

REPORT ON CORPORATE GOVERNANCE

01. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that good corporate governance practices should be enshrined in all the activities of the Company which would ensure efficient conduct of the affairs of the Company and help the Company in achieving its goal of maximizing value for all its stakeholders.

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

Composition

The composition of the Board is in conformity with SEBI (LODR) Regulations, 2015 as well as the Companies Act, 2013. The Company has a Non-Executive Chairman and an optimum representation of independent Directors on the Board of Directors of the Company.

The composition of the Board of Directors of the Company as on 31st March 2018 is as follows.

Category	No. of Directors
Non-Executive/Independent Directors	2
Non-Executive/Promoter Directors	3
Executive Director (Managing Director & CEO)	1
Total	6

Independent Directors

Mr S Krishnan (DIN 00583985) and Mr Sudhakar Mahabal Shetty (DIN 00249448) were appointed as Independent Directors pursuant to the applicable provisions of the Companies Act, 2013 and the Listing Agreement for a period of 5 (Five) consecutive years for a term upto 31st March 2019.

The Independent Directors have submitted declarations that they meet the criteria of independence as per the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations; a statement in this regard forms part of the Board's Report. Further the Independent Directors have confirmed that they do not hold directorships in more than seven listed companies.

The details of nature of directorships, relationship inter-se, number of directorships and committee chairmanships / memberships held by them in other public companies are detailed below. Directorships of private limited companies, foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorships have been excluded. For the purpose of considering the limit of committee memberships and chairmanships of a Director, Audit Committee and Shareholders/Investor Grievance Committees of public limited companies have been considered.

None of the Directors of the Company hold memberships in more than 10 (Ten) Committees or act as Chairman of more than 5 (Five) committees across all Companies in which he/she is a Director.

Name of the Director	Nature of Directorship	Relationship with each other	Directorship in other Companies as on 31/03/2018	Committee Memberships in other Companies as on 31/03/2018
Mr Rajen K Desai	Non-Executive Chairman/ Promoter	No inter-se relationship with any of the Directors of the Company	5	1
Mr Kannan A Yadav	Managing Director & CEO	-do-	2	Nil
Mr Gregory Pereira	Non-Executive/Promoter	-do-	Nil	Nil
Mr S Krishnan	Non-Executive/Independent	-do-	2	Nil
Mr Sudhakar Mahabal Shetty	Non-Executive/Independent	-do-	1	Nil
Mrs Krishnaveni Kannan Yadav	Non-Executive	Wife of the Managing Director	Nil	Nil

Number of Board Meetings

During the financial year ended 31st March 2018, 4 (Four) meetings of the Board of Directors were held and the maximum time gap between 2 (two) meetings did not exceed one hundred and twenty days. The dates of Board Meetings are 30th May 2017, 14th August 2017, 14th November 2017 and 14th February 2018.

Details of attendance at Board Meetings and at AGM held during the year is as follows:

Name of the Director	Board Meeting details		Attendance at last AGM
	Held	Attended	
Mr Rajen K Desai	4	4	No
Mr Kannan A Yadav	4	4	Yes
Mr Sudhakar Mahabal Shetty	4	4	No
Mr S Krishnan	4	2	Yes
Mr Gregory Pereira	4	4	No
Mrs Krishnaveni Kannan Yadav	4	4	No

The shareholding of the Non-Executive Directors of the Company as at 31st March 2018 are as follows:-

Name of the Director	Nature of Directorship	No. of shares held	% to the paid up share capital
Rajen K Desai	Non-Executive Chairman/Promoter	114900	0.85
Gregory Periera	Non-Executive Director/ Promoter	6500	0.05
Mr S Krishnan	Non-Executive Director/Independent	Nil	Nil
Mr Sudhakar Mahabal Shetty	Non-Executive Director/Independent	38200	0.28
Mrs Krishnaveni Kannan Yadav	Non-Executive Director	NIL	NIL

Mr Kannan A Yadav, Managing Director & CEO holds 2,20,000 equity shares constituting 1.63% of the paid up capital as on 31st March 2018.

Board Procedures

The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the business. The tentative annual calendar of Board Meetings for the ensuing year is decided well in advance by the Board and is published as part of the Annual Report.

The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision making.

The Minutes capturing the proceedings of the meetings of the Board of Directors/ Committees of the Board of Directors are maintained as per provisions of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014.

