

THE TIMES ARE CHANGING

For a changing India. For a trendsetting India. For a young India.

RELAXO

ANNUAL REPORT 2016-2017

RELAXO FOOTWEARS LIMITED



With 40 years of trendsetting footwear, the new Relaxo embraces the dynamic values of young India: Transformation, Optimism and Positive energy.

With a steadfast commitment, we are geared to meet the quality and choice expectations of trendsetting young India.

The new look of Relaxo reflects the brand's dynamism by forward slanting letters in Berry Blue and Sunny Yellow, while the wave signifies effortless movement towards progress.

Welcome to the new world of Relaxo as we unveil its new face.

Corporate Information

BOARD OF DIRECTORS

Ramesh Kumar Dua	Managing Director
Mukand Lal Dua	Whole Time Director
Nikhil Dua	Whole Time Director
Deval Ganguly	Whole Time Director
Vivek Kumar	Independent Director
Pankaj Shrimali	Independent Director
Kuruvila Kuriakose	Independent Director
Deepa Verma	Independent Director

CHIEF FINANCIAL OFFICER

Sushil Batra

COMPANY SECRETARY

Vikas Kumar Tak

AUDITORS

Gupta & Dua
Chartered Accountants
9, Darya Ganj, New Delhi-110 002

BANKERS

State Bank of India
HDFC Bank
Standard Chartered Bank
Kotak Mahindra Bank
HSBC Bank

SHARE TRANSFER AGENTS

M/s Karvy Computershare Private Limited
Karvy Selenium Tower-B, Plot No.-31-32,
Gachibowli Financial District,
Hyderabad-500 032

REGISTERED OFFICE

Aggarwal City Square, Plot No. 10,
Manglam Place, District Centre, Sector -3,
Rohini, Delhi-110 085
CIN: L74899DL1984PLC019097

WORKS

RFL-I & II	326-327, MIE, Bahadurgarh, Haryana
RFL-III	A-1130 & 1130 (A), RIICO Industrial Area, Phase-III, Bhiwadi, Rajasthan
RFL-IV	30/3/2, Mooja Hasanpur, Tikri Border, Bahadurgarh, Haryana
RFL-V	83-92, SIDCUL Industrial Area BHEL, Haridwar, Uttarakhand
RFL-VI	342-343, Footwear Park, Industrial Estate, Sector-17, Bahadurgarh, Haryana
RFL-VII	328-329, MIE, Bahadurgarh, Haryana
RFL-VIII	37, Sector 4B, Bahadurgarh, Haryana

CONTENTS

From MD's Desk	2
Financial Highlights	3
Director's Report	8
Management Discussion & Analysis	36
Business Responsibility Report	38
Corporate Governance Report	45
Independent Auditor's Report	56
Balance Sheet	60
Statement of Profit and Loss	61
Cash Flow Statement	62
Notes Forming Part of Financial Statements	64
Company Information and Significant Accounting Policies	74



FROM THE MANAGING DIRECTOR'S DESK

Dear Stakeholders,

It gives me great pleasure to reach out to all of you through this Annual Report.

FY17 was a crucial year for us, wherein we spent bulk of our effort towards making structural changes in our sales force and designing systems and processes to ensure a sustainable growth going forward.

In spite of significant external factors such as demonetization and a general economic slowdown, the company has been able to maintain its bottomline and has posted a modest sales growth.

New product development was the key driver for the company last year. We were able to capitalize on our in-house design capability and launch market relevant products at the right price points. We are also looking to partner with global design firms to enhance our design capabilities and launch cutting edge designs in the Indian market.

Our initiation of end-to-end distributor and retailer programs to improve engagement levels is bearing fruit. The distribution engagement program has delivered incremental and sustainable benefits to Relaxo while ensuring a healthy relationship with our channel partners. Our retailer based loyalty program has helped in establishing direct connect with retailers and reward their efforts in promoting Relaxo brand.

We are continuously expanding our footprint in India and our retail stores have increased to 270 as on 31st March 2017. We put in a lot of efforts last year in strengthening the back end retail infrastructure by improving inventory control and building a flexible supply chain. I believe these efforts will go a long way in scaling up our retail business in the future.

We continue to take steps towards manufacturing excellence across our production units. We have been improving productivity and reducing manufacturing costs, year-on-year, with the help of world class manufacturing concepts like Lean Manufacturing and MOST. Last year was no exception, wherein we were able to manage our manufacturing expenses extremely well, while maintaining our high standards of quality and manpower engagement.

Trust in the brand is essential for its growth and we have been investing heavily to ensure this objective is met. Last year, we engaged Shahid Kapoor & Shruti Haasan as brand ambassadors for Flite, in addition to Salman Khan & Akshay Kumar who are already endorsing Bahamas and Sparx brands respectively. During the year, we revamped the "Relaxo" logo and revamped the company's website in order to target the young and modern consumer.

Under the goods and services tax (GST) regime, footwears which are priced upto ₹ 500 per unit will be taxed at 5% and footwears above ₹ 500 per unit would be taxed at 18%. At present, India's footwear industry is quite fragmented with >60% belonging to the unorganised sector, post GST will result in consolidation of small footwear players. However, with GST implementation and increasing brand consciousness among Indian consumers, the share of organised players is going to increase. Hence, Your Company is placed at a favourable position to take advantage of the changing consumer trends in the Indian markets.

We believe modern trade and E-commerce will continue to be the growth engines of the future and we are well placed to capitalise it. Our online shopping portal www.shopatrelaxo.com is faring much better and delivering higher conversions, thanks to our dedicated focus.

We value our people too and have been strengthening their bond with us through long term incentive plans like ESOPs as well as providing them with periodic trainings.

At last, I would like to thank all our stakeholders- customers, business partners, Board of Directors, bankers, and all our employees for believing in our Company's values and supporting us throughout our journey. I sincerely thank all of you and am pleased to share the success that Relaxo has achieved during the last year.

With Best Regards

Ramesh Kumar Dua

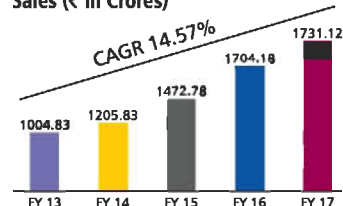
Managing Director

FINANCIAL HIGHLIGHTS

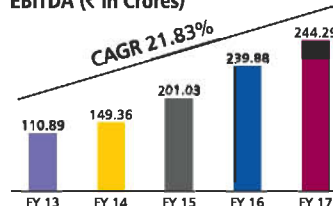
(₹ in Crores)

Particulars	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
No. of Pairs sold (in Crores)	13.46	13.55	12.28	10.78	10.02
Sales	1731.12	1704.18	1472.78	1205.83	1004.83
Revenue	1739.84	1711.81	1481.21	1214.61	1010.91
EBITDA	244.29	239.88	201.03	149.36	110.89
Finance Cost	15.18	22.89	18.48	22.66	17.70
Depreciation	51.48	47.12	39.90	31.16	25.50
Tax	58.39	57.31	39.60	29.90	22.88
Net Profit	122.97	120.28	103.05	65.64	44.81
Equity Share Capital	12.01	12.00	6.00	6.00	6.00
Net Worth	604.79	479.98	367.82	276.56	214.44
Gross Fixed Assets (Tangible and Intangible)	892.79	799.46	669.90	549.81	480.95
Net Fixed Assets (Tangible and Intangible)	603.72	558.76	473.82	390.06	350.46
Capital Employed	735.49	682.58	641.49	506.83	469.39
Capital Expenditure	93.33	129.56	120.09	68.86	81.17
Growth in Sales(%)	1.58	15.71	22.14	20.00	16.88
EBITDA (%)	14.04	14.01	13.65	12.39	11.04
Face Value per Share (in ₹)	1.00	1.00	1.00	1.00	5.00
EPS - Basic (in ₹)	10.24	10.02	17.17	10.94	37.34
EPS - Diluted (in ₹)	10.23	10.00	17.15	10.94	37.34
Dividend(%)	100	60	100	50	40
Book Value per share (in ₹)	50.34	39.99	61.30	46.09	178.68
ROCE (%)	27.72	31.11	27.99	25.18	22.85
Market Capitalisation (As on 31st March)	5992.10	4369.45	3876.39	1768.38	703.99

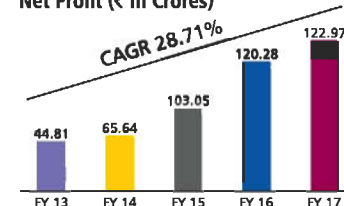
Sales (₹ in Crores)



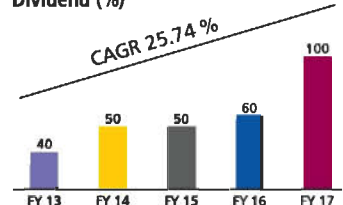
EBITDA (₹ in Crores)



Net Profit (₹ in Crores)

