

NB FOOTWEAR LIMITED



**30th Annual Report
2017 - 2018**

BOARD OF DIRECTORS

| | |
|------------------------------|-------------------------|
| Mr Kannan A Yadav | Managing Director & CEO |
| Mr Rajen K Desai | Director |
| Mr S Krishnan | Director - Independent |
| Mr Sudhakar Mahabal Shetty | Director – Independent |
| Mr Gregory Periera | Director |
| Mrs Krishnaveni Kannan Yadav | Director |

AUDITORS

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

BANKERS

Union Bank of India
Broadway Branch
Chennai - 600 108.

REGISTERED OFFICE

No. 87/84A, Mosque Street, Seduvalai Village,
VELLORE 632 104,
Email : nbfootwearltd@gmail.com
Website: www.nbfootwear.info

CORPORATE OFFICE

6E, GEE GEE Emerald, 6th Floor,
No.151, Village Road, Nungambakkam
CHENNAI – 600 034, TAMIL NADU

NB FOOTWEAR LIMITED**CIN L19201TN1987PLC014902****NOTICE CONVENING THIRTIETH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the THIRTIETH ANNUAL GENERAL MEETING of the Company will be held at Hotel Khanna, No. 16, Officers Line, Vellore 632 104 on Friday, the 28th September 2018 at 10.00 a.m. to transact the following business

ORDINARY BUSINESS

01. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018 and the Statement of Profit and Loss for the year ended on that date together with the report of Directors and Auditors thereon.
02. To appoint a Director in place of Mr Rajen K Desai who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
03. To consider and if thought fit, to approve with or without modification(s) the following resolution as an Ordinary resolution :

RESOLVED THAT pursuant to Section 139,141,142 and other applicable provisions, if any, of the Companies Act 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s . J V Ramanujam & Co, Chartered Accountants (Firm Registration Number 02947S) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on the same remuneration”.

SPECIAL BUSINESS:

04. To consider and if thought fit, to approve with or without modification(s) the following resolution as an special resolution :

RESOLVED THAT pursuant to the provisions of Sections 196(3) and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Members be and is hereby accorded to the re-appointment of Mr Kannan A Yadav as Managing Director of the Company, for a period of 3(three) years with effect from April 1, 2019 without any remuneration and on such terms and conditions as set out below with liberty to the Board to vary, alter and modify such terms and conditions including salary, allowances, perquisites and commission at any time during the tenure of his office as may be agreed to by the Board of Directors and Mr Kannan A Yadav.

Terms and Conditions of Appointment

1. Period of Appointment:- Appointment shall be for a period of 3 (three) years beginning from April 1, 2019 and ending on March 31, 2022.
2. Other Terms: - Subject to the direction, control and superintendence of the Board of Directors and service rules of the Company, Mr Kannan A Yadav shall have the responsibility for the day to day management of the Company and shall perform such duties and exercise such powers as are entrusted to or conferred upon him by the Board, in the best interests of the Company.

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

05. To consider and if thought fit, to approve with or without modification(s) the following resolution as an special resolution :

RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as may be amended from time to time, Mr.S Krishnan (DIN 00583985) a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby appointed as an Independent Director of the Company with effect from April 1, 2019 till March 31, 2024.

06. To consider and if thought fit, to approve with or without modification(s) the following resolution as an special resolution :

RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as may be amended from time to time, Mr.Sudhakar Mahabal Shetty (DIN 00249448) a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby appointed as an Independent Director of the Company with effect from April 1, 2019 till March 31, 2024.

Explanatory statement

Item No.4

Re-appointment of Mr Kannan A Yadav as Managing Director of the Company

The Nomination and Remuneration committee and the Board of Directors of the Company (the Board), at their respective meetings held on May 30, 2018, have subject to the approval of the members, unanimously approved and recommended the re- appointment of Mr Kannan A Yadav (DIN 00249225) as Managing Director of the Company for a period of 3 years upto March 31, 2022 with effect from April 1, 2019.

It is proposed to seek the Member's approval for the re-appointment of Mr Kannan A Yadav as Managing Director in terms of the applicable provisions of the Act.

Remuneration

Mr Kannan A Yadav was re-appointed as Managing Director of your Company with effect from April 1, 2014. In accordance with the provisions of Schedule V of the Act, where the Company's profits are inadequate, a special resolution of the shareholders may be obtained for appointment and payment of remuneration to Managing director for a period not exceeding three years. In order to comply with the relevant provisions of the Act, your Board decided to seek approval of the members for his re-appointment as Managing Director of the Company, for a period of 3 years with effect from April 1, 2019.