Independent Directors meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013, a meeting of the Independent Directors of the Company was held without the attendance of the Non-Independent Directors and Members of the Management.

Evaluation of Board effectiveness

In terms of the provisions of the Companies Act, 2013 read with Rules issued thereunder and SEBI (LODR) Regulations, 2015 the Board of Directors, on recommendation of Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of each Director was carried out for the financial year ended 31st March 2018. The evaluation of the Directors was based on various aspects which inter alia, include the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the effectiveness of their contribution.

03. AUDIT COMMITTEE

The Audit Committee of the Company is constituted and functions in accordance with Section 177 of the Companies Act 2013 and other applicable provisions. The Members of the Audit Committee are financially literate and have requisite experience in financial management.

a) Composition, Name of Members and Chairperson, Meetings and attendance during the year

During the year under review, four meetings were held on 30th May 2017, 14th August 2017, 14th November 2017 and 14th February 2018.

Name of the Member	Nature of Membership	No. of meetings held	Attendance
Mr Sudhakar Mahabal Shetty	Chairman	4	4
Mr Kannan A Yadav	Member	4	4
Mr Gregory Pereiora	Member	4	4

b) Terms of Reference of Audit Committee

The Audit Committee is constituted and functions in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and Regulation 18 of the SEBI Listing Regulations, 2015. The role and terms of reference for the functioning of the Audit Committee is in accordance with the above provisions, and in addition, any other matter that may be referred by the Board of Directors of the Company shall also be taken up.

04. NOMINATION AND REMUNERATION COMMITTEE

a) Composition and terms of reference

Nomination and Remuneration Committee comprises of Mr Sudhakar Mahabal Shetty, Non-Executive Independent Director as Chairman with Mr Gregory Pereiora, Non-Executive Director and Mr S Krishnan, Non Executive Independent Director as other Members.

b) The Company has not paid any remuneration to any of the Directors during the year 2017-18. Hence the committee did not meet during the year 2017-18.

c) The Company has not granted any Stock Option to any of its Directors.

d) Directors with materially significant, pecuniary or business relationship with the Company

There is no pecuniary or business relationship between the Non Executive Directors/Independent Directors and the Company.

e) Employees holding an office or place of profit in the Company

No employee is holding an office or place of profit in the Company pursuant to Section 188 of the Companies Act, 2013.

05. STAKEHOLDERS RELATIONSHIP AND INVESTOR GRIEVANCE COMMITTEE

The nomenclature and terms of reference of Share Transfer cum Investor Relations Committee was changed to Stakeholders Relationship and investors Grievance Committee pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Mr S Krishnan, Non-Executive Independent Director as Chairman with Mr Kannan A Yadav, Managing Director and CEO and Mr K Rajen Desai, Non-Executive Director as other Members.

The terms of reference includes enquiring into and redress complaints of shareholders and investors and to resolve the grievance of security holders of the Company.

During the year, the Company received 1 (One) complaint from the investor and the same was addressed.

06. RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee which has laid down the procedure for risk assessment and minimization procedures in accordance with the provisions of Clause 49 of the Listing Agreement. The Risk Management Committee meets at reasonable intervals to review the risk management framework and discuss on risk mitigation plans which are presented to the Audit Committee and the Board of Directors on a periodical basis.

07. CORPORATE SOCIAL RESPONSIBILITY

As mentioned elsewhere in the Board's Report, the provisions of Companies Act, 2013 on Corporate Social Responsibility are not applicable to your Company.

08. SUBSIDIARY COMPANIES

Your Company does not have a material non-listed Indian subsidiary company.

09. RELATED PARTY TRANSACTIONS

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the Notes to the Financial Statements.

10. CEO/CFO CERTIFICATION

The CEO Certificate for the financial year 2017-18 signed by Mr Kannan A Yadav, Managing Director & CEO is annexed to and forms part of this Report.

11 .GENERAL BODY MEETINGS

The venue and time of the last three Annual General Meetings of the Company are as follows:-

Annual General Meetings

Year	Location	Date	Time
2016	Khanna Mahal, Hotel Khanna, No. 16, Officers Line, Vellore 632 101	28/09/2017	10.00 a.m.
2015	Khanna Mahal, Hotel Khanna, No. 16, Officers Line, Vellore 632 101	30/09/2016	10.00 a.m.
2014	Khanna Mahal, Hotel Khanna, No. 16, Officers Line, Vellore 632 101	30/09/2015	10.00 a.m.

b) Postal Ballot

During the financial year 2017-18, no resolutions were passed through Postal Ballot.