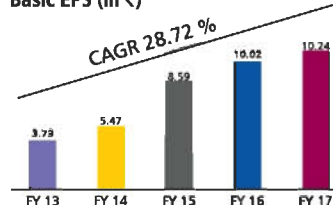


Dividend (%)*

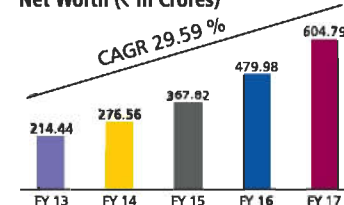


* Adjusted

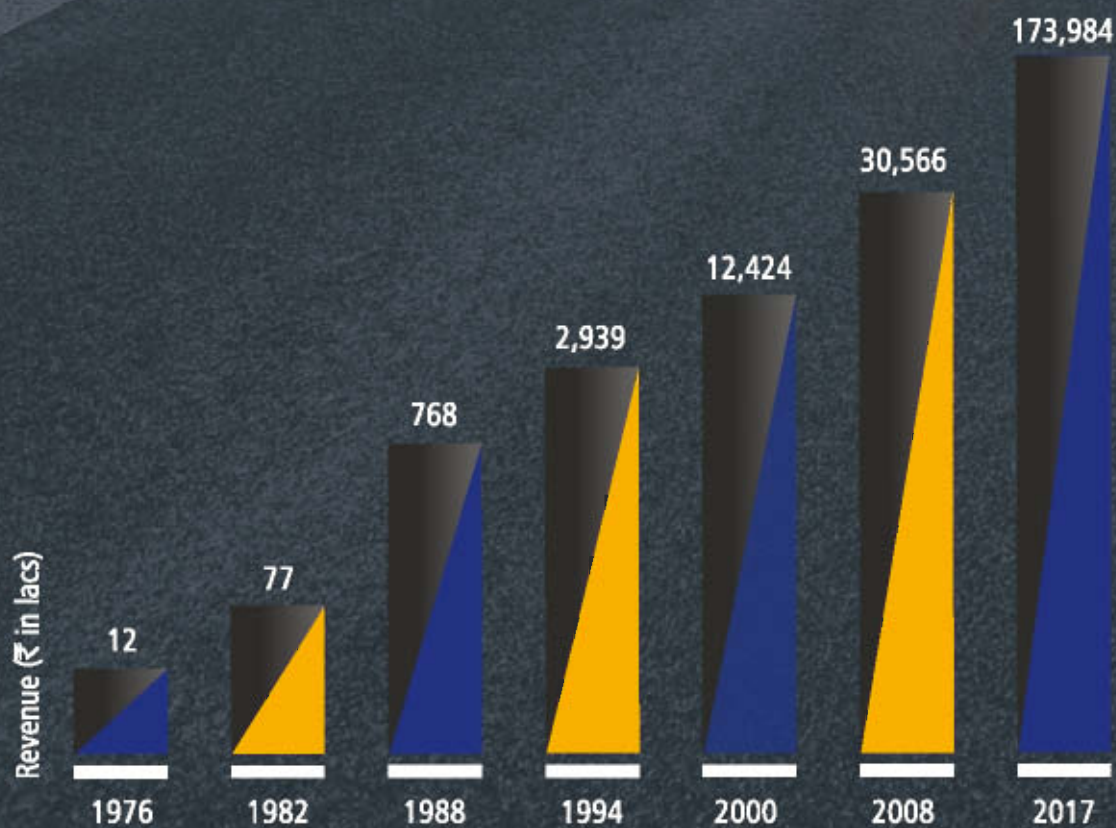
Basic EPS (in ₹)*

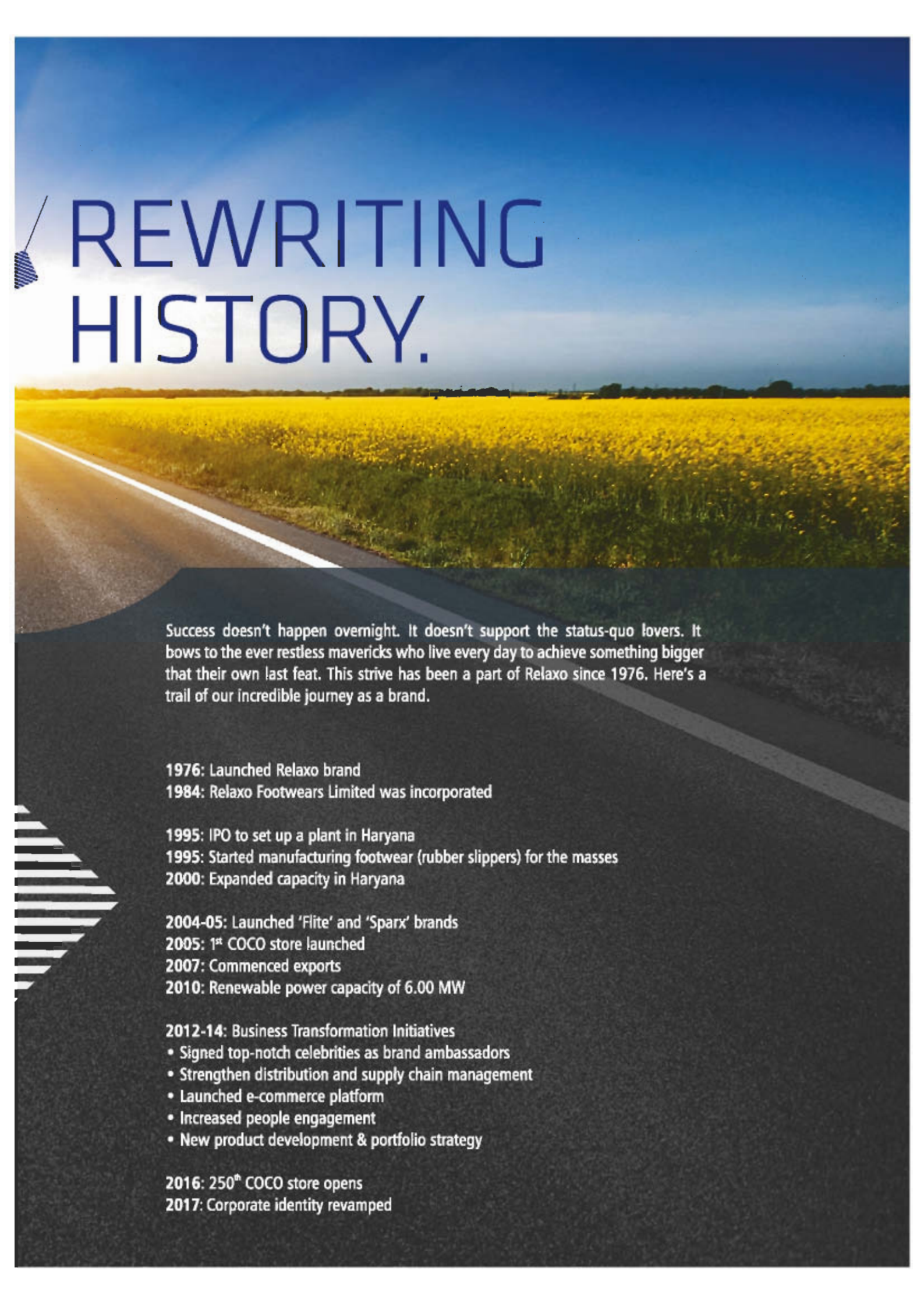


Net Worth (₹ in Crores)



CHANGING TIMES.





REWRITING HISTORY.

Success doesn't happen overnight. It doesn't support the status-quo lovers. It bows to the ever restless mavericks who live every day to achieve something bigger than their own last feat. This strive has been a part of Relaxo since 1976. Here's a trail of our incredible journey as a brand.

1976: Launched Relaxo brand

1984: Relaxo Footwears Limited was incorporated

1995: IPO to set up a plant in Haryana

1995: Started manufacturing footwear (rubber slippers) for the masses

2000: Expanded capacity in Haryana

2004-05: Launched 'Flite' and 'Sparx' brands

2005: 1st COCO store launched

2007: Commenced exports

2010: Renewable power capacity of 6.00 MW

2012-14: Business Transformation Initiatives

- Signed top-notch celebrities as brand ambassadors
- Strengthen distribution and supply chain management
- Launched e-commerce platform
- Increased people engagement
- New product development & portfolio strategy

2016: 250th COCO store opens

2017: Corporate identity revamped

CHANGING TIMES. / BUILDING BRANDS.

The art of staying relevant lies in the art of being adaptive to changing times. And in tune with this philosophy, Relaxo has surely and steadily built its brands, with each one of them promising and delivering on their promise. All of our brands are carefully crafted in sync with the ever-changing, ever-evolving footwear demands of the nation.

The logo for Relaxo, featuring the word "RELAXO" in a bold, blue, sans-serif font. A stylized orange and yellow swoosh is positioned under the letter "X".

Through the changing times, Relaxo has been able to maintain solidarity with its consumer base of Hawaii slippers. Positioned at the core of footwear demands, Relaxo Hawaii has reached the length and breadth of the nation making it a household name that's synonymous with durability and comfort.

The logo for Flite, featuring the word "FLITE" in a bold, blue, sans-serif font. The letters are set against a background of purple and yellow geometric shapes.

Flite is an immensely popular name in the world of everyday and semi-formal footwear. Be it indoor or outdoor, Flite always fulfills your requirement. Available in multiple designs and vibrant colours, it is a value for money for both men and women who love to take style and comfort in their stride.

The logo for Bahamas, featuring the word "Bahamas" in a stylized, pink, sans-serif font. A green palm tree icon is positioned above the letter "a".

The youth is not a segment anymore. It's a cluster of radical, fast moving souls. And now the ever-evolving taste of young India meets a kindred brand. Relax, chill, holidays, sun, sand and perpetual fun are often the words that make their way to your mind once you slip into a pair of Bahamas. And this is something even the brand ambassador of Bahamas, 'The Bhaijaan of Bollywood' - Salman Khan concurs. Bahamas is colourful, vibrant, stylish and exudes the peppy sentiment of young India.

The logo for Sparx, featuring the word "sparx" in a bold, white, italicized, sans-serif font. Below it, the tagline "GO FOR IT" is written in a smaller, orange, sans-serif font. The entire logo is set against a black background with orange borders.

To make change a part of life, one must thrive for it. In the footwear category, there exists a segment that craves for adrenaline. To match their energy and enthusiasm, we present to them - SPARX, a range of sports and casual footwear which cater to the needs of sportsmen, fitness enthusiasts and other adrenaline lovers. Which is why, just like its users, it stops at nothing. With a pair of Sparx on, no challenge is insurmountable and no odds are too high.



On the young shoulders of students rest the future of our nation. They are the agents of great change. And they need a pair of shoes that understands them well. Schoolmate is that brand. Schoolmate is a range of comfortable and durable school shoes for boys and girls, and is designed to meet the ever-growing demands of those young feet.



Imagine trotting around in a pair of shoes that makes a prominent statement about your impeccable taste and classy style. Well, we have a word for such imagination – BOSTON. It's an exclusive range of shoes for men who stay abreast with the changing times. Crafted to perfection, BOSTON is best-in-class in its segment. To match your fashion, it's available in different style and looks.



Just like time, fashion is fleeting. Gently gliding away to make way for new trends. But Ladies! You need to glide along. So, when comfort is paramount and style can't be taken for granted, here's a name to count on - Mary Jane. It is designed to exude style without putting your tender feet under any stress. Mary Jane is made of best materials that are gentle to your feet and high on comfort.



Kids grow as fast as style changes its gears. So here's a range for those happy and restless feet. KIDS FUN is a range of cool, colourful footwear that next-gen kids fall in love with. Buy one for your kid, the foundation of the future, and make him stand out of the crowd.



Don't fall back with changing times. Be a part of it. Just be yourself by slipping into a pair of comfy yet stylish pair of Casualz. High on quality and in sync with ever-changing style quotient, Casualz is available in multiple style and shades. So, now your style won't take a break even if you are on one.

DIRECTORS' REPORT

Dear Members,

The Board of Directors of Your Company take pleasure in presenting its report on the working of the Company for the Financial Year 2016-17.

1. FINANCIAL RESULTS

(₹ in Crores)

Particulars	2016-17	2015-16
Revenue from Operations	1739.84	1711.81
EBITDA	244.29	239.88
Other Income	3.73	3.46
Less : Finance Cost	15.18	22.89
Less : Depreciation and Amortization Expenses	51.48	47.12
Add : Exceptional Item	-	4.26
Profit before Tax	181.36	177.59
Less : Tax Expenses	58.39	57.31
Profit after Tax	122.97	120.28
Balance brought forward from Previous year	2.67	1.06
Amount available for Appropriation	125.64	121.34
Appropriation :		
Final Dividend *	-	7.20
Tax on Final Dividend *	-	1.47
Transfer to General Reserve	110.00	110.00
Balance carried to Balance Sheet	15.64	2.67
EPS-Basic (in ₹)	10.24	10.02
EPS-Diluted (in ₹)	10.23	10.00

*Board of Directors has recommended dividend @ 100% i.e. ₹ 1/- per equity share for FY17, which has not been appropriated as per the Accounting Standards.

2. BUSINESS PERFORMANCE

The key highlights of the Company's financial performance during the Financial Year 2016-17 are given here below:-

- Revenue from operations increased by 1.64% to ₹ 1739.84 Crores from ₹ 1711.81 Crores in the last Financial Year.
- EBITDA increased by 1.84% to ₹ 244.29 Crores; EBITDA margins increased by 3 bps to 14.04%.
- Net Profit increased by 2.24% to ₹ 122.97 Crores from ₹ 120.28 Crores in the last Financial Year.
- Net Profit margins increased to 7.07%.
- Total retail outlets increased from 250 to 270 during the Financial Year.

3. PERFORMANCE OVERVIEW

(A) FINANCIALS

Your Company has been able to maintain marginal growth on the key financial metrics for the year, despite the market scenario being uncertain, sluggish market demand and competitive activity increasing in the year and the effect of demonetization. Management believes that your Company will continue its journey of profitable growth driven by the strong fundamentals of operating model, overwhelming desire to serve customers and the end consumer and continued focus on the long term business plan.

Revenue ₹ 1739.84 Cr.

Growth 1.64%

- Sustained focus on consumer needs and quality.
- Aggressive Expansion in new / under - penetrated geographies.
- Increased presence in new / emerging channels (Modern Trade, E- Commerce).
- Investment on strengthening brands.

EBITDA ₹ 244.29 Cr.

Growth 1.84 %

Margin 14.04 %

- Robust cost control with margin improvement initiatives.
- Manufacturing Excellence and Quality Improvement.
- Strategic procurement of material to maintain profitability.
- Disposal of non productive assets and old Inventory.

PAT ₹ 122.97 Cr.

Growth 2.24%

Margin 7.07%

(B) NON-FINANCIALS - GROWTH ACROSS THE VALUE CHAIN

Consumer focus / Product Innovation

Your Company continued its relentless efforts to understand the consumer and has designed its portfolio in line with their changing tastes. Structured market research approach along with regular market sensing exercises have kept your Company abreast with consumer needs across different regional, economic and demographic strata. Our focus on in-season launches with an optimal product portfolio, has enabled us to deliver right products at right price points at the right time. All our brands – Relaxo, Flite, Sparx and Bahamas were able to benefit from our revised approach on building a targeted portfolio.

New product development is the key driver of consistent growth for your Company. We have a very strong in-house design capability; whose endeavor is to constantly innovate techniques to provide cutting edge products at reduced costs. We are also looking to partner with global design houses to enhance our design capabilities and launch cutting edge designs in the Indian market.

We are bullish on the growth potential from organized retail and e-commerce platforms and have developed a dedicated portfolio to ensure a healthy topline contribution from them, with minimal impact to conventional trade channels. This has been a successful strategy for FY17 and continues to be a focus area for FY18.

Trust in the brand is essential for its growth and we intend to invest heavily to ensure that this objective is met.

- We have engaged Shahid Kapoor & Shruti Haasan as brand ambassadors for Flite, in addition to Salman Khan & Akshay Kumar who are already endorsing Bahamas and Sparx brands respectively.
- During the year, your Company has revamped the "Relaxo" logo. With 40 years of trendsetting footwear, the new Relaxo embraces the dynamic value of young India : Transformation, Optimism & Positive energy. With the Steadfast commitment, your Company is geared to meet quality and choice expectations of trendsetting young India. The new look of logo reflects the brand's dynamism by forward slanting letters in Berry Blue and Sunny Yellow, while the wave signifies effortless movement towards progress.
- During the year, your Company has also revamped logo of "Bahamas" to enhance in market brand visibility while retaining its youthful appeal.
- The company has also re-designed its website, in order to target the modern consumer and to extend the company's reach to a larger consumer base.

Sales Channel Development

We have successfully implemented end-to-end distributor and retailer programs to improve engagement levels and connect with our channel partners. The distributor

engagement program has delivered incremental and sustainable benefits to Relaxo while ensuring a healthy relationship with our channel partners. The retailer based loyalty program has helped in establishing direct connect with retailers and in rewarding their efforts in promoting Relaxo brands. We are also working towards having exclusive distributors going forward, in order to increase penetration while ensuring viability and ROI for our channel partners.

We continue to believe Flite PU to be a brand with high potential and have setup initiatives to improve product offerings, manufacturing standards and overall market presence. We will continue to focus on Flite PU brand in FY18.

We have also effectively enhanced our distribution coverage both by strengthening the presence in current regions and expanding across new regions.

While the Indian market continues to be our focus, your Company spent considerable efforts last year to strengthen operations in international markets, with a specific focus on Middle East, Africa and Oceania. Given a strong brand recall and a widespread Indian diaspora, your Company is well positioned to capitalize on the next wave of growth from these regions.

Retail

Retail continues to remain instrumental in increasing brand visibility with its 270 stores spread across North and Western India. We have put in a lot of efforts in strengthening the back end retail infrastructure by improving inventory control and building a flexible supply chain. We have also been successful in adapting changes in technology to upgrade our ERP and reporting platforms. This has led to improved visibility across the system and is supporting better decision making.

Our structured store expansion has helped strengthen the Relaxo brand and facilitate a strong connect of the company with the end consumer.

- During FY17, your Company opened net 20 new Retail Outlets across India and also started its retail operations in the states of Madhya Pradesh, Himachal Pradesh and Chandigarh. Our new stores are larger in size with adequate space to enhance the consumer's shopping experience and to ensure visibility of our entire range.
- The company also launched the e-wallet payment mode at all Retail outlets to support cashless payments. Additionally, your Company has also launched its online shopping mobile application to cater to consumers who prefer online buying.
- Your Company also opened few value stores to liquidate SLOB inventory, by offering high quality products at discounted prices to consumers.

As a next step in our retail journey, we are working on evaluating a franchise based model in order to add greater scale to our retail business. This will be a major initiative for your Company in FY18.