Given that the Company's operations have not been carried out for the past several years, no remuneration is being paid to the Managing Director of the Company. However, in the event that the Company's operations are revived, the Board may vary, alter and modify the terms and conditions of the appointment of the Managing Director, including fixing of his salary, allowances, perquisites at any time during the tenure of his office, subject to requisite approvals being obtained in this behalf.

In any case, the aggregate of salary, allowances, perquisites in any one of the financial year shall be subject to the limit prescribed under Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any modification or re-enactment for the time being in force.

Mr Kannan A Yadav has given a declaration to the Company that he is not disqualified under Section 164 of the Act for appointment as a Director under the Act and has also given his consent to act as a Managing Director and CEO of the Company. The additional information required to be furnished in respect of the aforesaid director as required under SEBI (Listing Obligations and Disclosure Requirements) 2015 is set out as an Annexure to this Notice.

As per the provisions of Companies Act, 2013 appointment of such Managerial personnel requires approval of the shareholders in the general meeting by way of a special resolution.

The Board commends the resolution as set out in item No. 4 of the Notice for your approval.

None of the Directors except Mr Kannan A Yadav and Mrs Krishnaveni Kannan Yadav are interested or concerned in the aforesaid resolution.

Item Nos. 5 & 6

Re-appointment of Mr S Krishnan and Mr. Sudhakar Mahabal Shetty as Independent Directors of the Company.

As per Section 149(10) of the Companies Act, 2013 (CA 2013), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment for another term of five consecutive years on the Board of a Company, upon passing of a special resolution by the members in a General meeting.

In the opinion of the Board, Mr.S Krishnan and Mr. Sudhakar Mahabal Shetty fulfills the conditions specified in the Act are independent of the management of the Company (except for 38200 shares held by Mr Sudhakar Mahabal Shetty held in the Company).

Copy of the draft letter for appointment of Mr. S Krishnan and Mr. Sudhakar Mahabal Shetty as an Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that their continued association with the Company would be of immense benefit to the Company and it is desirable to continue to avail the services of both Mr. S Krishnan and Mr. Sudhakar Mahabal Shetty as Independent Directors on the Board of your Company. Accordingly, the Board recommends passing of the Resolution of Item Nos. 5 & 6 of the Notice as a Special Resolution.

The additional information required to be furnished in respect of the aforesaid directors as required under SEBI (Listing Obligations and Disclosure Requirements) 2015 is set out as an Annexure to this Notice.

Except Mr. S. Krishnan and Mr. Sudhakar Mahabal Shetty, being the appointees, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 & 6 respectively.

By order of the Board of Directors
For NB FOOTWEAR LIMITED

Place : Mumbai
Dated : 30th May 2018

(KANNAN A YADAV)
MANAGING DIRECTOR & CEO

NOTES :-

01. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the AGM. Proxies submitted on behalf of Companies, Societies etc. must be supported by an appropriate resolution/authority, as applicable. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person shall not act as a proxy for more than 50 (Fifty) members and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company provided that such person shall not act as proxy for any other person.
02. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September 2018 to 27th September 2018 (both days inclusive).
03. Members holding shares in electronic form are requested to intimate any change in address to their respective Depository Participants and those holding shares in physical form are to intimate the above said changes to the Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai 600 002.
04. The Securities Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their details to the Company's Registrar and Transfer Agent.
05. Members, who have not registered their email address so far, are requested to register their email ids for receiving all communications including Annual Report, Notices etc. from the Company electronically.
06. As a measure of austerity, copies of Annual Report will not be distributed at the AGM. Members are therefore requested to bring their copies of the Annual Report to the Meeting.
07. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules issued thereunder and Clause 35B of the Listing Agreement, Members are provided with a facility to cast their vote by electronic means through e-voting platform provided by CDSL. The detailed instructions for e-voting are annexed to this Notice.
08. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013 read with the Rules issued thereunder. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled to M/s. Cameo Corporate Services Limited. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
09. Information required under Regulation 36 (3) of SEBI (LODR) Regulation, 2015 with respect to the Directors retiring by rotation and being eligible, seeking re-appointment is as under :-

| | | |
|-----|---|--|
| 01 | Name of the Director | Rajen K Desai |
| 02 | Director Identification Number | 00382740 |
| 03. | Date of Appointment | 22/03/1996 |
| 04. | Number of shares held in the Company | 1,14,900 |
| 05. | Directorships and Committee Memberships held in other Companies (excluding alternate directorships, directorships in private limited companies, foreign companies and Companies under Section 8 of the Companies Act, 2013. Membership and Chairmanship of Audit Committee and Shareholders Relationship Committee have been included). | Director in Transchem Limited, Arangetram trading company Private Limited, Adithya Money care Private Limited, Limpid Investment Private Limited, Grandeur Corporation Private Limited |

Except Mr Rajan K Desai (DIN 00382740) no other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the re-appointment of the above director as a Non-Executive Director of the Company.

