

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 -

- a) Followed the applicable accounting standards in the preparation of accounts;
- b) 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;
- c) 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;
- d) 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

KANNAN A YADAV

Date : 30th May 2013 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.

07. General Body Meetings

a) The last three Annual General Meetings were held as under

Date of AGM	Time	Venue
29/09/2012	11.00 a.m.	Lakshminarayan Hall, Hotel Ganga, 16, Officers Line, Vellore 632 101
30/09/2011	11.00 a.m.	-do-
30/09/2010	11.00 a.m.	-do-

b) Postal Ballot

During the year ended 31st March 2013, no special/ordinary resolutions were required to be put through Postal Ballot.

08. 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 Company at large.
- b) There was no instance of non-compliance by the company or any matters relating to the capital market nor was there any penalty/strictures imposed by the Stock Exchanges or SEBI or any other statutory authorities during the last three years.
- 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 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.

09. Means of communication

The unaudited Quarterly results are published in "The Trinity Mirror" in English and "Makkal Kural" in Tamil. The quarterly results and shareholding pattern are regularly sent to all the stock exchanges where the Company's shares are listed. The Management Discussion and Analysis Report form part of Annual Report.

10. General Shareholder information

a) Annual General Meeting for 2013

Date : 30th September 2013

Time : 11.00 a.m.

Venue : Lakshminarayan Hall, Hotel Ganga, 16, Officers Line, Vellore 632 101.

b) Financial Calendar 2013-2014

Unaudited results for the quarter ended 30 th June 2013	Last week of July 2013
Unaudited results for the quarter ended 30 th September 2013	Last week of October 2013
Unaudited results for the quarter ended 31 st December 2013	Last week of January 2014
Audited Financial Results for the year ended 31 st March 2014	Last week of May 2014

c) Book Closure Period

16th September 2013 to 30th September 2013

d) Listing on Stock Exchanges

1. The Madras Stock Exchange Limited (MSE)
Second Line Beach, Chennai - 600 001
2. Bombay Stock Exchange Limited,
Floor 25, P J Towers, Dalal Street, Mumbai 400 001
3. The Vadodara Stock Exchange Limited
Fortune Towers, Sajajigunj, Vadodara 390 005

e) Listing

Annual Listing fees for 2013-2014 have been paid to all the stock exchanges where the shares are listed.

f) Stock code

MSENB 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 2013 on the Bombay Stock Exchange Limited

Month	Year	High (Rs.)	Low (Rs.)
April	2012	4.50	4.32
May	2012	4.72	4.30
June	2012	5.99	4.95
July	2012	Nil	Nil
August	2012	Nil	Nil
September	2012	Nil	Nil
October	2012	Nil	Nil
November	2012	Nil	Nil
December	2012	Nil	Nil
January	2013	Nil	Nil
February	2013	Nil	Nil
March	2013	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 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.

j) DISTRIBUTION OF SHAREHOLDING AS OF 31st March 2013

CATEGORY (NO OF SHARES)	NO OF SHAREHOLDERS	PERCENTAGE	NO. OF SHARES	PERCENTAGE
UPTO 1000	3218	94.05	16,51,750	12.24
1001 - 2000	110	3.21	1,72,050	1.27
2001 - 3000	32	0.93	81,500	0.60
3001 - 4000	13	0.38	47,200	0.35
4001 - 5000	9	0.26	40,500	0.30
5001 - 10000	14	0.41	94,700	0.70
Above 10000	26	0.76	1,14,12,300	84.54
Total	3422	100.00	1,35,00,000	100.00

k) Pattern of shareholding as on 31st March 2013

Category	No. of. Shares	%
Promoters Holdings	1,09,33,700	80.99
Corporate Bodies	1,26,336	0.93
Clearing Members	700	0.01
NRI	200	0.00
Indian Public	24,39,064	18.07
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 shares held by the investors.

Demat ISIN Number : INE0060F01018

Address for communication

Registered Office
87/84A, Mosque Street, Seduvalai Village,
VELLORE 632 104.

Share Transfer Agent

M/s. Cameo Corporate Services Limited,
'Subramanian Building' No.1, Club House Road, Chennai 600 002.

