039
Loans and advances	7	228,471
		2,183,510
Less: Current liabilities and provisions		
Current liabilities	8	1,643,584
Provisions		30,000
		1,673,584
Net current assets		509,926
Profit and loss account		163,735,553
Total		173,049,668

Notes on the accounts 11
 The Schedules referred to above form an integral part of the Balance Sheet.
 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

C.RAMAKRISHNAN
 CFO & Compliance Officer

KANNAN A YADAV
 Director & CEO

RAJEN K.DESAI
 Director

Place : Chennai
 Date : 31.07.2009

Place: Mumbai
 Date : 31.07.2009

N B Footwear Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	Schedule	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
INCOME			
Other income	9	<u>NIL</u>	<u>Nil</u>
		NIL	0
EXPENDITURE			
Manufacturing and other expenses	10	1,704,002	1,768,907
(Increase) / Decrease in stock		-	-
Interest and financial charges		-	-
Depreciation	4	2,211,317	2,230,842
		<u>3,915,319</u>	<u>3,999,749</u>
Profit/(Loss) for the year		(3,915,319)	(3,999,749)
Provision for taxation		-	-
Profit/(Loss) after taxation		<u>(3,915,319)</u>	<u>(3,999,749)</u>
Profit/(Loss) brought forward		(159,820,234)	(155,820,485)
Balance (loss) carried to balance sheet		<u>(163,735,553)</u>	<u>(159,820,234)</u>
Basic and diluted earnings per share		(0.87)	(0.89)
Notes on the accounts	11		

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

For and on behalf of the Board

J.VEDANTHA RAMANUJAM
Partner
Membership No.22188

C.RAMAKRISHNAN
CFO & Compliance Officer

KANNAN A YADAV
Director & CEO

RAJEN K.DESAI
Director

Place : Chennai
Date : 31.07.2009

Place: Mumbai
Date : 31.07.2009

N B Footwear Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

	YEAR ENDED 31.03.2009 Rs.	YEAR ENDED 31.03.2008 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(loss) for the year	(3,915,319)	(3,999,749)
Adjustments for:		
Depreciation	2,211,317	2,230,842
Operating profit/(loss) before working capital changes	(1,704,002)	(1,768,907)
Adjustments for:		
(increase)/decrease in loans and advances	(20,000)	(9,500)
increase/(decrease) in current liabilities	416	(1,002,430)
Cash generated from/ (used in) operations	(1,723,586)	(2,780,837)
Direct taxes (paid) / received	NIL	NIL
Net cash from/(used in) operating activities	(1,723,586)	(2,780,837)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Increase/(decrease) in fixed assets	-13,500	0
Net cash from/(used in) investing activities	(13,500)	0
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	2,095,000	4,145,000
Repayment of borrowings	NIL	NIL
Net cash from/(used in) financing activities	2,095,000	4,145,000
Net cash flows during the year(A+B+C)	357,914	1,364,163
Cash and cash equivalents		
Opening balance	1,597,125	232,962
Closing balance	1,955,039	1,597,125

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of the Board

FOR J.V.RAMANUJAM & CO.

Chartered Accountants

J.VEDANTHA RAMANUJAM

Partner

Membership No.22188

C.RAMAKRISHNAN

CFO & Compliance Officer

KANNAN A YADAV

Director & CEO

RAJEN K.DESAI

Director

Place : Chennai

Date : 31.07.2009

Place: Mumbai

Date : 31.07.2009

N B Footwear Limited

FOR THE YEAR ENDED 31.03.2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
50,00,000 equity shares of Rs. 10 each	<u>50,000,000</u>	50,000,000
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
45,00,000 equity shares of Rs. 10 each	<u>45,000,000</u>	45,000,000
SCHEDULE 2		
RESERVES AND SURPLUS		
Special state capital subsidy	2,000,000	2,000,000
Share premium account	<u>30,000,000</u>	<u>30,000,000</u>
	<u>32,000,000</u>	32,000,000
SCHEDULE 3		
UNSECURED LOANS		
Short term loans and advances		
-From a director	6,384	6,384
-From others	<u>96,030,001</u>	<u>93,935,001</u>
	<u>96,036,385</u>	93,941,385
Long term loans and advances		
-Interest free sales tax loan	13,283	13,283
	<u>96,049,668</u>	<u>93,954,668</u>

