

NOTICE CONVENING TWENTY THIRD ANNUAL GENERAL MEETING

Notice is hereby given that the TWENTY THIRD ANNUAL GENERAL MEETING of the Company will be held at Lakshminarayan Hall, Hotel Ganga, No.16, Officers Line, Vellore 632 101 on Friday, the 30th September 2011 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 2011 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 Gregory Pereira 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 Sudhakar Shetty 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 16th September 2011 to 30th September 2011 (both days inclusive).
03. Members are requested to notify immediately any change in their address.

By order of the Board

Place : Mumbai
Date : 30/05/2011

KANNAN A YADAV
MANAGING DIRECTOR & CEO

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

S.No.	Particulars	Gregory Pereira	Sudhakar Shetty
01.	Date of Birth	13/02/1962	04/12/1957
02.	Date of appointment	22/03/1996	22/03/1996
03.	Qualifications	B.Com.	B.Com
04.	Expertise in specific functional area	A graduate in Commerce and having more than two decades of experience in administration and trading.	A graduate in Commerce and having more than two decades of experience in administration and trading..
05.	Directorships held in other Public Companies (including Foreign Companies)	1	1
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	44,700	81,700

DIRECTORS REPORT

The Members,
NB FOOTWEAR LIMITED

Dear Sirs,

The Directors are pleased to present their TWENTY THIRD ANNUAL REPORT together with the audited annual accounts for the year ended 31st March 2011.

01. FINANCIAL RESULTS

The financial results for the year ended 31st March 2011 are given below :-

S.No	Description	2010-2011	2009-2010
		(Rs. in lakhs)	
01.	Turnover/Income	0.00	0.00
02.	Operating Loss	(20.56)	(19.09)
03.	Profit/(Loss) before Interest and Depreciation	(20.56)	(19.09)
04.	Interest	0.00	0.00
05.	Depreciation	22.09	22.20
06.	Net Profit/(Loss)	(42.65)	(41.29)

02. PERFORMANCE

There was no manufacturing activity during the year under review. The operations have resulted in a net loss of Rs.42.65 lakhs.

03. OUTLOOK :-

The Members are aware that the Company has discontinued operations in 2001. The Company is exploring various possibilities.

04. DIRECTORS

Mr Gregory Pereira and Mr Sudhakar Shetty, 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 2011 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 2011 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 : 30/05/2011

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 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 2011.

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 31st May 2010, 30th July 2010, 29th October 2010 and 31st January 2011.

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.
- (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 31st May 2010, 30th July 2010, 29th October 2010 and 31st January 2011

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 31/03/2011.

7) General Body Meetings

The last three Annual General Meetings were held as under :

Date of AGM	Time	Venue
30 th September 2010	11.00 a.m	Lakshminarayan Hall, Hotel Ganga, 16, Officers Line, Vellore – 632 101
30 th September 2009	11.00 a.m	Lakshminarayan Hall, Hotel Ganga, 16, Officers Line, Vellore – 632 101
15 th September 2008	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 30/09/2010.

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.
- 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 "Makkal 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 2011

Date : 30th September 2011

Time : 11.00 a.m.

**Venue : Lakshminarayan Hall, Hotel Ganga,
16, Officers line, Vellore 632 101**

b) Financial Calendar for 2010-2011

Unaudited results for the quarter ended 30 th June 2011	Last week of July 2011
Unaudited results for the quarter ended 30 th September 2011	Last week of October 2011
Unaudited results for the quarter ended 31 st December 2011	Last week of January 2012
Audited Financial Results for the year ended 31 st March 2012	Last week of May 2012

c) Book Closure Period

16th September 2011 to 30th September 2011

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 2011-2012 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 share prices for the year ended 31st March 2011 on the Bombay Stock Exchange Limited

Month		High (Rs.)	Low (Rs.)
April	2010	Rs. 9.93	Rs. 7.80
May	2010	Rs. 18.06	Rs. 10.42
June	2010	Rs. 13.05	Rs. 9.14
July	2010	Rs. 9.00	Rs. 7.78
August	2010	Rs. 8.70	Rs. 7.90
September	2010	Rs. 8.21	Rs. 6.47
October	2010	Rs. 8.79	Rs. 6.16
November	2010	Rs. 8.25	Rs. 8.00
December	2010	Rs. 8.00	Rs. 7.95
January	2011	Nil	Nil
February	2011	Nil	Nil
March	2011	Nil	Nil

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.

j) DISTRIBUTION OF SHAREHOLDING AS OF 31/03/2011

CATEGORY (NO OF SHARES)	NO OF SHAREHOLDERS	PERCENTAGE	NO. OF SHARES	PERCENTAGE
UPTO 1000	3221	94.05	1651750	12.24
1001-2000	110	3.21	172050	1.27
2001-3000	32	0.93	81500	0.60
3001-4000	13	0.38	47200	0.35
4001-5000	9	0.26	40500	0.30
5001-10000	14	0.41	94700	0.70
Above 10000	26	0.76	11412300	84.54
	3425	100.00	13500000	100.00

k) Pattern of Shareholding as on March 31, 2010

Category	No. of. Shares	%
Non-Resident Individuals	200	0.01
Corporate Bodies	1,07,20,980	79.41
Individuals and others	27,78,820	20.58
Total	1,35,00,000	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 2011.