By order of the Board of Directors
For NB FOOTWEAR LIMITED

Place : Mumbai
Dated : 30th May 2018

(KANNAN A YADAV)
MANAGING DIRECTOR & CEO

ANNEXURE TO NOTICE

1. Information required to be furnished in respect of the Managing director as required under SEBI (Listing Obligations and Disclosure Requirements) 2015.

| | | |
|-----|---|--|
| 01 | Name of the Director | Kannan A Yadav |
| 02 | Director Identification Number | 00249225 |
| 03. | Date of Birth | 24/05/1963 |
| 04. | Date of Appointment | 22/03/1996 |
| 05. | Brief resume of the Director including nature of expertise in specific functional areas. | A graduate in Commerce and having three decades of experience in administration and trading |
| 06. | Number of shares held in the Company | 2,20,000 |
| 07. | Inter-se relationship between Directors | Mrs Krishnaveni Kannan Yadav, his spouse is also a director on the Board of the Company |
| 08. | Directorships and Committee Memberships held in other Companies (excluding alternate directorships, directorships in private limited companies, foreign companies and Companies under Section 8 of the Companies Act, 2013. Membership and Chairmanship of Audit Committee and Shareholders Relationship Committee have been included). | Whole Time Director in Adithya Investments and Communication Limited and Director in Adithya Money care private limited. |

1. Information required to be furnished in respect of the Independent directors as required under SEBI (Listing Obligations and Disclosure Requirements) 2015

| | | |
|-----|---|---|
| 01 | Name of the Director | Sudhakar Mahabal Shetty, |
| 02 | Director Identification Number | 00249448 |
| 03. | Date of Appointment | 22/03/1996 |
| 04. | Brief resume of the Director including nature of expertise in specific functional areas. | A graduate in Commerce and having two decades of experience in administration and trading |
| 05. | Number of shares held in the Company | 38,200 |
| 06. | Inter-se relationship between Directors | None |
| 07. | Directorships and Committee Memberships held in other Companies (excluding alternate directorships, directorships in private limited companies, foreign companies and Companies under Section 8 of the Companies Act, 2013. Membership and Chairmanship of Audit Committee and Shareholders Relationship Committee have been included). | Director in Prerna Healthcare Private Limited |

| | | |
|-----|---|---|
| 01 | Name of the Director | S Krishnan |
| 02 | Director Identification Number | 00583985 |
| 03. | Date of Birth | 02-09-1962 |
| 04. | Date of Appointment | 17-10-1998 |
| 05. | Brief resume of the Director including nature of expertise in specific functional areas. | A Graduate in Physics from University of Madras. He is also Associate Member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India. Has over three decades of varied experience in industry comprising of automobile, leather footwear, pharmaceuticals, liquor, sugar, hotels and FMCG. |
| 06. | Number of shares held in the Company | Nil |
| 07. | Inter-se relationship between Directors | None |
| 08. | Directorships and Committee Memberships held in other Companies (excluding alternate directorships, directorships in private limited companies, foreign companies and Companies under Section 8 of the Companies Act, 2013. Membership and Chairmanship of Audit Committee and Shareholders Relationship Committee have been included). | Director in Adgear Media Private Limited and Krenen Exports Private Limited |

DIRECTORS' REPORT

Board's Report to the Members

Your Directors present herewith the Thirtieth Annual Report along with the Annual Accounts for the year ended 31st March 2018.

01. FINANCIAL RESULTS

The financial performance of your Company for the year ended 31st March 2018 is summarized below:

| S. No. | Description | For the year ended 31 st March 2018 (Rs. In Lakhs) | For the year ended 31 st March 2017 (Rs. In Lakhs) |
|--------|--|--|--|
| 01. | Total Income | 0.00 | 0.00 |
| 02. | Total Expenditure | 8.29 | 8.16 |
| 03. | Profit/(Loss) before exceptional and extraordinary items | (8.29) | (8.16) |
| 04. | Extraordinary items | 0.00 | 0.00 |
| 05. | Net Profit/(Loss) | (8.29) | (8.16) |

02. PERFORMANCE

There was no manufacturing activity during the year under review. The minimum expenditure incurred in running the offices has resulted in a net loss of Rs. 8.29 lakhs.