Schedule 4

FIXED ASSETS

(Amount in Rs)

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 31.03.2008	Additions	Deletions	As at 31.03.2009	As at 31.03.2008	For the year	On deletions	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Land-freehold	501184	-	-	501184	-	-	-	-	501,184	501,184
Buildings	6800192	-	-	6800192	3988411	227,128	-	4216537	2,584,655	2,811,781
Electrical installation	2152985	-	-	2152985	1719453	102,267	-	1821720	331,265	433,532
Plant and machinery	39548174	-	-	39548174	33818422	1,878,538	-	35696960	3,851,214	5,729,752
Computer	475439	13,500	-	488,939	475439	2,189	-	477628	11,311	0
Office equipment	770426	-	-	770426	770426	0	-	770426	0	0
Furniture and fittings	571910	-	-	571910	571910	0	-	571910	0	0
Vehicles	12,605	-	-	12,605	5,827	1,197	-	7024	5,681	6,778
Total	50832915	-	-	50846415	41349888	2211317	-	43561205	7285210	9483027
Previous year	50832915	-	-	50832915	39119046	2,230,842	-	41349888	9483027	11,713,869

Capital work in Progress / Advance

1518979

1518979

TOTAL

8,804,189

11,002,006

N B Footwear Limited

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 5		
SUNDRY DEBTORS		
(Unsecured and considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months		
-Considered good	NIL	NIL
-Considered doubtful	28,694,055	28,694,055
	<hr/>	<hr/>
	28,694,055	28,694,055
Less: Provision for doubtful debts	28,694,055	28,694,055
	<hr/>	<hr/>
	NIL	NIL
SCHEDULE 6		
CASH AND BANK BALANCES		
Cash on hand	216,153	46,661
Balance with scheduled banks		
on current account	1,738,886	1,550,464
on deposit account	NIL	NIL
	<hr/>	<hr/>
	1,955,039	1,597,125
SCHEDULE 7		
LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received:		
-Considered good	124,002	124,002
-Considered doubtful	5,681,169	5,681,169
	<hr/>	<hr/>
	5,805,171	5,805,171
Less: Provision for doubtful advances	5,681,169	5,681,169
	<hr/>	<hr/>
	124,002	124,002
Other Advances	103,300	83,300
Tax deducted at source	975	975
Balance with excise on current account	194	194
	<hr/>	<hr/>
	228,471	208,471
	<hr/>	<hr/>

N B Footwear Limited

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 8		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry creditors		
- due to small scale industrial undertakings	NIL	NIL
- others	443,584	443,168
	<u>443,584</u>	<u>443,168</u>
Deposits and Advances	1,200,000	1,200,000
Other Liabilities	NIL	NIL
Interest accrued but not due on loans	NIL	NIL
PROVISIONS		
Leave salary	NIL	NIL
Audit Fees	30,000.00	30,000
	<u>1,673,584</u>	<u>1,673,168</u>
SCHEDULE 9		
OTHER INCOME		
Scrap sales	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
SCHEDULE 10		
MANUFACTURING AND OTHER EXPENSES		
Salaries and wages	365,364	357,835
Contributions to provident and other funds	18,624	18,624
Staff welfare expenses	15,770	16,506
Power and fuel	23,213	22,642
Advertisement exp.	54,399	38,296
Rent, rates and taxes	232,276	175,812
Insurance	20,611	27,390
Repairs and maintenance		
- Buildings	5,092	5,521
Travelling & Conveyance	36,156	58,853
Vehicle hire charges	26,362	26,808
Postage, telephone and telex	133,447	131,541
Professional and consultancy charges	247,865	275,861
Auditor's Remuneration		
- For Statutory Audit	30,000	30,000
Security charges	339,249	339,718
Court Fees	15,000	5,330
Miscellaneous	140,574	238,170
	<u>1,704,002</u>	<u>1,768,907</u>

SCHEDULE 11

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009

1 ACCOUNTING POLICIES

The accounts are prepared under the historical cost convention and materially comply with the mandatory accounting standards.