Procurement

- Your Company was able to manage the material cost owing to effective monitoring of the raw material expenses and despite significant volatility in the commodities market, particularly in Q4 last year.

- We were able to leverage technology for procurement by using e-auction platform which resulted in cost reduction and improved efficiency.
- Extensive vendor audits were conducted during the year with a focus on improving the quality of input materials and ensuring standard and world class processes at our vendor premises.
- A new Centralised service procurement vertical has also been created for effective control and improvement of quality of services. The revised processes will deliver significant results in the next year.

Manufacturing

In order to support sustainable and profitable growth, we continue to take steps towards manufacturing excellence across key production units. We have been improving productivity and reducing manufacturing costs, year-on-year, with the help of world class manufacturing concepts like Lean Manufacturing and Maynard Operation Sequence Technique (MOST). We have been successful in controlling manufacturing costs by optimizing manpower utilization, energy consumption and rationalizing miscellaneous, capital & operational expenses. Training & capability development programs for the workforce were implemented to improve operational effectiveness at manufacturing facilities.

Thanks to globalization and increased competitiveness, many international footwear brands are moving their contract manufacturing requirements from China to India. Relaxo is well positioned to capitalize on this transition and become a reliable partner for these brands. Branded label contract manufacturing will help your company to improve capacity utilization and improve in-house capability vis-à-vis manufacturing processes.

Technology

Technology is the backbone of your Company and helps in integrating various functions on one platform, thereby, providing efficiencies in operations.

Last year was a year of enhancement in process and customer experience by leveraging the use of IT. Your Company took various steps to leverage the use of information technology to automate the business processes which has put us in the top of business automation adoption graph.

- We have enabled end-to-end traceability of our product using automation and mobile technology to make our customer empowered to find the genuineness of our product.
- Steps were taken towards reaching closer to our end customer by establishing the robust feedback mechanism at our retail stores.
- Keeping in line with technological trends we are moving closure towards our partners (Vendors/Customers) by means of digitization to bring more agility, transparency and dependability.
- The company has also put in significant efforts in ensuring that its backend systems are GST ready to support a smooth transition in FY18.
- Keeping in line with the technology trends, we are moving towards cloud based solutions to improve overall

system resilience and accessibility.

- Your Company has also initiated the implementation of SAP Success Factor's Employee Central and Compensation Modules which will help us in exercising better headcount controls, AOP monitoring and will help us in reducing time and efforts involved in rolling out revised salary post PMS exercise.

Supply Chain Optimization

Supply chain remains one of the key areas for enabling growth of Your Company. Focused initiatives have been implemented towards improvement in utilization of existing distribution network and optimizing inventory. In order to service our channel partners faster and better, Regional Distribution Center (RDCs) operations have been further strengthened.

We plan to continue to ensure close coordination between Manufacturing, Supply Chain and Sales to ensure on-time fulfilment of demand while maintaining optimum inventory levels. We also plan to continue focusing on fulfilling requirements of our non-distribution channels like Modern Trade, Retail and Exports.

We have also initiated work on restructuring our distribution network to optimize costs, considering the upcoming GST regime.

ISO Certification

Your Company has embarked on a journey of getting certified for OHSAS 18001:2007 (Occupational Health & Safety Assessment Series) which mainly covers Workplace Safety, Employee Health & General Hygiene. Various requirements like Hazard Identification and Risk Assessment (HIRA), Emergency Management Plan (on site) and testing through mock-drills and Legal Compliances (covering all applicable Acts and Rules, mainly Factory's Act, 1948) were addressed for the purpose of certification.

Relaxo has been recommended by BSI for ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007 certification till June 2020.

People Focus

Over the last year, the HR function in your Company has innovated ceaselessly, learned rapidly and continuously to take on new strategies comfortably. Following key initiatives were delivered in FY 17:

- a) Recruitment:** Your Company's sales and capabilities are growing at a rapid pace. We drove a series of initiatives to improve quality and speed of hires in the front line sales team by introducing Thomas International's recognized psychometric tool- DISC Profiling. All the candidates recruited for the position of Area Sales Managers & Regional Sales Managers have to clear this evaluation as a prerequisite to get selected and offered.
- b) Employee Stock Options Program (ESOP):** Select group of employees, depending upon their nature of job and criticality of the position that they handle, were granted shares in 2015 under the ESOP 2014 scheme (RFL ESOP PLAN -2014). Shares were vested in August 2016 as per the policy.

- c) Campus Hiring:** Your Company is focused on creating a pool of future leaders, We have recruited Management Trainees & Graduate Engineering Trainees from leading B-Schools and Engineering Institutes to infuse fresh blood in the Organization.

- d) Grievance Handling:** Your Company has rolled out Employee Grievance handling policy with full scale communication to workmen and staff. To institutionalise the mechanism and facilitate the employees, we have a toll free helpdesk number and a dedicated Email wherein the employees can report their grievances. All grievances are thoroughly investigated and closed as per turn around time (TAT) defined in the policy.

- e) Training and Development:** Your Company has imparted various functional and behavioral trainings across departments. All the employees in sales were trained as part of Sales Capability Development Program. The program focus on imparting relevant selling skills, market development skills, sales forecasting, secondary sales development, sales planning, etc.

- f) Leadership Development:** Crucibles, a Leadership Development Program, is a fine mix of Classroom Trainings, On the Job Cross Functional Projects and Coaching sessions aimed at developing leaders from within Relaxo. Under Crucibles we have sent senior employees for programs in IIM- Ahmedabad & IIM- Indore to upgrade themselves on leadership skills.

4. MANAGEMENT DISCUSSION & ANALYSIS REPORT.

The Management Discussion & Analysis Report forms an integral part of this Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company's business, internal controls and their adequacy, risk management systems and other material development during the Financial Year.

5. DIVIDEND

Board of Directors in their meeting held on 12th May, 2017 have recommended a final dividend of 100 % i.e. ₹ 1.00 per equity share for the Financial Year ended 31st March, 2017. The Proposed Dividend is subject to the approval of shareholders at the Annual General Meeting to be held on 21st September, 2017.

6. TRANSFER TO RESERVE

We propose to transfer Net Profit of ₹ 110.00 Crores to the General Reserve. An amount of ₹ 15.64 Crores is proposed to be retained in profit & loss account.

7. PUBLIC DEPOSITS

Your Company has not invited or accepted any Deposits within the meaning of Sections 73 & 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 from Public during the year under review.

8. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Report on Corporate Governance as stipulated under SEBI (LODR)

Regulations, 2015 forms an integral part of the Report. The requisite certificate from the Statutory Auditors of the Company M/s Gupta & Dua, Chartered Accountants, confirming compliance with the conditions of Corporate Governance is attached to the Report of Corporate Governance.

9. DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL & PARTICULARS OF EMPLOYEES

In accordance with Section 178 of the Companies Act, 2013 read with rules issued thereunder and SEBI laws, the Board of Directors at their meeting held on 10th May, 2014 formulated the Nomination & Remuneration Policy of your Company. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Report. The Nomination and Remuneration Policy is available on the website of the Company at the following link <http://www.relaxof footwear.com/pdf/Nomination-and-remuneration-policy.pdf>.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ Employees of your Company is set out in **Annexure -A** to this Report.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL.

During Financial Year 2016-17, Mr. Nikhil Dua was reappointed as Whole Time Director for a period of one year w.e.f. 1st October, 2016 by the Shareholders in the Annual General Meeting held on 15th September, 2016.

Mr. Deval Ganguly, Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

Your Directors recommend his appointment as the Director of the Company.

The term of Mr. Nikhil Dua as Whole time Director is going to expire on 30th September, 2017. He is to be reappointed for another term of 3 years w.e.f. 1st October, 2017 if approved by Shareholders in the forthcoming Annual General Meeting.

11. ANNUAL EVALUATION OF BOARD'S PERFORMANCE

In terms of provisions of Companies Act, 2013 read with Rules issued thereunder and SEBI (LODR) Regulations 2015, the Board of Directors on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board/ Director(s) for the Financial Year 2016-17. Directors were evaluated on their contribution at Board / Committee Meetings and guidance/ support to the management outside Board / Committee Meetings.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The Committees of the Board were assessed on the basis of degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The Independent Directors performance evaluation was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

12. NUMBER OF MEETINGS OF THE BOARD

The Board met four times during the Financial Year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two consecutive meetings was within the period prescribed by the Companies Act, 2013, SEBI (LODR) 2015 and Secretarial Standard-1(SS-1).

13. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

14. TRAINING OF INDEPENDENT DIRECTORS

The Company makes presentation to the new Independent Directors about the Company's strategy, operations, plants, products, organization structure, finance, human resource and facilities. During the year, Company had arranged presentations for the Independent Directors, on the Business Operating Plans, Capital Expenditure Plans, Business Strategy, HR Policies, Compliance Process.

Further at the time of appointment of an Independent Director, the Company issued a formal letter of appointment outlining his / her role function, duties & responsibilities as an Independent Director. The format of the letter of appointment is available on our website <http://www.relaxof footwear.com/terms-conditions.aspx>

15. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 with regard to Director's Responsibility Statement, it is hereby confirmed that

- in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal

Financial Controls are adequate and are operating effectively; and

- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

16. AUDITORS

The Statutory Auditors of the Company M/s. Gupta & Dua, Chartered Accountants hold office till the conclusion of the ensuing Annual General Meeting and are liable to retire.

The Board of Directors on the recommendation of Audit Committee, have recommended the proposal to appoint M/s B.R. Maheswari & Co LLP, Chartered Accountants, as Statutory Auditors of your Company upto the conclusion of 38th Annual General Meeting subject to Section 139 and other applicable provisions of Companies Act, 2013.

The Company has received a certificate from the Auditors to the effect that the ratification of appointment, if made, would be in accordance with limits specified by the Companies Act, 2013 and that, they meet the criteria of independence. The proposal of their ratification is included in the notice of ensuing Annual General Meeting.

17. AUDITORS' REPORT

The observation of the Auditors on the Accounts for the year under report have been suitably explained in the Notes to Accounts and do not require any further clarification.

18. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s Vivek Arora, Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report for the Financial Year 2016-17 forms part of the Annual Report as **Annexure-B** to the Board's Report.

19. 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 - C** to this Report.

20. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All Contracts / arrangements / transactions entered by the Company during the Financial Year with related parties were in the ordinary course of the business and on the arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and SEBI (LODR) Regulations 2015. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of Related Party Transactions that would have required Shareholders approval under Regulation 23 of SEBI (LODR) Regulations 2015.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link

<http://www.relaxofootwear.com/pdf/Policy-for-Transactions-with-related-Parties.pdf>.

Your Directors draw attention of the members to Note No. 31 to the Financial Statements which sets out related party disclosures.

The form AOC-2 pursuant to section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as **Annexure-D** to this Report.

21. DETAILS OF LOANS, GUARANTEES & INVESTMENTS

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 are as follows :-

- a) Details of investments made by the Company as on 31st March, 2017 (including investments made in previous years).
- | | |
|-------------------------------------|----------------|
| (i) Investment in equity shares | : ₹ 20.00 Lacs |
| (ii) Investment in debt instruments | : ₹ 50.00 Lacs |
- b). Details of loans given by the Company: Nil
- c). There are no guarantees issued by your Company in accordance with Section 186 of the Companies Act, 2013 read with the Rules issued thereunder.

22. RISK MANAGEMENT

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The Company has adopted a Risk Management Policy which establishes various levels of accountability within the Company. The policy also ensures appropriate and effective risk management systems to carry out risk assessment and to document risk mitigation plans. In addition, all the key risks get continuously deliberated and discussed during business review meetings. The Internal Audit Department facilitates the execution of Risk Management Practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting. The Company has been taking necessary steps to mitigate foreseeable business risks. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment & management procedure and status. Business risk evaluation and management is an ongoing and continuous process within the Company and regularly updated to the Audit Committee.

23. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has constituted a Corporate Social Responsibility Policy to meet the social objectives of the Company. During the year, Relaxo attempted to strengthen the Relaxo Foundation (Special Purpose Vehicle) which initiated projects which focused on promotion of education, health & skill development. Relaxo Foundation also built one Public Toilet at Bahadurgarh in partnership with a NGO to create awareness and promote the social agenda (i.e. **Swachh Bharat Abhiyan**).

Pursuant to the provisions of Companies Act, 2013 and applicable Rules, the detailed Report on CSR activities has been annexed to this Report as **Annexure-E**.

As part of its Corporate Social Responsibility (CSR) initiatives, your Company is working with the underprivileged communities surrounding the Relaxo Plants at Bhiwadi, Bahadurgarh and Delhi under the thrust area of Education, Health and Livelihood.

During the year, Relaxo attempted to strengthen the Relaxo Foundation in order to successfully fulfill the role of the CSR arm of the Company. A Need Assessment Survey was conducted by an external agency to guide the Company to make long term strategies in selection of CSR projects in consultation with local community. As per the guidance from the need assessment report, your Company has contacted various NGO's. All the proposals underwent rigorous process of scrutiny including due diligence of NGOs, meetings, field evaluation etc. which is taking time for the execution of the projects. Due to all the said reasons, the sum of ₹ 4.37 Crores remain unspent at the end of the Financial Year 2016- 17. The Company shall ensure that it complies with the requirements of the Companies Act 2013 and shall attempt to utilize the aforesaid unspent amount towards the CSR activities in the coming years. The details of activities undertaken during the year and Annual Report of the CSR activities is annexed herewith marked as **Annexure-E**.

24. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee as on March 31, 2017 comprises of the following Directors:

Mr. Pankaj Shrimali (Chairman & Independent Director), Mr. Kuruvila Kuriakose (Independent Director), Mr. Vivek Kumar (Independent Director) and Mr. Nikhil Dua (Executive Director).

Further, all recommendations of Audit Committee were accepted by the Board of Directors.

25. VIGIL MECHANISM

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and SEBI Laws. The copy of the policy is available at Company's website at <http://www.relaxofootwear.com/pdf/Vigil-Mechanism-Policy.pdf>.