03. DIVIDEND

In view of the loss, your Directors do not propose any dividend for the year ended 31st March 2018.

04. OPPORTUNITIES, CHALLENGES AND CONCERNS

Your Company has not been able to revive its operations, due to continuing unfavorable factors such as economic slowdown, inflationary pressure and other external factors that have affected the operations of the Company. Nevertheless, the Directors are confident of converting the challenges into opportunities going forward.

05. PUBLIC DEPOSITS

During the financial year 2017-18, your Company did not accept any deposits from the public.

06. INDUSTRIAL RELATIONS

The industrial relations of the Company have been cordial.

07. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as Annexure (B) to this Report.

08. LOANS AND INVESTMENTS

The Company has neither given any loan nor issued any guarantee / made investments during the year under review, in accordance with Section 186 of the Companies Act, 2013 read with the rules issued there under.

09. RELATED PARTY TRANSACTIONS

During the financial year 2017-18, there were no transactions with related parties which qualify as material transactions and hence the requirement of attaching form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013, as Annexure to this Report is Not applicable to the Company.

The details of related party transactions as required under Accounting Standard - 18 are set out in Notes to the financial statements forming part of this Annual Report.

10. DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

There are no Directors/Employees who were in receipt of the remuneration as prescribed under Section 197 of the Companies Act 2013 read with Companies (Appointment and Remuneration) of Managerial Personnel Rules, 2014 during the year under review and hence annexure required under the said Section is not required to be attached.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr Rajen K Desai, Director of the company retire by rotation in the ensuing Annual General Meeting and being eligible offer himself for re-appointment. The resolution seeking approval of members for the re-appointment is included in the notice to AGM.

Further in line with the requirement of Companies Act, 2013 Mr. Kannan A Yadav, was re-appointed as Managing

Director to hold office for a period of 5 years from April 1, 2014 to March 31, 2019. The Board at its meeting held on May 30, 2018 decided to re-appoint him as Managing Director for another term of 3 years with effect from April 1, 2019. Resolution seeking approval for the said appointment is included in the Notice for AGM.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as SEBI (LODR) Regulations, 2015.

Further in line with the requirement of the above provisions, Mr S Krishnan and Mr Sudhakar Mahabel Shetty were appointed as Independent Directors on the Board of your Company to hold office for a period of 5 years from April 1, 2014 to March 31, 2019. The Board at its meeting held on May 30, 2018 recommended the re-appointment of Mr S Krishnan and Mr Sudhakar Mahabal Shetty as Independent Directors to hold office for another term of 5 years with effect from April 1, 2019 till March 31, 2024. Resolution seeking approval for the said appointment are included in the Notice for AGM.

12. NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

The details of the number of Board and Audit Committee Meetings of the Company are set out in the Corporate Governance Report which forms part of this Report.

13. CORPORATE GOVERNANCE

In compliance with the requirements of SEBI (LODR) Regulations, 2015, a separate Report on Corporate Governance along with the Auditors Certificate on its compliance forms an integral part of this Report.

14. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March 2018, the applicable accounting standards and Schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies

and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March 2018 and the Loss of the Company for the year ended 31st March 2018;

- c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a 'going concern' basis.
- e) proper internal financial control laid down by the Directors have been followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws were in force and that such systems were adequate and operating effectively.

15. STATUTORY AUDITORS AND AUDITORS' REPORT

At the twenty ninth Annual General Meeting of the Company held on 28th September 2017, M/s. J V Ramanujam & Co, Chartered Accountants (Firm Registration No. 002947S) were appointed as Statutory Auditors to hold office until the conclusion of the Thirtieth Annual General Meeting of the Company.

M/s. J V Ramanujam & Co, Chartered Accountants who retire at the ensuing Annual General Meeting of your Company are eligible for re-appointment. Your Company has received written consent and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules issued thereunder.

The Audit Committee and the Board of Directors recommend the appointment of M/s. J V Ramanujam & Co, Chartered Accountants as the Statutory Auditors of your Company for the financial year 2018-19 till the conclusion of next Annual General Meeting.

With reference to the Auditors observation on Company's ability to continue as a going concern in the foreseeable