Place : Mumbai

Date : 30th May 2011

KANNAN A YADAV

Managing 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 2011, 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 2011 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 JV Ramanujam & Co.,
Chartered Accountants

Place : Chennai

Date : 30th May 2011

J Vedantha Ramanujam

Membership No. 22188, Partner

FRN: 02947S

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

1. We have audited the attached balance sheet of NB Footwear Limited as at 31st March, 2011 the profit and loss account and cash flow statement for the year ended on that date 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.
 2. 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 from any 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 of financial statements. We believe that our audit provides a reasonable basis for our opinion.
 3. 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 of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 4. Further to our comments in the Annexure referred to above, we state 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) On the basis of the written representation received from the Directors of the company as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the director are disqualified as on 31st March, 2011 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. 51 lakhs. 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 nine 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 to amounts and 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, 2011;
 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 Vendantha Ramanujam)

Partner

Place : Chennai
Date : 30th May 2011

Membership No. 22188

FRN :02947S

ANNEXURE TO THE AUDITOR'S REPORT

Clauses u/s 227 (4A) of the Companies Act

(Referred to in Para 3 of our report of even date)

- (1) Having regard to the nature of business /activities during the year the following
- Clauses under CARO reporting are not applicable
- Clause 4(xii) regarding granting of loans.
- Clause 4(xiii) regarding special provisions relating to nidhi/mutual Benefit fund/society:
- Clause 4(xiv) regarding dealing /trading in shares:
- Clause 4(xv) regarding issuing of guarantees;
- Clause 4(xviii) regarding allotment of shares:
- Clause 4(xix) regarding issue of debentures:
- Clause 4(xx) regarding issue of shares to public are not applicable
- 4.(1)(a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- 4(1)(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.
- 4(1)(c) In our opinion, the Company has not disposed off, substantial part of fixed assets,
- 4(ii) The Company has no inventories.
- 4(ii)(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.
- (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(iv) As per the 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.
- 4(v) 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.
- 4(vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public.
- 4(vii) During the year no internal audit has been carried out by the management
- 4(viii) 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.
- 4(ix)(a) According to the records and as per the information and explanation given to us the Company is generally regular in depositing undisputed statutory dues including GPF, EPF, Sales Tax, Service Tax, Tax deducted on Salaries, rent etc. to the appropriate authorities.
- 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 2011 for a period of more than six months from the date they become payable. However, the Company has not qualified the Fringe Benefit Tax from the date when it came into vogue.
- 4(ix)(b) According to the information and explanation given to us, the following are the particulars of disputed dues as on 31.03.2011 on account of excise duty and sales tax that have not been deposited with the authorities concerned

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

- 4(x) 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.
- 4(xi) 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.
- 4(xvi) According to the information and explanations given to us, the term loan availed by the Company were utilized for which the loans were obtained
- 4(xvii) 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 investment.
- 4(xix) In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year, that cause the financial statements to be materially misstated.

For J.V.Ramanujam & Co.
Chartered Accountants

Place: Chennai
Date: 30th May 2011

(J.Vedantha Ramanujam)
Partner
Membership No 22188
FRN : 02947S

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	AS AT 31.03.2011 RS.	AS AT 31.03.2010 RS.
SOURCES OF FUNDS			
Shareholders Funds			
Share capital	1	135,000,000	45,000,000
Share application money pending allotment		7,319,668	96,534,668
Reserves and surplus	2	32,000,000	32,000,000
Loan Funds			
Secured loans		-	-
Unsecured loans		-	-
Total		174,319,668	173,534,668
APPLICATION OF FUNDS			
Fixed Assets	3		
Gross block		49,504,079	49,504,079
Less: Depreciation		46,648,436	44,439,308
Net Block		2,855,643	5,064,771
Capital work-in-progress/advances		1,518,979	1,518,979
		4,374,622	6,583,750
Current assets, loans and advances			
Inventories		-	-
Sundry debtors	4	-	-
Cash and bank balances	5	881,239	2,142,598
Loans and advances	6	200,971	209,471
		1,082,210	2,352,069
Less: Current liabilities and provisions			
Current liabilities	7	3,237,413	3,235,896
Provisions		30,000	30,000
		3,267,413	3,265,896
Net current assets		-2,185,203	-913,827
Profit and loss account		172,130,249	167,864,745
Total		174,319,668	173,534,668