26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is an equal opportunity employer and is committed to provide safe and harassment free workplace for every individual working at Relaxo Footwears Limited. The Company always tries to create and provide an environment that is free from discrimination and harassment including sexual harassment. A policy on Prevention of Sexual Harassment at Workplace is in place. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour.

An Internal Complaints Committee (ICC) is available at each of the units and offices of the Company as per the requirements of the law. The ICC is responsible for redressal of complaints

related to sexual harassment. Your Company has been regularly conducting sensitization sessions for all its employees so as to create awareness about the subject and the law governing the same including their rights of redressal and the punishments applicable in case of any misconduct. The Company has also displayed posters regarding the subject across all plants and offices so as to reinforce the message that Sexual Harassment is a punishable offence.

Your Directors are happy to report that there has been no complaints of Sexual Harassment and it is our constant endeavour to ensure that we provide harassment free, safe and secure working environment to all employees specially for women.

27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

28. CREDIT RATING

During the year under review, ICRA has reaffirmed Long term rating of the Company as ICRA A+ and the outlook for long term rating has been revised from positive to stable.

During the year ICRA, has reaffirmed short term rating of the Company as A1+ which is the highest rating for the product. ICRA has also assigned A1+ top notch rating to the Company for Commercial Paper of ₹ 50.00 Crores.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure-F** to this Report.

30. EMPLOYEES STOCK OPTION SCHEME

During the year 54,400 options in 3 tranches were granted to eligible employees of the Company in terms of Employee Stock Option Plan 2014 ("RFL ESOP PLAN-2014"). During the year, 90550 options were exercised by the employees after vesting. Accordingly, the Company has made allotment of 90550 equity shares on 5th November, 2016 against the options exercised by the employees.

During the financial year 2016-17, there has been no change in the Employee Stock Option Plan 2014 ("RFL ESOP PLAN-2014") of the Company. Further, it is confirmed that the ESOP Scheme of the Company is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014.

The details as per the requirements of SEBI Guidelines are annexed and form part of this Report as **Annexure-G**.

31. CHANGE IN SHARE CAPITAL

During the year under review, the Company has issued and allotted 90550 equity shares of ₹ 1.00 each fully paid up on exercise of stock options by the eligible employees under the Employee Stock Option Plan, 2014 (RFL ESOP PLAN - 2014) thereby increasing the paid up share capital by ₹ 90550.00.

32. INTERNAL FINANCIAL CONTROL SYSTEM

The Company has in place well defined and adequate Internal

Financial Control framework which is independently evaluated from time to time by in-house Internal Audit function for necessary improvement, wherever required. The Company deploys a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance, and safeguards investor interest by ensuring the highest level of governance. The control system ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Audit Committee reviews the effectiveness of the internal financial control framework in the Company.

33. CEO AND CFO CERTIFICATION

Pursuant to the requirement of Regulation 33(2)(a) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification is attached herewith the Annual Report which confirms the existence of effective internal control systems and procedures in the Company. The Managing Director and the Chief Financial Officer also provide quarterly certification on Financial Results while placing the Financial Results before the Board in terms of Regulation 33(2)(a) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

34. TRANSFER TO UNCLAIMED SHARES

As per the provisions of Regulation 39(4) of the Listing

Regulations, the unclaimed shares lying in the possession of the Company are required to be dematerialized and transferred into a special demat account held by the Company. Accordingly, unclaimed shares lying with the Company have been transferred and dematerialized in a 'Unclaimed Suspense Account' of the Company. This account is being held by the Company purely on behalf of the shareholders entitled for these shares. It may also be noted that all the corporate benefits accruing on these shares like bonus, split etc., if any, shall also be credited to the said 'Unclaimed Suspense Account' and the voting rights on these shares shall remain frozen until the rightful owner claims the shares.

Shareholders who have not yet claimed their shares, are requested to immediately approach the Registrar & Transfer Agents of the Company by forwarding a request letter duly signed by all the joint holders furnishing self attested copies of their complete postal address along with PIN code, a copy of PAN card along with proof of address and for delivery in demat form, a copy of Demat Account - Client Master Report duly certified by the Depository Participant (DP) and a recent Demat Account Statement, to enable the Company to release the said shares to the rightful owner.

S.No.	Particulars	No. of Shareholders	No. of equity Shares held
1	Aggregate number of shareholders and the outstanding shares lying in the suspense account at beginning	46	126,110
2	Number of shareholders along with shares held who approached the Company for transfer of shares from the suspense account during the year	1	8,000
3	Number of shareholders along with shares held to whom shares were transferred from the suspense account during the year	1	8,000
4	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	45	118,110

35. BUSINESS RESPONSIBILITY REPORT (BRR)

In Compliance with the provisions of Regulation 34(2)(f) of SEBI (LODR) Regulations 2015 read with Circular No CIR/CFD/CMD/10/2015 dated November 4, 2015, your Company has prepared a BRR in the prescribed format for the Financial Year ended March 31, 2017, which forms an integral part of this Report.

36. ACKNOWLEDGEMENT

Your Directors express their gratitude to the Company's shareholders, business partners and suppliers for their understanding and support. The Directors also take this opportunity to thank Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support. Finally, Your Directors acknowledge the dedicated services rendered by all employees of the Company.

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director
DIN-00157872

Mukand Lal Dua
Whole Time Director
DIN-00157898

Delhi, 12th May, 2017

Annexure A to Directors' Report

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the Financial Year 2016-17 is as follows :-

Name of Director	Ratio of Remuneration of Director to the Median Remuneration
Mr. Ramesh Kumar Dua	517.71
Mr. Mukand Lal Dua	517.71
Mr. Nikhil Dua	49.02
Mr. Deval Ganguly	52.93
Mr. Pankaj Shrimali	1.47
Mr. Vivek Kumar	1.89
Mr. Kuruvila Kuriakose	1.59
Ms. Deepa Verma	1.47

- The aforesaid details are calculated on the basis of remuneration for the Financial Year 2016-17.
- The remuneration includes sitting fee paid to the Directors for attending Board and Committee meetings.
- Median Remuneration for all its employees is ₹ 1,76,331/- for the Financial Year 2016-17.

B. Details of percentage increase in the remuneration of each Director, CFO and Company Secretary in the Financial Year 2016-17 as compared to last year are as follows :-

Name	Designation	% Increase
Mr. Ramesh Kumar Dua	Managing Director	3.75
Mr. Mukand Lal Dua	Whole Time Director	3.75
Mr. Nikhil Dua	Whole Time Director	21.60
Mr. Deval Ganguly	Whole Time Director	-7.18
Mr. Pankaj Shrimali	Independent Director	-31.58
Mr. Vivek Kumar	Independent Director	-13.64
Mr. Kuruvila Kuriakose	Independent Director	21.74
Ms. Deepa Verma	Independent Director	23.81
Mr. Sushil Batra	Chief Financial Officer	2.78
Mr. Vikas Kumar Tak*	Company Secretary	-NA-

S. No.	Employee Name	Designation	Date of Joining	Age (Years)	Remuneration (₹ in Lacs)	Qualification	Experience (Years)	Last Employment
1	Mr. Hans Raj Sapra	Senior Vice President (Material)	16-Oct-93	68	108.81	BE, Dip. Mech. Engg.	44	India Meterological Dept.
2	Mr. Mukand Lal Dua	Whole Time Director	13-Sep-84	67	912.89	B. Sc.	44	Relaxo Rubber Ltd
3	Mr. Ramesh Kumar Dua	Managing Director	13-Sep-84	63	912.89	B.Com., Licentiate of LPRI London	41	Relaxo Rubber Ltd
4	Mr. Sushil Batra	Chief Financial Officer	30-Jul-07	52	106.70	B.Com, FCA	26	A2Z Infra Engg. Ltd

Note :

- Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua are Promoter Directors of the Company and are also related to each other. Mr. Mukand Lal Dua is also related to Mr. Nikhil Dua Promoter Director of the Company.

- The remuneration to Directors is within the overall limit approved by shareholders.
- *Percentage increase is not reported as Company Secretary Mr. Vikas Kumar Tak worked for part of the Financial Year in 2015-16.

C. Percentage increase in the median remuneration of all employees in Financial Year 2016-17 :

There is increase of 12.40% in median remuneration of all employees in Financial Year 2016-17.

D. Number of Permanent Employees on the roll of the Company as on 31st March, 2017 :

Particulars	No of Employees
Staff	1884
Sub Staff	2971
Total	4855

E. Comparison of average percentage increase in salary of employees other than Managerial Personnel and the percentage increase in the Managerial Remuneration :

The aggregate remuneration of employees excluding Whole Time Directors grew by 12.14% over the previous year. The aggregate increase in salary for Whole Time Directors and other KMP was 3.78% in FY17 over FY16. This was based on the recommendation of Nomination and Remuneration Committee.

F. Affirmation

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

G. Statement Containing the particulars of the employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 :

List of Employees of the Company employed throughout the Financial Year 2016-17 and were paid remuneration, not less than ₹102 lacs per annum and employees who have worked for the part of the year and were paid remuneration during the Financial Year 2016-17 at a rate which in aggregate was not less than ₹ 8.5 lacs per month :

ANNEXURE -B**Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To the Members of,**Relaxo Footwears Limited**

Aggarwal City Square, Plot No. 10, District Centre,
Manglam Place, Sector- 3,
Rohini, Delhi-110085

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Relaxo Footwears Limited. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Relaxo Footwears Limited (the Company) books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31-03-2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31-03-2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) SEBI (Substantial Acquisition of Shares and Takeovers) (Fourth Amendment) Regulations 2015.
 - (b) SEBI (PIT) Regulations, 2015.
 - (c) SEBI (Issue of Capital and Disclosure Requirements) (Sixth Amendment) Regulations, 2015
 - (d) SEBI (Share Based Employee Benefits) (Amendment) Regulations, 2015

- (e) SEBI (Issue and Listing of Debt Securities (Amendment) Regulations, 2015.
- (f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2016.
- (h) SEBI (Buy-back of Securities) (Amendment) Regulations, 2015.
- (vi) The Rubber Act, 1947 (the law which is applicable specifically to the Company).

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 pertaining to Listed equity shares of the Company at NSE and BSE.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has also allotted 90550 Equity Shares of ₹ 1/- each to the employees under ESOP Scheme vide Board Resolution passed on 5th November 2016 @ ₹ 200.60 for each equity share (89230 Equity shares) and @ ₹ 352.78 (1320 Equity Shares) for each equity share.

For Vivek Arora
Company Secretaries

Vivek Arora
(Proprietor)

Delhi, 12th May, 2017

CP No. 8255, ACS 12222

Note :

This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

Annexure "A"

**To the Members of,
Relaxo Footwears Limited**

Aggarwal City Square, Plot No. 10, District Centre,
Manglam Place, Sector- 3,
Rohini, Delhi-110085

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Vivek Arora
Company Secretaries

Vivek Arora
(Proprietor)

Delhi, 12th May, 2017

CP No. 8255, ACS 12222

ANNEXURE-C**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

(as on Financial Year ended on 31.03.2017)

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014.]

I. REGISTRATION & OTHER DETAILS:

i	CIN	L74899DL1984PLC019097
ii	Registration Date	13/09/1984
iii	Name of the Company	Relaxo Footwears Limited
iv	Category/Sub-category of the Company	Public Company Limited by Shares
v	Address of the Registered office & contact details	Aggarwal City Square, Plot No. 10, Manglam Place, District Centre, Sector-3, Rohini, Delhi- 110085 +91-11-46800500, 46800600 Email : rfi@relaxofootwear.com
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Pvt. Ltd. Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli, Nanakramguda, Hyderabad- 500032. Ph. : +91-040-67162222; Email : einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

SL. No.	Name & Description of main Products/services	NIC Code of the Product / service	% to total turnover of the Company
1	Manufacturer of Footwear made primarily of vulcalized or moulded rubber and plastic	15202	99

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES : Nil

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**A. Category-Wise Share Holding :**

Category of Shareholder		No. of Shares held at the beginning of the year (As on 31-March-2016)				No. of Shares held at the end of the year (As on 31-March-2017)				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A.	Promoters									
(1)	Indian									
a)	Individual/HUF	90009000	-	90009000	74.98	90009000	-	90009000	74.93	-0.05
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	-	-	-	-	-	-	-	-
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
Sub-Total A(1)		90009000	-	90009000	74.98	90009000	-	90009000	74.93	-0.05
(2)	Foreign									
a)	NRIs Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
Sub Total A(2)		-	-	-	-	-	-	-	-	-
Total Shareholding of promoter(s)										
A=A(1)+A(2)		90009000	-	90009000	74.98	90009000	-	90009000	74.93	-0.05
B.	Public Shareholding									
(1)	Institutions									
a)	Mutual Funds	1946909	-	1946909	1.62	2148363	-	2148363	1.79	0.17
b)	Banks/FI	4950	-	4950	0.01	3790	-	3790	0.00	-0.01
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	3000028	-	3000028	2.50	5368228	-	5368228	4.47	1.97
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1)		4951887	-	4951887	4.13	7520381	-	7520381	6.26	2.13

(2)	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	17897517	-	17897517	14.91	16059787	-	16059787	13.37	-1.54
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹1 lakh	3838495	911335	4749830	3.96	4536216	842610	5378826	4.48	0.52
ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	1939572	124000	2063572	1.72	600000	-	600000	0.50	-1.22
c)	Others (specify)									
i)	Clearing Members	17624	-	17624	0.01	27203	-	27203	0.02	0.01
ii)	Non Resident Indians*	349270	-	349270	0.29	397474	-	397474	0.33	0.04
iii)	Trusts	1000	-	1000	0.00	-	-	-	-	-
iv)	Alternative Investment Fund	-	-	-	-	37579	-	37579	0.03	0.03
v)	NBFC (Registered with RI)	-	-	-	-	100000	-	100000	0.08	0.08
Sub-Total B(2)		24043478	1035335	25078813	20.89	21758259	842610	22600869	18.81	-2.08
Total Public Shareholding B=B(1)+ B(2)		28995365	1035335	30030700	25.02	29278640	842610	30121250	25.07	0.05
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		119004365	1035335	120039700	100.00	119287640	842610	120130250	100.00	-

* No payment on account of Dividend has been made in foreign currency to NRI or any other foreign person during the Financial Year 2016-17

B) Shareholding of Promoters :

S. No.	Shareholders Name	Shareholding at the beginning of the year (As on 31st March, 2016)			Shareholding at the end of the year (As on 31st March, 2017)			% Change in share holding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	
1	Ramesh Kumar Dua	31473150	26.22	-	31473150	26.20*	-	-0.02
2	Mukand Lal Dua	26770700	22.30	-	26770700	22.28*	-	-0.02
3	Nikhil Dua	4500450	3.75	-	4500450	3.75	-	-
4	Usha Dua	4500450	3.75	-	4500450	3.75	-	-
5	Lalita Dua	4500450	3.75	-	4500450	3.75	-	-
6	Rahul Dua	4500450	3.75	-	4500450	3.75	-	-
7	Gaurav Dua	4500450	3.75	-	4500450	3.75	-	-
8	Ritesh Dua	4500450	3.75	-	4500450	3.75	-	-
9	Nitin Dua	4500450	3.75	-	4500450	3.75	-	-
10	Mukand Lal Dua (HUF)	232000	0.19	-	232000	0.19	-	-
11	Ramesh Kumar Dua (HUF)	20000	0.01	-	20000	0.01	-	-
12	Sakshi Dua	10000	0.01	-	10000	0.01	-	-

* Decrease in percentage shareholding of Mr. Ramesh Kumar Dua & Mr. Mukand Lal Dua is due to ESOP allotment during the year.