DECLARATION ON 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(D)(i) of the Listing Agreement for the year ended 31st March 2013.

Place : Mumbai
Date : 30th May 2013

KANNAN A YADAV
Managing Director & CEO

J V RAMANUJAM & CO

Chartered Accountants

New No.233, Old No. 113, First Floor, R K Mutt Road, Raja Annamalaipuram, CHENNAI 600 028

CERTIFICATE

To

The Members N B Footwear Limited

We have examined the compliance conditions of Corporate Governance procedures implemented by N B Footwear Limited during the year ended 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company, for ensuring compliance with the conditions of 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 2013, 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 : 30th May 2013

J Vedantha Ramanujam
Membership No. 22188, Partner, FRN 02947S

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

01. Outlook

The Management is looking at various options including identifying core team to execute business segments.

02. Opportunities and Threats

Even though there exists lot of opportunities for growth, cut throat competition coupled with higher costs in the inputs and the inflationary levels are thrown open to the industry.

03. Disclaimer

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

J V RAMANUJAM & CO

CHARTERED ACCOUNTANTS

New No.233, Old No. 113, First Floor, R K Mutt Road, Raja Annamalaipuram, CHENNAI 600 028

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF M/S. N B FOOTWEAR LIMITED

A) Report on the Financial Statements

We have audited the accompanying financial statements of **NB Footwear Limited** (the Company) which comprise the Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

B) Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

C) Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Audit issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to

design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The accumulated losses of the Company have exceeded shareholders funds by Rs 61.78 lakhs. The Company has also been declared sick by the Board for Industrial and Financial Reconstruction (BIFR) on 21/05/2001. The Company is facing severe liquidity problems and continuing losses as operations have been discontinued for the past ten years.

These facts raise substantial doubts 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 asset carrying amounts, or classification of liabilities that might be necessary should the Company be unable to continue as a going concern, the impact of which is not ascertained.

D) Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2013
- (b) In the case of Statement of Profit and Loss, of the profit/loss for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

E) Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 those books;
 - (c) The balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (d) In our opinion, based on our examination of books of accounts as per the information and explanation provided to us, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 representations received from the Directors of the Company as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 1. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **J V RAMANUJAM & CO**
Chartered Accountants
FRN : 002947S

J Vedantha Ramanujam
(Partner)
Membership No. 22188

Place : Chennai
Date : 30th May 2013

ANNEXURE TO THE AUDITOR'S REPORT

Clauses under Section 227 (4A) of the Companies Act, 1956
(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 (i) regarding fixed assets, since the company has no fixed assets.
 - Clause 4 (ii) regarding inventories, since the company has no inventories
 - Clause 4 (iii) regarding granting / availment of loans secured or unsecured to / from parties listed in the register maintained under Section 301 of the Companies Act, 1956;
 - 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 (xy) 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(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, 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 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 2013 for a period of more than six months from the date they became payable.
- 4(ix)(b) **According to the information and explanation given to us, the following are the particulars of disputed dues as on 31/03/2013 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 financial year were more than fifty percent of its net worth. The Company has incurred cash losses during the year; however cash loss has not been incurred in the immediately preceding financial year.**
- 4(xi) Based on our audit procedures and according to the information and explanations given by the Management, 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(xxi) In our opinion and according to the 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
FRN : 002947S

Place : Chennai
Date : 30th May 2013

J Vedantha Ramanujam
(Partner)
Membership No. 22188

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
1. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	135,000,000.00	135,000,000.00
(b) Reserves and Surplus	2	(139,177,847.00)	(137,897,916.00)
(c) Money received against share warrants			
(2) Share application money pending allotment		5,597,668.00	4,324,668.00
(3) Current Liabilities			
(a) Other current liabilities	3	87,882.00	408,049.00
(d) Short-term provisions	4	30,000.00	30,000.00
Total		1,537,703.00	1,864,801.00
II.Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	5	-	-
(ii) Intangible assets	-	-	-
(b) Long term loans and advances	6	1,175,671.00	1,231,971.00
(2) Current assets			
(d) Cash and cash equivalents	7	362,032.00	632,830.00
Total		1,537,703.00	1,864,801.00