Notes on the accounts **10**

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

J.VEDANTHA RAMANUJAM

Partner

Membership No.22188

FRN : 02947S

C.RAMAKRISHNAN

CFO & Compliance Officer

KANNAN A YADAV

Managing Director & CEO

RAJEN K.DESAI

Director

Place : Chennai

Date : 30/05/2011

Place: Mumbai

Date: 30/05/2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
INCOME			
Other income	8	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
EXPENDITURE			
Manufacturing and other expenses	9	2,056,376	1,908,753
(Increase) / Decrease in stock		-	-
Interest and financial charges		-	-
Depreciation	3	2,209,128	2,220,439
		<u>4,265,504</u>	<u>4,129,192</u>
Profit/(Loss) for the year		(4,265,504)	(4,129,192)
Provision for taxation		-	-
Profit/(Loss) after taxation		(4,265,504)	(4,129,192)
Profit/(Loss) brought forward		(167,864,745)	(163,735,553)
Balance (loss) carried to balance sheet		<u>(172,130,249)</u>	<u>(167,864,745)</u>
Basic and diluted earnings per share		(0.32)	(0.92)
Notes on the accounts	10		

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

J.VEDANTHA RAMANUJAM
Partner
Membership No.22188
FRN : 02947S

C.RAMAKRISHNAN
CFO & Compliance Officer

KANNAN A YADAV
Managing Director & CEO

RAJEN K.DESAI
Director

Place : Chennai
Date : 30/05/2011

Place: Mumbai
Date: 30/05/2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	YEAR ENDED 31.03.2011 Rs.	YEAR ENDED 31.03.2010 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(loss) for the year	(4,265,504)	(4,129,192)
Adjustments for:		
Depreciation	2,209,128	2,220,439
Operating profit/(loss) before working capital changes	<u>(2,056,376)</u>	<u>(1,908,753)</u>
Adjustments for:		
(increase)/decrease in loans and advances	8,500	19,000
increase/(decrease) in current liabilities	1,517	1,592,312
Cash generated from/ (used in) operations	<u>(2,046,359)</u>	<u>(297,441)</u>
Direct taxes (paid) / received	0	0
Net cash from/(used in) operating activities	<u>(2,046,359)</u>	<u>(297,441)</u>
B CASH FLOW FROM INVESTING ACTIVITIES	0	0
Net cash frm(used in) investing Activities		
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share capital	90,000,000	0
Proceeds from share application money pending allotment	(89,215,000)	96,534,668
Repayment of borrowings	0	96,049,668
Net cash from/(used in) financing activities	785,000	485,000
Net cash flows during the year(A+B+C)	(1,261,359)	187,559
Cash and cash equivalents		
Opening balance	2,142,598	1,955,039
Closing balance	881,239	2,142,598

This is the Cash Flow Statement 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
FRN : 02947S

C.RAMAKRISHNAN
CFO & Compliance Officer

KANNAN A YADAV
Managing Director & CEO

RAJEN K.DESAI
Director

Place : Chennai
Date : 30/05/2011

Place: Mumbai
Date: 30/05/2011

FOR THE YEAR ENDED 31.03.2011

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
200,00,000 equity shares of Rs.10 each (Previous Year 50,00,000 equity shares of Rs.10/- each)	<u>200,000,000</u>	<u>50,000,000</u>
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
135,00,000 equity shares of Rs.10 each (Previous year 45,00,000 equity shares of Rs.10/- each)	<u>135,000,000</u>	<u>45,000,000</u>
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>	<u>32,000,000</u>

N B Footwear Limited

2010 - 2011

Schedule 3

FIXED ASSETS

(Amount in Rs)

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 31.03.2010	Additions	Deletions	As at 31/03/2011	As at 31/03/2010	For the year	On deletions	As at 31/3/2011	As at 31/3/2011	As at 31/3/2010
Land-freehold	501184	-	-	501184	-	-	-	-	501,184	501,184
Buildings	6800192	-	-	6800192	4442663	227,126	-	4669789	2,130,403	2,357,529
Electrical installation	2152985	-	-	2152985	1923987	102,267	-	2026254	126,731	228,998
Plant and machinery	39548174	-	-	39548174	37575498	1,878,538	-	39454036	94,138	1,972,676
Computer	488939	-	-	488939	488939	0	-	488939	0	0
Vehicles	12,605	-	-	12,605	8,221	1,197	-	941	3,187	4,384
Total	49504079	-	-	49504079	44439308	2209128	-	46648436	2855643	5064771
Previous year	49504079	-	-	49504079	42218869	2,220,439	-	44439308	5064771	7,285,210
Capital work in Progress / Advance									1518979	1518979
								TOTAL	4,374,622	6,583,750

N B Footwear Limited

SCHEDULE 4

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
	28,694,055	28,694,055
Less: Provision for doubtful debts	28,694,055	28,694,055
	<u>NIL</u>	<u>NIL</u>

SCHEDULE 5

CASH AND BANK BALANCES

Cash on hand	6,368	502,631
Balance with scheduled banks		
on current account	874,871	1,639,967
on deposit account	NIL	NIL
	<u>881,239</u>	<u>2,142,598</u>
	As at	As at
	31.03.2011	31.03.2010
	Rs.	Rs.