The significant accounting policies followed by the company are as stated below:

(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. Full year's depreciation is provided in the year of addition and no depreciation is provided in the year of sale/disposal.

(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.

		Year ended 31.03.2008	Year ended 31.03.2007
		Rs.	Rs.
2	<u>Auditors' Remuneration</u>		
	Audit Fees		
	For Statutory Audit	30,000	30,000

3 Capacity and Production

Class of Goods	Units	Installed capacity(Annual)		Actual Production	
		Current Year	Previous Year	Current Year	Previous Year
Full Shoes	Pairs	446000	446000	Nil	Nil
Job Work	Pairs	Nil	Nil	Nil	Nil

N B Footwear Limited

4 Contingent liabilities

1. Sales tax Rs. 1,71,533/- (Previous year Rs. 1,71,533).
2. Customs duty Rs. 57,429/- (Previous year Rs. 57,429).

5 The Company operates in only one segment-Footwear.

6 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 Grandeur Corporation Limited
- 2 Transchem Limited
- 3 Aditya Investments and Communications Limited
- 4 Chameleon Commodities Limited

(ii) The following transactions were carried out with the related parties.

S.No.	Particulars	Enterprises owned by/over which KMP is able to exercise significant influence
i)	Balance outstanding as of 31st March 2009 (Net Cr)	(96,030,000)
ii)	Loans received	(20,95,000)

7 Earnings per share

	Year ended 31.3.2009	Year ended 31.03.2008
	Rs.	Rs.
Profit/(Loss) after taxation (Rs. In Lakhs)	(3,915,319)	(3,999,749)
No. of equity shares outstanding	4,500,000	4,500,000
Basic and Diluted earning per share	(0.87)	(0.89)

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

9 Accounting Standard 28 - Impairment of Assets The Company has taken up a study on impairment of assets to comply with the Accounting Standard - 28 issued by the The Institute of Chartered Accountants of India.

N B Footwear Limited

12. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

i Registration Details

Registration No.: 14902 State Code-18
 Balance Sheet Date : 31/3/2009

ii Capital raised during the year (Amount in Rs.Thousands)

Public Issue	—	—
Rights Issue	—	—
Bonus Issue	—	—
Private placement	—	—

iii Position of Mobilisation and Deployment of funds(Amount in Rs.Thousands)

Total Liabilities	173,050	Total Assests	173,050
Sources of funds :		Applications of funds :	
Paid-Up Capital	45,000	Net Fixed Assets	8,804
Reserves and surplus	32,000	Investments	0
Secured Loans	0	Net Current Assets	510
Unsecured Loans	96,050	Miscellaneous Expenditure	0
		Accumulated losses	163,736

iv Performance of company (Amount in Rs.Thousands)

Turnover (including other income)	0	Total Expenditure	3915
Profit/(loss)before tax	-3,915	Profit/(loss) after tax	-3,915
Earning per share	(0.87)	Dividend rate %	0

v Generic names of three principal products/services of the company (as per monetary terms)

Item Code No. (ITC code) 640610.02

Product SHOE UPPERS

Item Code No. 640319.01

(ITC code)

Product FULL SHOES

13 Previous year's figures have been regrouped/recast, wherever necessary, to confirm to this year's classification

Signature to Schedules 1 to 11

Place : Mumbai

C RAMAKRISHNAN

KANNAN A YADAV

RAJEN K DESAI

Date : 31.07.2009

CFO & Compliance Officer

Director & CEO

Director

NB FOOTWEAR LIMITED

Regd. Office : # 63, Seduvalai Village, Virinjipuram Post, Vellore - 632 104, Tamil Nadu.

PROXY FORM

I/We
of in the 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 First Annual General Meeting of the Company to be held on Wednesday, 30th September 2009 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 2009

Regd. Folio No

No. of Shares held



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 : # 63, Seduvalai Village, 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 First Annual General Meeting** of the Company to be held on Wednesday, 30th September 2009 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)