The Notes form an integral part of these financial statement

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
FRN : 02947S

C.RAMAKRISHNAN
CFO & Compliance Officer

KANNAN A YADAV
Managing Director & CEO

RAJEN K.DESAI
Director

Place : Chennai
Date : 30/05/2013

Place: Mumbai
Date: 30/05/2013

STATEMENT OF PROFIT AND LOSS
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
I. Revenue from operations		-	-
II. Other Income		357,243.00	4,445,761.00
III. Total Revenue (I +II)		<u>357,243.00</u>	<u>4,445,761.00</u>
IV. <i>Expenses:</i>			
Changes in inventories of finished goods, work in progress and Stock in trade		-	-
Employee benefit expense	8	532,410.00	488,825.00
Selling, Administration and other expenses	9	1,104,764.00	1,504,221.00
Depreciation and amortization expense		-	220,383.00
Total Expenses		<u>1,637,174.00</u>	<u>2,213,429.00</u>
V. Profit before exceptional and extraordinary items and tax (III - IV)		-	2,232,332.00
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		-	2,232,332.00
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		<u>(1,279,931.00)</u>	<u>2,232,332.00</u>
X. Tax expense:			
(1) Current tax			
(2) Deferred tax			
XI. Profit/(Loss) from the period from continuing operations (VII - VIII)		-	2,232,332.00
XII. Profit/(Loss) from discontinuing operations			
XIII. Tax expense of discounting operations			
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		<u>(1,279,931.00)</u>	<u>2,232,332.00</u>
XVI. Earning per equity share:			
(1) Basic		(0.09)	0.17
(2) Diluted		(0.09)	0.17

The Notes form an integral part of these financial statement

This is the Statement of Profit and Loss 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 : 30/05/2013

Place: Mumbai

Date: 30/05/2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

	2012 - 2013 Rs. P.	2011 - 2012 Rs. P.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year	(1,279,931.00)	2,232,332.00
Adjustments for :		
Depreciation	-	-
Operating profit before working capital changes	(1,279,931.00)	2,232,332.00
Increase in Sundry Debtors	-	(1,031,000.00)
Decrease/(Increase) in loans & advances	56,300.00	-
Increase/(Decrease) in liabilities	(320,167.00)	(2,829,363.00)
Increase/(Decrease) in provisions	-	-
Cash generated from operations	(1,543,798.00)	(1,628,031.00)
Direct Taxes (paid)/received	-	-
Net cash from operating activities	(1,543,798.00)	(1,628,031.00)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/(Sale) of fixed assets	-	4,374,622.00
Net cash flow investing activities	-	4,374,622.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in share capital	-	-
Proceeds from share application money pending allotment	1,273,000.00	(2,995,000.00)
Increase/(Decrease) in unsecured loans	-	-
Net cash used in financing activities	1,273,000.00	(2,995,000.00)
Net increase/(decrease) in Cash and Cash Equivalents	(270,798.00)	(248,409.00)
Opening Balance of Cash and Cash Equivalents	632,830.00	881,239.00
Closing Balance of Cash and Cash Equivalents	362,032.00	632,830.00

Notes to the cash flow statement.

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 : 30/05/2013

Place: Mumbai
Date: 30/05/2013

FOR THE YEAR ENDED 31.03.2013

Note No.		As at 31st March 2013	As at 31st March 2012
1	2	3	4
1	Share Capital		
	Equity Share Capital		
	a) Authorised Share capital	200,000,000.00	200,000,000.00
	20000000 No. of equity shares of Rs. 10/- each		
	b) Issued, Subscribed and Fully paid up Share capital	135,000,000.00	135,000,000.00
	13500000 Equity shares of Rs.10/- each		
	c) Par value per share	10.00	10.00
	d) Number of equity shares at the beginning of the year	1,35,00,000	1,35,00,000
	Add Rights Issue	-	-
	Bonus issue	-	-
	Preferential Issue	-	-
	Less Buy back	-	-
	Number of equity shares at the end of the year	1,35,00,000	1,35,00,000
	e) % of shares held by		
	Holding Company	-	-
	Ultimate Holding Company	-	-
	Subsidiary Company	-	-
	Associates of Holding Company	-	-
	Associates of Ultimate Holding Company		
	f) No. of shares held by shareholders holding more than 5% of total shares		
	Name of the shareholder	31st March 2013	31st March 2012
	Grandeur Corporation Private Limited	6,424,900	6,424,900
	Chemeleon Commodities Private Limited	2,260,900	2,260,900
2	Reserves and Surplus		
	Capital Reserves	2,000,000.00	2,000,000.00
	Capital Redemption Reserves		
	Securities Premium Reserves	30,000,000.00	30,000,000.00
	Debenture Redemption Reserves		
	Revaluation Reserves		
	Other Reserve / fund		
	Surplus		
	Opening Balance	(169,897,916.00)	(172,130,248.00)
	Add current year surplus	(1,279,931.00)	2,232,332.00
	Less Transfer to General Reserves	-	-
	Less Proposed Dividend	-	-
	Less Dividend Tax provision	-	-
	Closing Balance	(139,177,847.00)	(137,897,916.00)