C) Change in Promoters' Shareholding:

There is no change in Promoters Shareholding during the Financial Year 2016-17.

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of the Share Holder	Shareholding at the beginning of the year		Date	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total Shares of the company
1	VLS SECURITIES LIMITED					
	At the beginning of the Year	8150000	6.79	31/03/2016	8150000	6.79
	Increase/ Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the Year			31/03/2017	8150000	6.78
2	VLS FINANCE LTD					
	At the beginning of the Year	8057760	6.71	31/03/2016	8057760	6.71
	Increase/ Decrease in Shareholding during the year	-1770969	-1.48	08/04/2016	6286791	5.24
	At the end of the Year			31/03/2017	6286791	5.23
3	SBI MAGNUM GLOBAL FUND					
	At the beginning of the Year	1700000	1.42	31/03/2016	1700000	1.42
	Increase/ Decrease in Shareholding during the year	-12666	-0.01	08/04/2016	1687334	1.41
		2922	0.00	11/11/2016	1690256	1.41
		184	0.00	18/11/2016	1690440	1.41
		9560	0.01	10/03/2017	1700000	1.42
	At the end of the Year			31/03/2017	1700000	1.42

4	KOTAK MAHINDRA (INTERNATIONAL) LIMITED					
	At the beginning of the Year	1670466	1.39	31/03/2016	1670466	1.39
	Increase/ Decrease in Shareholding during the year	-1670466	-1.39	17/03/2017	0	0.00
	At the end of the Year			31/03/2017	0	0.00
5	JATINDER AGARWAL					
	At the beginning of the Year	712620	0.59	31/03/2016	712620	0.59
	Increase/ Decrease in Shareholding during the year	-1723	0.00	16/12/2016	710897	0.59
		-102000	-0.08	23/12/2016	608897	0.51
		-8897	-0.01	10/03/2017	600000	0.50
	At the end of the Year			31/03/2017	600000	0.50
6	JWALAMUKHI INVESTMENT HOLDINGS					
	At the beginning of the Year	552164	0.46	31/03/2016	552164	0.46
	Increase/ Decrease in Shareholding during the year	1866277	1.55	08/04/2016	2418441	2.01
		1670466	1.39	17/03/2017	4088907	3.40
	At the end of the Year			31/03/2017	4088907	3.40
7	EICHER GOODEARTH PRIVATE LIMITED					
	At the beginning of the Year	443190	0.37	31/03/2016	443190	0.37
	Increase/ Decrease in Shareholding during the year	-443190	-0.37	24/03/2017	0	0.00
	At the end of the Year			31/03/2017	0	0.00
8	KARVANSARAI TRAVEL AND LIFESTYLE PRIVATE LIMITED					
	At the beginning of the Year	-	-	31/03/2016	-	-
	Increase/ Decrease in Shareholding during the year	443190	0.37	24/03/2017	443190	0.37
	At the end of the Year			31/03/2017	443190	0.37
9	DOLLY KHANNA					
	At the beginning of the Year	406812	0.34	31/03/2016	406812	0.34
	Increase/ Decrease in Shareholding during the year	-4000	0.00	08/04/2016	402812	0.34
		-13500	-0.01	15/04/2016	389312	0.32
		-1000	0.00	06/05/2016	388312	0.32
		-3000	0.00	13/05/2016	385312	0.32
		-13680	-0.01	20/05/2016	371632	0.31
		-3250	0.00	27/05/2016	368382	0.31
		-10970	-0.01	03/06/2016	357412	0.30
		-11725	-0.01	10/06/2016	345687	0.29
		-7271	-0.01	17/06/2016	338416	0.28
		-4000	0.00	24/06/2016	334416	0.28
		-6620	-0.01	30/06/2016	327796	0.27
		-15829	-0.01	08/07/2016	311967	0.26
		-19450	-0.02	15/07/2016	292517	0.24
		-7020	-0.01	22/07/2016	285497	0.24
		-4250	0.00	29/07/2016	281247	0.23
		-8000	-0.01	05/08/2016	273247	0.23
		-5250	0.00	12/08/2016	267997	0.22

		-2000	0.00	19/08/2016	265997	0.22
		-2850	0.00	26/08/2016	263147	0.22
		-5750	0.00	02/09/2016	257397	0.21
		-13200	-0.01	09/09/2016	244197	0.20
		-8362	-0.01	16/09/2016	235835	0.20
		-6000	0.00	23/09/2016	229835	0.19
		-5750	0.00	30/09/2016	224085	0.19
		-5000	0.00	07/10/2016	219085	0.18
		-1122	0.00	14/10/2016	217963	0.18
		-5000	0.00	21/10/2016	212963	0.18
		-1000	0.00	28/10/2016	211963	0.18
		-3000	0.00	04/11/2016	208963	0.17
		-3000	0.00	11/11/2016	205963	0.17
		-2000	0.00	18/11/2016	203963	0.17
		-1000	0.00	25/11/2016	202963	0.17
		-3000	0.00	02/12/2016	199963	0.17
		-2927	0.00	09/12/2016	197036	0.16
		-4750	0.00	16/12/2016	192286	0.16
		-2000	0.00	23/12/2016	190286	0.16
		-3000	0.00	30/12/2016	187286	0.16
		-5000	0.00	06/01/2017	182286	0.15
		-5250	0.00	13/01/2017	177036	0.15
		-3000	0.00	20/01/2017	174036	0.14
		-2000	0.00	27/01/2017	172036	0.14
		-2500	0.00	03/02/2017	169536	0.14
		-5412	0.00	10/02/2017	164124	0.14
		-4000	0.00	17/02/2017	160124	0.13
		-2175	0.00	24/02/2017	157949	0.13
		-2000	0.00	03/03/2017	155949	0.13
		-1000	0.00	10/03/2017	154949	0.13
		-8500	-0.01	17/03/2017	146449	0.12
		-3054	0.00	24/03/2017	143395	0.12
		-1000	0.00	31/03/2017	142395	0.12
	At the end of the Year			31/03/2017	142395	0.12
10	VIBGYOR INVESTORS AND DEVELOPERS PVT LTD					
	At the beginning of the Year	400000	0.33	31/03/2016	400000	0.33
	Increase/ Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the Year			31/03/2017	400000	0.33
11	VALUEQUEST INDIA MOAT FUND LIMITED					
	At the beginning of the Year	313889	0.26	31/03/2016	313889	0.26
	Increase/ Decrease in Shareholding during the year	33571	0.03	10/06/2016	347460	0.29
		6474	0.01	17/06/2016	353934	0.29
		5457	0.00	30/06/2016	359391	0.30
		1742	0.00	15/07/2016	361133	0.30
		57507	0.05	16/09/2016	418640	0.35
	At the end of the Year			31/03/2017	418640	0.35

12	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C					
	At the beginning of the Year	183538	0.15	31/03/2016	183538	0.15
	Increase/ Decrease in Shareholding during the year	6717	0.01	10/06/2016	190255	0.16
		3400	0.00	17/06/2016	193655	0.16
		2400	0.00	30/06/2016	196055	0.16
		11500	0.01	29/07/2016	207555	0.17
		3500	0.00	18/11/2016	211055	0.18
		3600	0.00	25/11/2016	214655	0.18
		4610	0.00	02/12/2016	219265	0.18
		35500	0.03	24/02/2017	254765	0.21
		14000	0.01	10/03/2017	268765	0.22
		5000	0.00	17/03/2017	273765	0.23
	At the end of the Year			31/03/2017	273765	0.23
13	EM RESURGENT FUND					
	At the beginning of the Year	249796	0.21	31/03/2016	249796	0.21
	Increase/ Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year			31/03/2017	249796	0.21

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of Each Directors and Each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total Shares of the company
1	Ramesh Kumar Dua					
	At the beginning of the year	31473150	26.22	31/03/2016	31473150	26.22
	Increase/ Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year			31/03/2017	31473150	26.20
2	Ramesh Kumar Dua (HUF)					
	At the beginning of the year	20000	0.01	31/03/2016	20000	0.01
	Increase / Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year			31/03/2017	20000	0.01
3	Mukand Lal Dua					
	At the beginning of the year	26770700	22.30	31/03/2016	26770700	22.30
	Increase / Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year			31/03/2017	26770700	22.28

4	Mukand Lal Dua(HUF)					
	At the beginning of the year	232000	0.19	31/03/2016	232000	0.19
	Increase / Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year			31/03/2016	232000	0.19
5	Nikhil Dua					
	At the beginning of the year	4500450	3.75	31/03/2016	4500450	3.75
	Increase / Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year			31/03/2017	4500450	3.75
6	Pankaj Shrimali					
	At the beginning of the year	22000	0.02	31/03/2016	22000	0.02
	Increase / Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year			31/03/2017	22000	0.02
7	Sushil Batra					
	At the beginning of the year	17560	0.01	31/03/2016	17560	0.01
	Increase / Decrease in Shareholding during the year due to allotment of ESOP Shares	4150	-	11/11/2016	21710	0.02
	At the end of the year			31/03/2017	21710	0.02

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	146.78	-	-	146.78
ii) Interest due but not paid	0.21	-	-	0.21
iii) Interest accrued but not due	1.36	-	-	1.36
Total (i + ii + iii)	148.35	-	-	148.35
Change in indebtedness during the Financial Year				
+ Addition	-	-	-	-
- Reduction	(34.39)	-	-	(34.39)
Net Change	(34.39)	-	-	(34.39)
Indebtedness at the end of the Financial Year				
i) Principal Amount	112.99	-	-	112.99
ii) Interest due but not paid	0.08	-	-	0.08
iii) Interest accrued but not due	0.89	-	-	0.89
Total (i + ii + iii)	113.96	-	-	113.96

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ in lacs)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mukand Lal Dua	Ramesh Kumar Dua	Nikhil Dua	Deval Ganguly	
1	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	120.00	120.00	80.43	86.50	406.93
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.40	0.40	2.70	2.87	6.37
	(c) Profits in lieu of salary under 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	778.09	778.09	-	-	1556.18
	- Others	-	-	-	-	-
5	Others (Employers Contribution to Provident Fund)	14.40	14.40	3.31	3.95	36.06
	Total (A)	912.89	912.89	86.44	93.32	2005.54
	Ceiling as per the Act	10% of Net Profits of the Company as calculated under Section 198 of Companies Act, 2013 is ₹ 2005.54 Lacs				

B. Remuneration to other Directors

(₹ in lacs)

S. No.	Particulars of Remuneration	Pankaj Shrimali	Kuruville Kuriakose	Vivek Kumar	Deepa Verma	Total Amount
1	Independent Directors					
	Fee for attending Board / Committee meetings	2.60	2.80	3.33	2.60	11.33
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (1)	2.60	2.80	3.33	2.60	11.33
2	Other Non-Executive Directors					
	Fee for attending Board / Committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1 + 2)	2.60	2.80	3.33	2.60	11.33
	Ceiling as per the Act	1% of Net Profits of the Company as calculated under Section 198 of Companies Act, 2013 is ₹ 200.55 Lacs				
	Total Managerial Remuneration (A+B)					2016.87
	Overall Ceiling as per the Act	11% of Net Profits of the Company as Calculated under Section 198 of Companies Act, 2013 is ₹ 2206.09 Lacs				

C. Remuneration to key managerial personnel other than MD/Manager/WTD

(₹ in lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		21.30	90.40	111.70
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		0.30	2.55	2.85
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-NA-	-	-	-
2	Stock Option		-	9.72	9.72
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	- as % of profit		-	-	-
	- Others		-	-	-
5	Others (Employers Contribution to provident fund)		1.02	4.03	5.05
	Total	-	22.62	106.70	129.32

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

No penalties / Punishment / compounding of offences were levied under the Companies Act, 2013.

ANNEXURE -D**Form No AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1.Details of contracts or arrangements or transactions not at arm's length basis during Financial Year 2016-17 :

(a) Name(s) of the related party and nature of relationship.	Not Applicable
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Date(s) of approval by the Board	
(g) Amount paid as advances, if any	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2.Details of material contracts or arrangements or transactions at arm's length basis during Financial Year 2016-17 :

(a) Name(s) of the related party and nature of relationship.	Not Applicable
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts/arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Date(s) of approval by the Board, if any	
(f) Amount paid as advances, if any.	