12. DISCLOSURES

a) Disclosures on materially significant related party transactions

There are no materially related party transactions and pecuniary transactions between the Company and its Directors during the year under review.

b) Details of non-compliance by the Company

The Company has complied with all the requirements of the Stock Exchange(s) and the Securities and Exchange Board of India on matters relating to capital markets or any other matter as may be applicable from time to time. There were no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any authority on any matter related to capital markets during the last three years.

c) Disclosure of Accounting Treatment

The Company follows Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of Companies Act. In preparation of financial statements, the Company has not adopted a treatment different from what is prescribed in the Accounting Standards.

d) Details of compliance with mandatory and non-mandatory

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and SEBI (LODR) Regulations, 2015. Following is the status of the compliance with the non mandatory requirements:.

a) Remuneration Committee

The Board of Directors has constituted a Nomination and Remuneration Committee comprising of Non-Executive/ Independent Directors and the Chairman being an Independent Director (as elsewhere mentioned in this Report).

b) Training of Board Members

The Managing Director & CEO and other senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc. and seek their opinions and suggestions on the same. Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading.

c) Mechanism for evaluating Non-Executive Board Members

The Company is in the process of formalizing the mechanism for evaluating the performance of the Non-Executive Members of the Board.

d) Whistle Blower Policy

The Company has adopted a Whistle Blower Policy with an objective to provide employees and Business Associates a framework and to establish a formal mechanism or process whereby concerns can be raised about unethical behavior.

13. CODE OF CONDUCT

Your Company has adopted a Code of Conduct for all members of the Board and the Senior Management of your Company. The Code of Conduct is available on your Company's website www.nbfootwear.info. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March 2018. The declaration to this effect signed by Mr Kannan A Yadav, Managing Director & CEO of the Company forms part of the report.

14. MEANS OF COMMUNICATION

- a. Quarterly/ Half-yearly/ Nine-months and Annual Audited Financial Results of the Company are published in 'Trinity Mirror' issue in English and 'Makkal Kural' issue in Tamil;
- b. The annual report, Quarterly/ Half-yearly/ Nine-months and Annual Audited Financial Results of the Company are also put up on the Company's corporate website: www.nbfootwear.info
- c. Your Company provides necessary information to the Stock Exchanges in terms of the Listing Agreement and other rules and regulations issued by the Securities and Exchange Board of India.

Pursuant to Section 20, 101 and 136 of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, Companies (Accounts) Rules, 2014 and Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, Companies can serve documents to its shareholders through electronic transmission. Accordingly, your Company has given an option to the shareholders to receive documents General Meeting Notices (including AGM), Annual Report and other documents in electronic form.

Your Company encourages its shareholders to participate in the cause of Green Initiative by opting to receive communications from the Company in electronic form, by registering their e-mail addresses:

- (a) in case the shares are held in electronic form (Demat) with the Depository Participant;
- (b) In case the shares are held in physical form with the Company or Share Transfer Agent M/s. Cameo Corporate Services Limited.

M/S. NB FOOTWEAR LIMITED,
87/84A, Mosque Street,
Seduvalai Village,
VELLORE 632 104
Email: nbfootwearltd@gmail.com

M/S. CAMEO CORPORATE SERVICES LIMITED,
(Unit: NB Footwear Limited),
'Subramanian Building'
No.1, Club House Road,
Chennai 600 002
Email : cameo@cameoindia.com
Phone No. 044-28460390 Fax No. 044-28460129

GENERAL SHAREHOLDER INFORMATION
THIRTIETH ANNUAL GENERAL MEETING OF THE COMPANY

Date and time	28 th September 2018 at 10.00 a.m.
Venue	Khanna Mahal, Hotel Khanna, 16, Officers Line, VELLORE 632 101

FINANCIAL CALENDAR

Financial year 2017-2018

For the year ended 31st March 2018, quarterly financial results were announced on

14 th August 2017	First Quarter
14 th November 2017	Second Quarter and Half Yearly
14 th February 2017	Third Quarter and Nine Months
30 th May 2018	Fourth Quarter and Annual

For the year ending 31st March, 2019, quarterly financial results will be announced as per the tentative schedule below:

First Quarterly results	By 10 th of August 2018
Second Quarterly results	By 8 th of November 2018
Third Quarterly results	By 6 th February 2019
Results for quarter/year ended Audited results	By 30 th May 2019

BOOK CLOSURE

The dates of book closure are from 22nd September 2018 to 27th September 2018, both days inclusive.