FOR THE YEAR ENDED 31.03.2013

Note No.	As at 31st March 2013	As at 31st March 2012
1	2	3
1	2	4
3 Other current liabilities		
Other payables	87,882.00	408,049.00
Total	87,882.00	408,049.00
4 Short-term provisions		
Audit fee	30,000.00	30,000.00
Total	30,000.00	30,000.00
5 Tangible Assets		
Land/ Building/ Plant & Equipment/ Furniture & fixtures/ Vehicles/ Office Equipment/	-	49,504,079.00
Others (individually) capital work in progress		1,518,979.00
Opening Balance	-	
Add: acquisition through business combination	-	-
Other Adjustments	-	-
Sub total	-	51,023,058.00
Less: Disposals		4,154,239.00
Gross Block at year end (a)	-	46,868,819.00
Less: Depreciation		
Opening Depreciation		46,648,436.00
Depreciation for the year		220,383.00
Total accumulated depreciation (b)	-	46,868,819.00
Net carrying value (a) - (b)	-	-
6 Long Term Loans and Advances		
Unsecured considered good		
Loans and advances to related parties	-	-
Other loans and advances	1,175,671.00	1,231,971.00
Total	1,175,671.00	1,231,971.00
7 Cash and cash equivalents		
Balances with banks	221,931.00	611,515.00
Cheques, drafts on hands		
Cash on hand	140,101.00	21,315.00
Others	-	-
Total	362,032.00	632,830.00

8 Employee Benefits Expense

Salaries and wages	500,711.00	455,598.00
Contribution to provident and other funds	16,302.00	16,512.00
Expense on Employees stock option scheme (ESOP) and Employee stock purchase plan (ESPP)		
Staff welfare expenses	15,397.00	16,715.00
Total	532,410.00	488,825.00

9 Selling, Administration and other expenses

Advertisement	58,560.00	41,040.00
Audit Fee	30,000.00	33,090.00
Power and fuel	2,956.00	16,352.00
Repairs to buildings	591.00	182,735.00
Insurance	-	5,580.00
Labour Compensation Expenses	25,000.00	-
Postage, Telephone and Telex	53,740.00	51,490.00
Professional and Consultancy charges	392,883.00	499,505.00
Rates and Taxes, excluding taxes on income	286,847.00	362,595.00
Security Charges	-	194,568.00
Miscellaneous expenses	41,204.00	64,230.00
Travelling and Conveyance	212,983.00	27,374.00
Vehicle Hire charges	-	25,662.00
Total	1,104,764.00	1,504,221.00

1. NOTES TO THE FINANCIAL STATEMENTS

1 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 Chameleon Commodities Private Limited
- 2 Grandeur Corporation Private Limited
- 3 Aditya Investments and Communication Limited

2 Earning Per Share	Year ended	Year ended
	31/03/2013	31/03/2012
	Rs.	Rs.
Profit / (Loss) after taxation	(1,279,931.00)	2,232,332
No. of equity shares outstanding	13,500,000	13,500,000
Basic and Diluted earning per share	(0.09)	0.17

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

4 Accounting Standard 28 - Impairment of Assets

During the year 2011-12, the entire block of assets were sold and hence there is no impairment of assets observed.