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director
DIN-00157872

Mukand Lal Dua
Whole Time Director
DIN-00157898

Delhi, 12th May, 2017

Annexure -E**Corporate Social Responsibility (CSR) Activities****1. Brief outline of the Company's CSR Policy**

The Board of Directors at its meeting held on 28th March 2015 approved the CSR policy of your Company pursuant to the provisions of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

Relaxo Foundation is working with the underprivileged communities surrounding the Relaxo Plants at Bhiwadi, Bahadurgarh, and Delhi under the thrust area of Education, Health and Skill Development. Relaxo CSR has a particular focus towards the well-being of women, children, and youth.

(a) Education Initiatives

Education is an important indicator to determine the country's growth and development. But, India is still performing poorly on this front. Recognizing the lack of resources and quality of education as the biggest challenge, Relaxo CSR has taken education as a prime focus area to ensure inclusive, and equitable quality education.

(i) Remedial Classes for Primary-school children of Bawana, Delhi

Relaxo Foundation has partnered with the NGO **Navjyoti Foundation** to run the remedial education program at Bawana area, Delhi, with an objective to ensure the holistic development of the 50 underprivileged children. Today, these kids, under Bal Gurukul program of the Navjyoti Foundation are teaching average ten other children of their neighborhood.

(ii) Tab Lab Project in Government Schools of Bhiwadi, Rajasthan

Tab Lab equipped with the Android-powered tablets is specially designed by the **Inclusive India Foundation** for the rural Government schools to facilitate interactive and enjoyable learning to students in their local language. Relaxo Foundation is implementing this project in two Government schools in Bhiwadi, Rajasthan covering more than 500 students of class VI to X.

(b) Health & Sanitation Initiatives

Availability, accessibility, and affordability of health services

is a huge challenge for the socio-economically backward communities that leads to higher incidence of morbidity and mortality. Through baseline assessment, Relaxo Foundation came to know about the lack of health facilities in the neighboring communities.

(i) Cataract Eye Camp at Bhiwadi, Rajasthan

In India, cataract is responsible for 50-80% of the bilateral blindness in the country. Relaxo Foundation in partnership with the Dr. Shroff's Charity Eye Hospital organized cataract screening camp in the Bhiwadi area. Total 75 elderly got screened, and out of them, 27 were identified with cataract cases. Relaxo Foundation provided financial support for all the surgeries.

(ii) Construction of Public Toilet at Bahadurgarh, Haryana

There is a huge need of the public toilets in the country. Therefore, realizing this need, Relaxo Foundation in partnership with **Sulabh International** built one Public toilet in Bahadurgarh, Haryana. The project is at the final stage and will be operational by June 2017.

(c) Vocational Training Program

Relaxo Foundation in collaboration with the FDDI (Footwear Design and Development Institute) is running a Vocational Training Centre at Lowa Khurd, Bahadurgarh (HR) since Oct 2016, with an objective to make the rural community especially women skilled and employable so that they can earn their livelihood.

The CSR Policy may be accessed on the Company's website at the link <http://www.relaxofootwear.com/pdf/Corporate-Social-Responsibility-Policy.pdf>

2. The Composition of CSR Committee

The composition of CSR Committee as on 31st March, 2017 is as follows:-

Name of Director	Designation
Mr. Ramesh Kumar Dua	Chairman
Mr. Mukand Lal Dua	Member
Mr. Pankaj Shrimali	Member
Ms. Deepa Verma	Member

3. Average Net Profit of the Company for the

Last 3 Financial years : ₹ 139.02 Crores

Prescribed CSR Expenditure : ₹ 2.78 Crores.

Details of CSR Spend for the Financial Year

(a) Total amount spent for the Financial Year : -

(b) Amount unspent : ₹ 2.78 Crores*

(c) Manner in which the amount spent during the Financial Year is detailed below :-

(₹ in lacs)

S. No.	CSR Project or activity identified	Sector in Which the Project is covered	Location where Project/Projects is undertaken State (Local area or district)	Amount outlay (budget) project or program wise	Amount spent on the Project/Projects or programmes Subheads : (1) Direct Expenditure (2) Overhead	Cumulative Expenditure upto the reporting period	Amount spent direct or through implementing agency
1	Remedial Classes	Education	Bawana, Delhi	5.00	5.00	5.00	Relaxo Foundation
2	Tab Lab	Education	Bhiwadi, Rajasthan	11.60	11.60	11.60	Relaxo Foundation
3	Cataract Eye Camp	Health & Elderly Care	Bhiwadi, Rajasthan	0.79	0.79	0.79	Relaxo Foundation
4	Public Toilet	Sanitation	Bahadurgarh, Haryana	19.10	17.10	17.10	Relaxo Foundation
5	FDDI Vocational Training Centre	Skill development	Jhajjar, Haryana	5.00	5.03	5.03	Relaxo Foundation
	Sub Total			41.49	39.52	39.52	
6	Baseline assessment				4.31		Relaxo Foundation
7	Administrative Expenses				1.28		
	Total				45.11		

All the expenses i.e. ₹ 45.11 Lacs have been incurred through implementing agency Relaxo Foundation out of the CSR unspent fund for FY16.

* Note : Reason for amount unspent is given in point no 6 of this annexure.

6. The Company has formed a society namely **Relaxo Foundation** to undertake all the CSR initiatives. During the year, Relaxo attempted to strengthen the Relaxo Foundation in order to successfully fulfill the role of the CSR arm of the Company.

The amount has remained unutilized mainly due to the following reasons:

Relaxo Foundation consider local community as an important stakeholder who are not merely a recipient of the development services but are involved actively in the process of the project identification, designing and

execution. Therefore, Relaxo Foundation undertook Need Assessment in consultation with the local community and identified developmental projects jointly.

As per the community need, Relaxo Foundation asked for proposals from different NGOs. All the proposal underwent rigorous process of scrutiny including due diligence of NGOs, meetings, field evaluation etc.

7. Therefore, FY17 has been significant in terms of laying down strong foundation of the CSR and strategizing activities. We are confident that in the FY18, Relaxo CSR will be more structured and will bring larger social impact through CSR projects. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

Ramesh Kumar Dua
Managing Director
DIN-00157872

Delhi, 12th May, 2017

Annexure-F**A. CONSERVATION OF ENERGY**

- (i) Energy conservation is an ongoing process in your Company. Your Company is committed to invest in the latest energy efficient technologies, to conserve energy on all locations, plants and sites of the Company. As a part of Company's endeavour towards conservation of energy and prevention of energy wastage, constant improvements are undertaken in order to conserve energy on an ongoing basis.
- a) The steps taken or impact on conservation of energy :**
- (1) The energy conservation measure indicated above has helped the Company to restrict the impact of increase in the cost of energy thereby reducing the cost of production of goods. Your Company has initiated power trading at various plants which has helped in cost saving
- (2) The Company has started following initiatives at its retail outlets for energy conservation which has led to substantial saving of its annual energy and maintenance cost :-
- Reduced energy consumption through using **Inverter air conditioner** in new Retail outlets.
 - In the phased manner lighting has been upgraded by installing LED in the 15 old retail outlets in addition to 40 retail outlets upgraded in last two years.
 - Saved energy by **using motion sensor** with lighting in unoccupied godown spaces for some retail outlets.
 - Campaign for retail outlet staff regarding **awareness of energy saving**.
- b) The steps taken by Company for utilizing alternate sources of energy:**
- Rooftop Solar power project implemented for one

plant & will be scaled up in all other plants. Solar power outsourcing through open access mode from private players with ground level large solar power generating capacity is being explored/ reviewed for plants.

- c) The capital investment on energy conservation of energy:**
- There was no major capital investment on energy conservation during the year.

B. TECHNOLOGY ABSORPTION

- i) Efforts made towards technology**
Company has developed Softer recipe for some of the Eva injection products.
- ii) Benefit derived as a result of the above efforts**
- Better Quality of products
 - providing more comfort to consumers
 - Improved Customer Satisfaction
- iii) Technology imported during last 3 years : None**
- iv) Expenditure on R & D** - The Company has incurred expenditure of ₹ 2.17 Crores through respective heads of accounts on R & D

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- i) Activities relating to export initiatives taken to increase exports, development of new export for products and export plans:**
- Your Company regularly participate in prestigious international exhibition and has developed markets of Asia, Middle East, Europe, Australia, Africa, South America & Oceania and these markets will increase overall export of Company in coming years.

ii) Total Foreign Currency used and earned

(₹ in Crores)

Particulars	2016-17	2015-16
Used	227.80	231.49
Earned	46.85	38.42

ANNEXURE -G**EMPLOYEE STOCK OPTION PLAN (ESOP)**

The Company had instituted the Employee Stock Option Plan 2014 (the "Plan") for employees of the Company by granting shares thereunder. Accordingly, the Plan was formulated in accordance with the SEBI (ESOS & ESPS) Guidelines, 1999.

The Plan was approved by the shareholders of the Company, on 5th August, 2014, through postal ballot. The Plan provides for issue and allotment of not exceeding 900090 Equity Shares to the eligible employees of the Company and subsequent to the Bonus Issue the number of options available increased to 1800180. Disclosures in compliance with Employee Stock Option Plan of the Company, are set below:

Disclosure as required under SEBI (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2017

S. No.	Particulars	ESOP Scheme
A	Summary	
1	Date of Shareholders Approval	5 th Aug, 2014
2	Total number of options approved under the scheme	1800180
3	Date of Grants	9 th Aug, 2014 9 th May, 2015 25 th July, 2015 31 st Oct, 2015 14 th May, 2016 30 th July, 2016 5 th Nov, 2016
4	Options Granted	589400
5	Vesting Schedule	Minimum one year from the date of Grant
6	Pricing Formula	Closing Market price prior to the date of the meeting of Nomination & Remuneration Committee in which options are granted, on the stock exchange on which the shares of the Company are listed. In case shares are listed on more than one stock exchange then the stock exchange where the highest trading volume is recorded on the said date shall be considered.
7	Maximum Term of Options Granted	8 years from the date of Grant
8	Source of Shares	Primary
9	Variation in terms of Options	No Variations
10	Method used for Accounting of ESOP	Intrinsic Value Method
B	Option Movement During the year	
1	Options Outstanding at the Beginning of the year *	420,440
2	Number of Options Granted during the year	54,400
3	Number of options vested	105,440
4	Number of options exercised during the year	90,550
5	Total number of shares arising as a result of exercise of options	90,550
6	Number of options Cancelled & lapsed during the year	50,490

S. No.	Particulars	ESOP Scheme
7	Number of Options outstanding at the end of the year	333,800
8	Number of Options exercisable at the end of the year	29,950
9	Money realised by exercise of options during the year (₹)	18,365,208
10	Loan repaid by the trust during the year from the exercised price received	0
C.	Employee-wise details of options granted to:	
(i)	Senior managerial personnel	
	Name	No. of options granted
	Vinay Kumar Bajaj	8,200
(ii)	Employees who were granted options during the year amounting to 5% or more of the options	
	Name	No. of options granted
	Surender Bansal	3,900
	Ajay Prakash Sharma	3,000
	Anil Kumar Jha	4,100
	Rajeev Bhatia	4,200
	Vinay Kumar Bajaj	8,200
	Mani Kant Mehta	4,600
	Ajit Kumar Singh	3,300
	Sanjeev Rawat	4,200
	Rahul Jadhav	3,100
	Pankaj Bhalla	3,300
(iii)	Identified employees who were granted option, during the year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	
	Name	No. of options granted
	Nil	
D.	The impact on the profits and EPS of the fair value method is given in the table below :-	
		2016-17
	Profit as reported (₹ in Crores) (a)	122.97
	Add - Intrinsic Value Cost	Nil
	Less: Employee Stock Compensation Expense as per Fair Value Method* (₹ in Crores)	1.32
	Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (₹ in Crores) (b)	121.65
	Earnings per share based on earnings as per (a) above	
	-Basic (₹)	10.24
	-Diluted (₹)	10.23
	Earnings per share had fair value method been employed for accounting of employee stock options as per (b) above	
	-Basic (₹)	10.13
	-Diluted (₹)	10.12

E (i).	Weighted average exercise price of Options granted during the year whose	
(a)	Exercise price equals market price (₹)	469.71
(b)	Exercise price is greater than market price (₹)	Nil
(c)	Exercise price is less than market price (₹)	Nil
E (ii).	Weighted average fair value of options whose	
(a)	Exercise price equals market price (₹)	168.98
(b)	Exercise price is greater than market price (₹)	Nil
(c)	Exercise price is less than market price (₹)	Nil
F.	Method and Assumptions used to estimate the fair value of options granted during the year:	
a)	The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows Stock Price (₹) Volatility Risk free Rate Exercise Price (₹) Time To Maturity (in Years) Dividend yield	Weighted Average Assumptions 469.71 40.79% 6.89% 469.71 3.12 0.13%
b)	The company has incorporated the early exercise of options by calculating expected life on past exercise behavior.	
c)	The volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the options and is based on the daily volatility of the Company's stock price on NSE.	
d)	There are no market conditions attached to the grant and vest.	
*Pre Bonus numbers		

MANAGEMENT DISCUSSION & ANALYSIS

This report contains statements that the Company's beliefs may be considered to be "Forward Looking Statements" that describe our objective, plans or goals. All these forward looking statements are subject to certain risks and uncertainties, including, but not limited to, government action, local & global, political or economic developments, changes in legislation, technology risks, risk inherent in the Company's growth strategy, dependence on certain suppliers and other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements.

These forward looking statements included in this report are made only as on the date of this report and we undertake no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.

Industry structure and developments

According to a recent report by IBEF (International Brand Equity Foundation), Indian retail market is one of the fastest growing markets thanks to rising disposable income, demand for quality products and growth in e-commerce. India's retail market is expected to grow at a CAGR of 17.9% between 2016-20 to reach \$1.3tn in 2020. Consumer expenditure is estimated to reach \$3.6 tn by 2020 versus \$1.25 tn in 2015. So, the demand in retail space will remain robust going forward.