SCHEDULE 6

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
	5,805,171	5,805,171
Less: Provision for doubtful advances	5,681,169	5,681,169
	124,002	124,002
Other Advances	75,800	84,300
Tax deducted at source	975	975
Balance with excise on current account	194	194
	<u>200,971</u>	<u>209,471</u>

**SCHEDULE 7
CURRENT LIABILITIES AND PROVISIONS
CURRENT LIABILITIES**

Sundry creditors		
- due to small scale industrial undertakings	NIL	NIL
- others	437,413	435,896
	<u>437,413</u>	<u>435,896</u>
Deposits and Advances	2,800,000	2,800,000
Other Liabilities	NIL	NIL
Interest accrued but not due on loans	<u>NIL</u>	NIL
PROVISIONS		
Leave salary	NIL	NIL
Audit Fees	30,000	30,000.00
	<u>3,267,413</u>	<u>3,265,896</u>

**SCHEDULE 8
OTHER INCOME**

	Year ended 31.03.2011	Year ended 31.3.2010
	Rs.	Rs.
Scrap sales	<u>NIL</u>	<u>NIL</u>
	<u>NIL</u>	<u>NIL</u>

NB FOOTWEAR LIMITED

**SCHEDULE 9
MANUFACTURING AND OTHER EXPENSES**

	Year ended 31.03.2011	Year ended 31.03.2010
	Rs.	Rs.
Salaries and wages	422,885	350,676
Contributions to provident and other funds	17,088	18,624
Staff welfare expenses	18,678	16,739
Power and fuel	5,839	10,447
Advertisement exp.	39,360	45,111
Rent, rates and taxes	300,870	207,521
Insurance	5,580	5,580
Repairs and maintenance		
- Buildings	168,024	182,634
Travelling & Conveyance	43,631	71,024
Vehicle hire charges	13,608	32,336
Postage, telephone and telex	39,025	38,538
Professional and consultancy charges	431,808	415,369
Auditor's Remuneration		
- For Statutory Audit	33,090	33,090
Labour Compensation Exp	173,921	125,672
Security charges	291,852	287,988
Court Fees		
Miscellaneous	51,117	67,404
	<u>2,056,376</u>	<u>1,908,753</u>

SCHEDULE 10

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

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 31/03/2011	Year ended 31/03/2010
	Rs.	Rs.
2 Auditors' Remuneration		
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

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 Private Limited
- 2 Transchem Limited
- 3 Aditya Investment and Communication Limited
- 4 Chameleon Commodities Private Limited

(ii) There were no transactions with the related parties.

7 **Earnings per share**

	Year ended 31/03/2011 Rs.	Year ended 31/03/2010 Rs.
Profit / (Loss) after taxation (Rs. In Lakhs)	(4,265,504)	(4,129,192)
No. of equity shares outstanding	13,500,000	4,500,000
Basic and Diluted earning per share	(0.32)	(0.92)

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.

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

i Registration Details

Registration No. : 14902 State Code-18
 Balance Sheet Date : 31/3/2011

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

Public Issue	—	—
Rights Issue	—	—
Bonus Issue	—	—
Private placement	90000	—

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

Total Liabilities	174,320	Total Assests	174,320
Sources of funds :		Applications of funds :	
Paid-Up Capital	135,000	Net Fixed Assets	4,375
Share application money pending allotment	7320	Investments	0
Reserves and surplus	32,000	Net Current Assets	-2,185
Secured Loans	0	Miscellaneous Expenditure	0
		Accumulated losses	172,130

iv Performance of company (Amount in Rs. Thousands)

Turnover (including other income)	0	Total Expenditure	4265
Profit/(loss)before tax	(4,265)	Profit/(loss) after tax	(4,265)
Earning per share	(0.32)	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. (ITC code)	640319.01
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 10

Place : Mumbai
Date : 30/05/2011

C RAMAKRISHNAN
CFO & Compliance Officer

KANNAN A YADAV
Managing Director & CEO

RAJEN K DESAI
Director

NB FOOTWEAR LIMITED

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

PROXY FORM

I / We
of in 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 Third Annual General Meeting of the Company to be held on Friday 30th September 2011 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 2011
Regd. Folio No.
No. of Shares held

Affix
Re. 1.00
Revenue
Stamp

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 Third Annual General Meeting of the Company to be held on Friday, 30th September 2011 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)