DIVIDEND PAYMENT DATE

Not Applicable

LISTING

The Company's shares are listed on

BSE Limited (BSE)
 Floor 25, Phiroze Jeejeebhoy Towers,
 Dalal Street, Fort, MUMBAI 400 001
 Tel 91-22-22721233, 22721234 Fax 91-22-22722061/41/39/37

The Company has paid the listing fees for the financial year 2017-18 to the Stock Exchanges on which Company's shares are listed.

STOCK CODES AND CIN

BSE Limited	523242
Depository ISIN No.	INE0060F01018
Corporate Identification Number (CIN)	L19201TN1987PLC014902

STOCK PRICE DATA

The details of high and low market price of the shares on the BSE Limited (BSE) are as under:-

Month	Year	High (Rs.)	Low (Rs.)
April	2017	-	-
May	2017	6.32	6
June	2017	-	-
July	2017	-	-
August	2017	6.01	6.01
September	2017	-	-
October	2017	-	-
November	2017	-	-
December	2017	-	-
January	2018	6.31	5.70
February	2018	-	-
March	2018	-	-

SHARE TRANSFER SYSTEM

The Company has appointed M/s. Cameo Corporate Services Limited as the agency for share registry in respect of shares in electronic form. The power to approve transfer of shares has been delegated to Stakeholders Relationship and Investors Grievance Committee. The share transfer requests are processed within 15 (Fifteen) days from the date of receipt.

DISTRIBUTION OF SHAREHOLDINGS

The distribution of shareholding of the Company as on 31st March 2018 was as follows:

Range of Shares	Shareholders		Shareholding	
	Numbers	% of Total Nos	Number of Shares	% to Total
Upto 1000	1566	86.33	426693	3.16
1001 - 2000	104	5.73	158708	1.18
2001 - 3000	33	1.82	86456	0.64
3001 - 4000	14	0.77	50400	0.37
4001 - 5000	11	0.61	52000	0.39
5001 - 10000	24	1.32	171400	1.27
Above 10000	62	3.42	12554343	93.00
Total	1814	100.00	135000000	100.00

CATEGORIES OF SHAREHOLDERS

The category of shareholders of the Company as on 31st March 2018 was as follows:

Category	No. of shares	Percentage
Promoters Holdings	10074100	74.62
Persons acting in concert	0	0.00
Mutual Funds	0	0.00
Financial Institutions & Banks	0	0.00
Central Government/State Government(s)	0	0.00
Venture Capital Funds	0	0.00
Insurance Companies	0	0.00
Foreign Institutional Investors/Foreign Venture Capital Investors	0	0.00
Corporate Bodies	757342	5.61
Directors and their relatives	0	0
NRI	200	0.00
Clearing Members	900	0.01
Indian Public	2667458	19.76
Total	1,35,00,000	100.00

DETAILS OF SHARES HELD IN DEMATRIALIZATION

Details of the Company's dematerialized shares as on 31st March, 2018 :

No. of shares	% of total shares
1,11,85,696	82.86

DETAILS OF SHARES HELD IN PHYSICAL MODE AND DEMAT

Break up shares held in physical and demat form as on 31st March 2018 is as follows:-

	No. of shares	% of shares
Physical Segment	23,14,304	17.14
Demat Segment		
CDSL	1,11,85,696	82.86
TOTAL	1,35,00,000	100.00

OUTSTANDING GDRs / ADRs / WARRANTS OR CONVERTIBLE INSTRUMENTS

The Company does not have any outstanding GDRs/ADRs/Warrants or Convertible Instruments as on 31st March 2018.

DETAILS OF PUBLIC FUNDING OBTAINED IN THE LAST THREE YEARS

The Company has not obtained any public funding in the last three years.

RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by the Securities and Exchange Board of India, a qualified Practising Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit, inter alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

SHARE TRANSFER AGENT

M/s. Cameo Corporate Services Limited,
'Subramanian Building'
No.1, Club House Road,
Chennai 600 002
Phone No. 044-28460390
Fax No. 044-28460129
Email cameo@cameoindia.com