Over the recent years, Indian footwear industry has seen a change in perception from basic consumption to a fashion and style consumption, thanks to an increase in disposable income, growing fashion consciousness, and increase in discretionary spending. This has helped the Indian footwear industry too, which is now the second largest producer and third largest consumer of footwears in the world.

According to a recent ICRA report, India's footwear production was ~2.2 billion pairs in 2015 of which 90% was consumed domestically and 10% were exported. In value terms, the Indian footwear sector is estimated at ~₹. 50,000 crore, with domestic market comprising ~64% and exports markets comprising ~36%. The exports segment in value terms is higher than the 10% reported volumes as international footwears enjoy better selling prices.

Despite this impressive numbers, India's footwear market is quite under penetrated as its average per capita consumption in India is only ~1.66 pair per annum as compared to the global average of 3 pair per annum and developed countries average of 6-7 pair per annum.

At present, India's footwear industry is quite fragmented with >60% belonging to the unorganised sector. However, with GST implementation and increasing brand consciousness among Indian consumers, the share of organised players is going to increase. Hence, we are placed at a favourable position to cash in the changing consumer trends in the Indian markets.

Operating Environment

The demand for footwear products overall have been relatively soft this year due to delay in pickup of consumer spending. The demonetization impact, uncertainty around the GST and global

uncertainties (US & UK elections) weighed on the overall performance. However, things have stabilized now and normal monsoon forecast and GST clarity should boost domestic consumption. Indian footwear industry is currently experiencing two remarkable trends- growth in non-leather footwears and online retail purchases. Non-Leather footwears are seeing higher demand as consumers want shoes which are comfortable, stylish and are in fashion. The increasing awareness for fashionable non-leather footwears is due to rapid entry of international players in the malls over the recent years. Robust growth in e-commerce is expected to continue and boost demand for online retail as well.

The Changing Consumer Behaviour

The purchasing behaviour of Indian consumers are significantly changing, thanks to the growth in malls and online fashion industry. A typical upper middle class young consumer is looking beyond the utility aspect of a product and seeks intangibles like brand and a strong fashion statement from his footwear. They select footwears which reflect their lifestyle aspiration. Thus Indian consumers have become very selective in purchasing footwears.

Opportunities & Threats

India's footwear market is quite under penetrated as its average per capita consumption in India is only ~1.66 pair per annum as compared to the global average of 3 pair per annum and developed countries average of 6-7 pair per annum. Given this trend and consumers' changing preference for fashionable footwears, we think that the per capita consumption of Indian consumers should increase going forward. The robust growth in online retail will also add to the purchase. Thus, with rising disposable incomes, robust economic growth and increasing awareness of fashion through opening of malls, Indian footwear market is placed at a sweet spot. The passage of GST bill should benefit the organized players like us and this in turn should help us to gain further market share. Your Company has one of the most efficient manufacturing process in the Indian footwear industry.

Any significant rise in raw material costs or inability to source skilled cheap labour can be a cause of concern. However, given the Company's four decades of experience in manufacturing footwears, it would be better placed than its peers during any uncertain times.

Risks and Concerns

Macro-economic factors like a downturn in the economy, unforeseen political and social upheavals, natural calamities, below normal monsoon may affect the Company's as well as the footwear industry's performance.

Any change in Government's fiscal policy will also have a bearing on the Company's performance.

Employee turnover and availability of skilled labour is also a challenge in the production process.

Any sharp fluctuations in dollar price can adversely impact the cost of imported goods.

Internal Control System and its adequacy

The Company has special financial, operational and other control systems which are carried out by internal process and which involve monitoring, independent evaluation and timely reporting to management in a systematic order to ensure that all the activities are performed in accordance with current policies, methods, instructions and limits.

The Company has a systematic audit process which is carried out by internal auditors independently as a part of internal control function and in the form of financial activities and compliance audit, independent of the external auditor's activities, considering the management and organizational needs.

The Company has all the mechanisms concerning the process of standard-setting, reporting, verifying the compliance with standards, decision-making and implementing, which are established by the board of directors in order to monitor, to keep under control and, if necessary, to change the risk/return structure of the future cash flows of the Company and accordingly, the quality and the extent of the Company's activities. Standard Operating Procedure (SOPs) have been implemented which also streamline the internal processes to great extent and enhance efficiency, optimize cost and resource utilization and various other operational benefits. The Company has developed a very comprehensive legal compliance software tool with the help of external expert agency which drills down the responsibility of compliance from top management to executive level. This process is fully automated and generate alerts for proper and timely compliance with regular MIS.

Human Resources/Industrial Relation

Over the last year HR has taken various initiatives for employee benefit and retention. The detailed information is provided in point no. 3 of the Director's Report. The relationship of Your Company with employees had been cordial during the year.

As on 31st March, 2017, the total number of employees of the Company is 4855 against 5026 on 31st March, 2016.

Financial Performance of the Company

In the Financial Year 2016-17, Your Company achieved record turnover of ₹ 1,740 crores and profit of ₹ 123 crores. Detailed report on financial and non financial performance of the Company is provided at point no. 1, 2 & 3 of the Director's Report.

The Board has recommended a Dividend of ₹ 1 per equity share (100% of Face Value of ₹ 1) for the Financial Year 2016-17.

The Company has only one segment i.e. 'Footwear and related products' and the performance is already captured in point no. 2 & 3 of the Directors Report and Financial Results.

Outlook

Your Company is well placed to capture the changing consumer trends of comfortable, stylish and fashionable footwears. Our strategy to build a targeted portfolio of brands is bearing fruit. We have engaged Shahid Kapoor & Shruti Haasan as brand ambassadors for Flite, in addition to Salman Khan & Akshay Kumar who are already endorsing Bahamas and Sparx brands respectively.

The Company's focus to gradually expand its retail presence remains intact. During FY 17 your company opened net 20 new retail outlets across India. Retail operations in the states of Madhya Pradesh, Himachal Pradesh and Chandigarh have started. We are also evaluating a franchise based model which would help in scaling up our retail presence.

We have also expanded our international presence with a specific focus on Middle East, Africa and Oceania. Given a strong brand recall and a widespread Indian diaspora, your Company is well positioned to capitalize on the next wave of growth from these regions.

We are also bullish on the growth potential from organized retail and e-commerce platforms. Our strong in-house design capability coupled with the ability to produce cutting edge products at reduced costs gives us a competitive advantage. We are also looking to partner with global design houses to enhance our design capabilities.

BUSINESS RESPONSIBILITY REPORT

About Relaxo

Relaxo Footwears Limited (Relaxo) is largest Footwear Manufacturing Company in India, which deals in Non-Leather Products i.e, Rubber/EVA/PU slippers, Canvas/Sport / School shoes, sandals, etc. It has a portfolio of 10 brands including major brands like Relaxo, Flite, Sparx, Bahamas and Schoolmate. The company sells its products through ~50,000 retailers served through distributors, 270 Retail Outlets, Exports, E-commerce, Modern Trade etc. It has 8 state of the art manufacturing facilities, six in Bahadurgarh (Haryana), and one each in Bhiwadi (Rajasthan) and Haridwar (Uttarakhand). The company's Business Process is managed through SAP & Microsoft Navision.

About Business Responsibility Report

The Security and Exchange Board of India (SEBI) has mandated that the top 500 listed companies by market capitalisation to

include Business Responsibility Report in its Annual Report. The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the those 9 Principles.

Since inception, Relaxo has consistently lived by and upheld its quality assurance by rigidly adhering to the statutes of Quality Par Excellence and absolute Customer Satisfaction. We are committed to our objectives of providing platform of better governance and conducting the business practices in transparent and ethical manner.

The First Business Responsibility Report describing the initiatives undertaken by your Company in the prescribed format is given below:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L74899DL1984PLC019097
2	Name of the Company	Relaxo Footwears Limited
3	Registered address	Aggarwal City Square, Plot No. 10, Manglam Place, District Centre, Sector-3, Rohini, Delhi-110085
4	Website	www.relaxofootwear.com
5	E-mail id	rfl@relaxofootwear.com
6	Financial Year reported	2016-17
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Footwear (15202)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Relaxo is a Non-Leather footwear Company and operates in 3 major categories i.e, Hawai, Flite (for Open Slippers) and Sparx (for Shoes & Sandals).
9	Total number of locations where business activity is undertaken by the Company : a) Number of International Locations b) Number of National Locations	Nil Manufacturing Plants – 8 Registered & Corporate office – 1 Warehouses – 10 Retail Outlets – 270
10	Markets served by the Company – Local/State/National/International	Relaxo has Pan India Market with presence in South Asia & African Market.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ in Crores)

1	Paid up Capital	12.01
2	Total Turnover	1,739.84
3	Total profit after taxes	122.97
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.37%
5	List of activities in which expenditure in 4 above has been incurred:	Swachh Bharat Abhiyan, Health, Education and Skill Development

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director responsible for implementation of the BR policy/policies :

- DIN : **00157872**
- Name : **Mr. Ramesh Kumar Dua**
- Designation : **Managing Director**

(b) Details of the BR head

No.	Particulars	Details
1	DIN	00157872
2	Name	Mr. Ramesh Kumar Dua
3	Designation	Managing Director
4	Telephone number	011-46800500
5	e-mail id	rfl@relaxofootwear.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national / international standards?	Note 1	Note 1	Note 1	Note 1	Note 1	ISO 14001	NA	Note 1	Note 1
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y Note 2	Y Note 2	Y Note 2	Y Note 2	Y Note 2	Y Note 2	NA	Y Note 2	Y Note 2
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Indicate the link for the policy to be viewed online?	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3	NA	Note 3	Note 3
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Note 4	Note 4	Note 4	Note 4	Note 4	Note 4	NA	Note 4	Note 4

Note :-

- The policies generally comply with the basic laws of the nation, general business standards, fair trade practices and good corporate governance.
 - Policies have been signed by MD
 - The policies which are mandatorily required to be uploaded on the website are available at the website of the Company i.e <http://www.relaxofootwear.com/investor-relations.aspx>. Some of the policies which pertain to the employees of the Company are available on intranet.
 - Internal Audit team evaluates the policies on the regular basis.
- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S.No.	Questions	Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
1	The company has not understood the Principles.	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.	-
3	The company does not have financial or manpower resources available for the task.	-
4	It is planned to be done within next 6 months.	-
5	It is planned to be done within the next 1 year.	-
6	Any other reason (please specify)	Relaxo is a member of various industrial and trade bodies. Your Company actively participates in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue and hence do not feel such a policy is necessary given our way of doing business.

3. Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Board of Directors of the Company assess various initiatives forming part of the BR performance of the Company at least once a year.
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Company publish its Business Responsibility Report annually with the Annual Report and these reports are available online at http://www.relaxofootwear.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Code of Conduct

Relaxo Footwears Limited (Relaxo) develop governance structures, procedures and practices that ensure ethical conduct at all levels and promote the adoption of this principle across its value chain. Relaxo always truthfully discharge its responsibility on financial and other mandatory disclosures to maintain conformity with all the internal and external stakeholders.

Whistle Blower

This policy is applicable to all our Directors and employees of the Company. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During the year the Company did not receive any Complaint.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Your Company is manufacturing economical and essential product that is Hawai slipper which is a basic need of every human. This product is worn by all the strata of Society. Basic range include products like ORTHO & FITNESS that are made for the good health/ comfort of the feet. While Hi Heel & Cushion Series are economical products, your company also manufactures Fashion range products like BAHAMAS & FLITE. Sparx range product of your Company contain trendy slippers, sandals & shoes for young generation.

Relaxo has well equipped R&D Lab that is taking care of Quality aspects and rejection control. The specific areas where it is undertaken include material, product and process development, energy saving by modification of process, waste recycling. Your Company has maintained Water sewage treatment plant and Air pollution control equipment that are taking care of reduction of pollution.

Relaxo has implanted Solar Energy panels at roof top at one of the Plants to optimize the cost of power consumption which also contributes to clean environment. Your Company is saving environment by recycling basic by-product used in production of Hawai slippers.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Your company is committed to save energy by using latest technology and continuous improvement to reduce cost of production and save environment. Company endeavour is to reduce wastage, energy saving, exploring new opportunities to save water, raw material. Your company believes in "save energy save nation" principle.

Company gives regular training to your employees to manage the resources in an effective way. Your Company has taken following steps by implanting equipment for energy conservation and material:

- Solar energy panels have been installed at one of plants for direct power saving. Your Company is planning to implement it across other plants as well.
- Fully implementation of servo motors on all EVA Injection machine. By this your Company has saved 10.20 Lacs Units a year summing upto Rs 81 lacs (approx.) saving per year.
- Company has reduced power consumption by using LED light by replacing all conventional tube light and Bulb.
- Installing machines like Crackers, Refiners & Grinders for recycling wastage during production to save energy & environment.
- Direct material saving from wastage recycling like EVA, PVC in the production of finished goods. In 2016-17, your Company has saved substantial amounts by recycling and using it in production.

The company has started following initiatives for energy saving in other areas:-

- Renovation/ Change of conventional machines with latest technology to save power consumption
- Auto power off technology of supporting and common areas for equipments like lighting, fan, air-conditioners.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably?