5 Consequent to the notification under the Companies Act 1956, the financial statements for the year ended 31st March 2013 are prepared under revised Schedule

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

(annexed to and forming part of the financial statements for the year ended 31.03.2013)

1 These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance with all materials aspects, with the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3C) and the other relevant provisions of the Companies Act 1956.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than 12 months.

(i) FIXED ASSETS AND DEPRECIATION

Expenditure which are of a capital nature are capitalised at cost. As the entire block of assets were sold in the year 2011-12 itself, provision of depreciation does not arise.

(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.

NB FOOTWEAR LIMITED

Regd. Office : # 87/84, Mosque Street, Virinjipuram Post, Vellore - 632 104. Tamil Nadu

ATTENDANCE SLIP

Name & Folio No. of the Member attending the Meeting

Name of the Proxy attending the Meeting

I hereby record my presence at the TWENTY FIFTH ANNUAL GENERAL MEETING of N B FOOTWEAR LIMITED on Monday, the 30th September 2013 at 11.00 a.m. at Lakshminarayanan Hall, Hotel Ganga, No. 16, Officers Line, Vellore 632 101.

Signature of the Member/Proxy



NB FOOTWEAR LIMITED

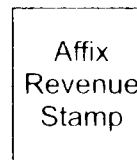
Regd. Office : # 87/84, Mosque Street, Virinjipuram Post, Vellore - 632 104. Tamil Nadu

PROXY FORM

I/We being a Member/Members of the above named Company, hereby appoint of or failing him of as my/our proxy to attend and vote for me/us and on my/our behalf at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company to be held on Monday, the 30th September 2013 or at any adjournment thereof.

Signed this day of 2013.

Signature



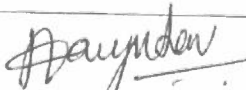
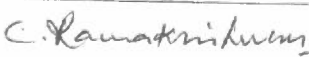
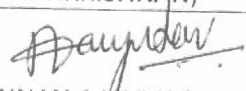
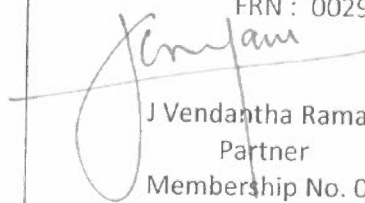

Folio No. DP ID No. Client ID No.

- Note 1 The proxy need not be a Member
- 2 The proxy form duly signed and stamped should reach the Company's Registered Office at least 48 hours before the time scheduled for holding the Meeting.
- 3 The proxy form duly signed and stamped should reach the Company's Registered No gifts will be distributed at the Annual General Meeting

FORM B

(Clause 31(a) of Listing Agreement)

Format of covering letter of the annual report to be filed with the Stock Exchanges

01.	Name of the Company	N B FOOTWEAR LIMITED
02.	Annual Financial Statements for the year ended	31 st March 2013
03.	Type of Audit Observation	Qualified
04.	Frequency of Audit observation	A) Repetitive in respect of observation A) as stated in S.No. 5 below from the financial year ended 31 st March 2004 B) Repetitive in respect of observation B) as stated in S.No. 5 below from the financial year ended 31 st March 2004
05.	Draw attention to relevant notes in the annual financial statement and management response to the Qualification in the Directors Report.	Observation A) Regarding accounts of the Company prepared on going concern basis, kindly refer to the Addendum to the Directors Report for the year ended 31/03/2013 B) Regarding disputed dues as on 31/03/2013 under Central Excise Act and Sales Tax Law, kindly refer to the Addendum to the Directors Report for the year ended 31/03/2013
06.	Additional comments from the Board/Audit Committee Chairman	A) As per the disclosure made in the Annual Report for the year ended 31/03/2013 B) As per the disclosure made in the Annual Report for the year ended 31/03/2013
07.	To be signed by	
	• CEO/Managing Director	 (KANNAN A YADAV)
	• CFO	 (C RAMAKRISHNAN)
	• Audit Committee Chairman	 (KANNAN A YADAV)
	• Auditor of the Company	For J V RAMANUJAM & CO CHARTERED ACCOUNTANTS FRN : 0029475  J Vandantha Ramanujam Partner Membership No. 022188 

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 N B FOOTWEAR LIMITED


KANNANA YADAV

MANAGING DIRECTOR & CEO