

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

future, the Directors wish to submit that the Company is looking at various options including core team to execute business segments.

As regards Auditors observation in Para vii (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.

16. SECRETARIAL AUDITORS' REPORT

The Secretarial Audit Report of the Company for Financial Year 2017-18 given by Mrs. Bhoomijha Murali, Company Secretary in Practice is annexed to Directors Report (Annexure A).

The Company was declared sick by the Board for Industrial and Financial Reconstruction (BIFR) on 21/05/2001; that the Company's operations have been discontinued for more than fifteen years; that however Company is taking every effort to appoint a qualified Company Secretary.

With regard to the remark provided in the Secretarial Auditor's Report that 100% of the promoter's shareholding is not held in dematerialized form, the Directors wish to submit that as on 30th May 2018, 99% of promoters and promoters group are in dematerialized form; that all efforts are taken to dematerialize the entire shareholding of promoters and promoters' group.

17. RISK MANAGEMENT

There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Report.

18. VIGIL MECHANISM

Your Company is committed to high standards of ethical and legal standards. Accordingly, the Board of Directors

has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and SEBI (LODR) Regulations 2015.

19. CORPORATE SOCIAL RESPONSIBILITY

The provisions of the Companies Act, 2013 on Corporate Social Responsibility are not applicable to the Company.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND ADAPTATION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption and adaptation and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules for the financial year ended 31st March 2018 are NIL.

21. DETAILS OF INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has in place adequate financial controls with respect to Financial Statements. No material weakness in such controls was observed during the year under review.

22. SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

23. ACKNOWLEDGEMENT

Your Directors wish to convey their gratitude and appreciation to Government Departments, shareholders, bankers, business associates and employees for their continued support.

By order of the Board of Directors
For **NB FOOTWEAR LIMITED**

(KANNAN A YADAV)
MANAGING DIRECTOR & CEO

Place : Mumbai
Dated : May 30, 2018