Yes, during the years, Your Company has been continuously striving to strengthen the sustainability of our sourcing and business processes. As an environmentally conscious company we have been upgrading production technologies and machines which not only improved productivity but also reduced wastage and energy consumption. Production processes now deployed are more eco-friendly and have created better working environment for the workforce. Our focus had been to reduce waste generation, explore its re-utilization by recycling and whatever is left unutilized, to dispose it off through sources approved by Central Pollution Control Board for its pre-treatment before disposal and better utilization elsewhere. We had been continuously making efforts to control, reduce and eliminate usage of toxic or hazardous materials. To reduce impact on environment due to transportation system, as a policy we procure lot of raw materials from units close to our production units. To reduce strain on water resources, we had installed Effluent Treatment Plants in our manufacturing units for reusing treated water for gardening, flushing and other such purposes.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Your Company has taken several initiatives to develop ancillary units close to our production plants for sourcing of footwear components, packing materials and for other services like stitching of shoe uppers, printing, embossing etc. To achieve these objectives, we provided training and other supports regularly for improving technical skills of workforce deployed by such small production units. This has helped these units in producing quality materials with least wastage of resources, besides providing employment opportunities for nearby surrounding communities.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Your company has in house facilities to recycle waste material generated during process, In Hawai units waste (Jaal) generated after sheet is cut to produce slipper soles of required shape & dimensions. Average generation is around 28 to 34% which is sent to special recycling equipments-Crackers & Refiners to make it amenable to mix & process along with virgin materials.

In EVA Injection units, where waste regenerated as runners & C quality production in the process is to the tune of 5-10% is also recycled through Refiners. In Pvc Injection unit also runners & C quality production is ground and mixed with virgin compound.

Principle 3

1. Please indicate the Total number of employees.

Number of Permanent employees as on 31.03.2017 is 4855

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Number of Temporary / Contractual / Casual employees as on 31.03.2017 is 8590

3. Please indicate the Number of permanent women employees.

Number of Permanent women employees as on 31.03.2017 is 105

4. Please indicate the Number of permanent employees with disabilities

Number of Permanent employees with disabilities as on 31.03.2017 is 8.

5. Do you have an employee association that is recognized by management.

No, Your Company does not have any employee association that is recognized by management.

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the Financial Year	No. of complaints pending as on end of the Financial Year
1	Child labour/ forced labour/ involuntary labour	Nil	NA
2	Sexual harassment	Nil	NA
3	Discriminatory employment	Nil	NA

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- | | |
|--|--------|
| (a) Permanent Employees | - 100% |
| (b) Permanent Women Employees | - 100% |
| (c) Casual/Temporary/Contractual Employees | - 100% |
| (d) Employees with Disabilities | - 100% |

Principle 4

1. Has the company mapped its internal and external stakeholders?

Yes, Relaxo has mapped all the internal & external stakeholders. We acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders and give special attention to stakeholders in areas that are underdeveloped.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

While our CSR approach focuses on the development of communities around the vicinity of our plants, we have also developed innovative programmes for training and skill development of villagers in the vicinity of plants to enhance

livelihood of underserved communities.

- a) Relaxo Footwears Limited has created a Special Purpose Vehicle (SPV) i.e, Relaxo Foundation, a Society registered under Societies Registration Act, 1860 which has partnered with the NGO **Navjyoti Foundation** to run the remedial education program in Bawana with an objective to ensure the holistic development of the underprivileged children. Today, these kids, under Bal Gurukul program of the Nav Jyoti Foundation are teaching average ten other children of their neighbourhood.
 - b) In India, cataract is responsible for 50-80% of the bilateral blindness in the country. Relaxo Foundation in partnership with the **Dr. Shroff's Charity Eye Hospital** organized cataract screening camp in the Bhiwadi area. Total 75 elderly got screened, and out of them, 27 were identified with cataract cases. Relaxo Foundation provided financial support for all the surgeries.
 - c) There is a huge need of the public toilets in the country. Therefore, realizing this need, Relaxo Foundation in partnership with **Sulabh International** built one Public toilet at Bahadurgarh area. The project is at the final stage and will be operational by June 2017.
 - d) Since October 2016, Relaxo Foundation in collaboration with the FDDI (Footwear Design and Development Institute) is running a Vocational Training Centre at Lowa Khurd with an objective to make the rural community especially women skilled and employable so that they can earn their livelihood.
- 3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Fair treatment and safeguarding the interests of the contract workforce is important for your Company. Contract labour is deployed at the manufacturing facilities and in other functions, in various non-core activities like housekeeping, canteen operations, warehouse operations and others. Each unit maintains suitable checks and balances to ensure that wage payments, statutory contributions, and other such obligations are met by the contractors. Further, safety training programs which are conducted for employees and workmen are also extended to contractual employees. Your Company has taken significant steps towards imparting training and skill building for workers and contractors.

Your Company is in the process of scaling up its production capacities by setting up new plants and expansion of its existing plants. As a result a considerable amount of local workforce is engaged in the construction and related activities. Also, Your Company has wide distribution network which engages carrying and forwarding agencies which generally comprises of local workforce

Principle 5

- 1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

At Relaxo, matters related human rights are covered under

the Code of Conduct Policy, the Vigil Mechanism Policy, Sexual Harassment policy and Grievance handling Policy. Most of these Policies are applicable not only on employees of the Company but to contract labour, business associates (suppliers, vendors and dealers) as well. Your Company does not employ any person below the age of eighteen as per our recruitment policy. Relaxo prohibits the use of forced labour at all our plants and dispirit the same with our business associates. The Code of Conduct Policy and the Vigil Mechanism Policy discourage violation of human rights and provide a fair and a transparent mechanism for reporting any such violation.

- 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaint was received pertaining to human rights violation during the past Financial Year.

Principle 6

- 1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others.**

Quality, Environment & Safety Policy pertains to Principle 6 extend only to the Company but do not cover suppliers and contractors.

- 2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Your Company has a Quality Environment & Safety Policy which is communicated to all employees. The Policy (signed by the MD) is available at all the plants.

- 3. Does the company identify and assess potential environmental risks? Y/N**

Your Company considers compliance to statutory requirements as the minimum performance standard and is committed to go beyond and adopt stricter standards.

The manufacturing facilities of the Company have established ISO 14001 based Environment Management System. As part of the ISO 14001 Environment Management system, every Plant monitors the state of the Environment inside the factory. Every Plant conducts Aspect Impact study of various activities and identifies Controllable/Uncontrollable and Normal/ Abnormal/ Emergency scenarios of operation.

- 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Your Company has commissioned 6MW (4 WTG × 1.5MW) wind power project in jodhpur district of Rajasthan state which resulted in reductions of greenhouse gas emissions that give long term benefits to the mitigation of climate change. Relaxo has got the project registered with UNFCCC for CER credits.

- 5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If**

yes, please give hyperlink for web page etc.

Company endeavour is to reduce wastage, energy saving, exploring new opportunities to save water, energy, raw material. Your company believes in **"save energy save nation"** principle.

Company gives regular training to employees to manage the resources in an effective way. Your Company has also installed Solar Panel at one of plant for direct power saving. We are planning to implement it at other plants as well.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The emissions/waste generated by your Company is within the permissible limits given by Central or State Pollution Control Bodies (CPCB/SPCB) for the Financial Year being reported.

7. Number of show cause/ legal notices received from CPCB/SPCB (Central Pollution Control Board / Structural Pest Control Board) which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There are no show cause/legal notices from CPCB/SPCB which are pending as at the end of financial year.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

1. CII (Confederation of Indian Industry)
2. PHD Chamber of Commerce
3. CIFI (Confederation of Indian Footwear Industries)
4. CFLA (Council for Footwear Leather and Accessoreis)
5. SATRA (International)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?

Yes, Relaxo intend to maintain the conformity of principles of inclusive growth and equitable development within the organisation. It provides equal opportunity to all its employees. It keeps up the diversity in the true spirit and offer equal roles and responsibilities to our women employees. It also provides 100% work-friendly environment to all its employees for their development and to make Relaxo a safer and better place to work for women.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Programmes are undertaken by "Relaxo Foundation", a Society registered under Societies Registration Act, 1860 as a Special Purpose Vehicle incorporated by your Company to undertake CSR projects. The projects are implemented by Relaxo Foundation with various renowned NGO's who have expertise in the respective fields.

- a) Skill training development program with FDDI (Footwear Design & Development Institute)
- b) Education program with M/s Navjyoti Foundation.
- c) Sanitation program with M/s Sulabh International for construction of toilet under Swachh Bharat Abhiyan.
- d) Health Project with Dr. Shroff's Charity Eye Hospital for cataract screening camps.

3. Have you done any impact assessment of your initiative?

Your Company internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the program in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year, Relaxo has incurred expenditure of ₹ 45.11 Lacs. The details of the projects undertaken are given in point no. 3 above.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The details of the CSR initiatives undertaken by your Company are set out in the Corporate Social Responsibility section of this Annual Report

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

0.12% consumer complaints are pending as on 31.03.2017

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks(additional information)

Company displays all information as mandated by the statutory regulations to ensure full compliance with relevant laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company has carried out Retail Consumer – online shopping behaviour survey in last year.

CORPORATE GOVERNANCE REPORT

Corporate Governance is about our commitment to human values in business and translates into ethical corporate conduct. Corporate Governance is concern of many - the corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of Corporate Governance. When adhered to and implemented in the best of spirit, Corporate Governance can measurably impact the activities, processes and policies of the organization and portray a positive vision to investors, and enhance the trust and confidence of the stakeholders. It can also influence its immediate corporate environment and the society at large in a positive way and have a healthy impact on the national economy.

At Relaxo Footwears Limited, we fully comply with good Corporate Governance practices and believe that sound Corporate Governance is vital for retaining stakeholder faith, and in winning new investor trust. Some of the salient principles of Corporate Governance at Relaxo Footwears Limited are satisfying not just by the letter - but by the spirit of law, transparency in conduct and communication, making a clear distinction between personal conveniences and corporate resources, clarity and timeliness in dissemination of information, compliance with all laws and an ethical and honest corporate structure that is driven solely by business considerations.

1. PHILOSOPHY OF THE COMPANY ON CORPORATE GOVERNANCE

Corporate Governance has occupied pivotal position at Relaxo Footwears Limited since inception. The business has, since then, been conducted in most transparent and ethical manner. All the necessary steps have been taken, with changing socio-economic scenario to ensure that the conduct of business is as per the policies of the Management, namely Honesty, Transparency and Ethical Behavior. The Company's policies and Practices are aimed at efficient conduct of business and in sincerely and effectively meeting its obligations towards its stakeholders, through an effective and professional Board of Directors, complete and timely dissemination of information through timely disclosure and maximization of shareholders wealth.

2. BOARD OF DIRECTORS

In terms of Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, [SEBI (LODR)-2015] Board of your Company is well diverse. Every member of the Board is having experience and expertise in their respective fields.

Composition of the Board of Directors

The composition of the Board of Directors of the Company, at present, is in line with Regulation 17 of SEBI (LODR) 2015. It has one Managing Director, three Whole Time Directors and four Non-Executive Independent Directors out of them one is woman director.

Name	Category	Designation	No. of Shares held
Mr. Ramesh Kumar Dua	Promoter & Executive	Managing Director	31473150
Mr. Mukand Lal Dua		Whole Time Director	26770700
Mr. Nikhil Dua		Whole Time Director	4500450
Mr. Deval Ganguly	Executive	Whole Time Director	-
Mr. Vivek Kumar	Non-Executive	Independent Director	-
Mr. Pankaj Shrimali		Independent Director	22000
Mr. Kuruvila Kuriakose		Independent Director	-
Ms. Deepa Verma		Independent Director	-

Details of Board Meetings

During the Financial Year 2016-17, the Board of Directors met four times.

The maximum gap between any two consecutive Board meetings was less than 120 days, as given below:

Date of Meeting	No. of Directors present	Total Strength of the Board
14.05.2016	7	8
30.07.2016	7	8
05.11.2016	8	8
04.02.2017	8	8

Attendance record of the Directors at Board Meetings and at the Annual General Meeting (AGM) during the Financial Year 2016-17 is as under:

Name of Directors	No. of Board Meetings attend	Attendance in AGM held on 15th September, 2016	Number of other Companies in which Directorship held
Mr. Ramesh Kumar Dua	4	Present	3
Mr. Mukand Lal Dua	4	Present	2
Mr. Nikhil Dua	4	Present	-
Mr. Vivek Kumar	4	Present	1
Mr. Pankaj Shrimali	3	Present	2
Mr. Kuruvila Kuriakose	4	Present	6
Mr. Deval Ganguly	3	Present	-
Ms. Deepa Verma	4	Absent	-

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company,

nature of the industry in which the Company operates, business model of the Company etc., through various programs.

The Familiarization programme for Independent Directors is available on the Company's website at the following web link: <http://www.relaxofootwear.com/pdf/Details-of-Familiarization-programmes-for-Independent-Directors.pdf>.

3. COMMITTEES OF THE BOARD OF DIRECTORS

- I. Audit Committee
- II. Stakeholder Relationship Committee
- III. Nomination and Remuneration Committee
- IV. Corporate Social Responsibility (CSR) Committee

I. AUDIT COMMITTEE

The Company constituted the Audit Committee in line with the requirement of Section 177 of Companies Act, 2013 and in accordance with SEBI requirements.

The role of Audit Committee is as follows:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of subsection 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or

rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
 - Approval or any subsequent modification of transactions of the company with related parties.
 - Scrutiny of inter-corporate loans and investments.
 - Valuation of undertakings or assets of the company, wherever it is necessary.
 - Evaluation of internal financial controls and risk management systems.
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors of any significant findings and follow up there on.
 - 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.
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - 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.
 - To review the functioning of the Whistle Blower mechanism.
 - Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The Audit Committee is empowered, pursuant to the terms of reference to:
- Investigate any activity within its terms of reference and to seek any information it requires from any employee.
 - Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant expertise, which is considered necessary.

Composition and Attendance

The Audit Committee comprised of Four Directors, namely, Mr. Pankaj Shrimali, Independent Director and Chairman of the

Committee, Mr. Kuruwila Kuriakose, Independent Director, Mr. Vivek Kumar, Independent Director and Mr. Nikhil Dua, Executive Director.

The details of the meetings and the attendance of members of the Committee in the meetings held during the Financial Year 2016-17 is given below:

Name of Members	No. of Meetings held	No. of Meetings attended
Mr. Pankaj Shrimali	4	3
Mr. Nikhil Dua	4	4
Mr. Kuruwila Kuriakose	4	4
Mr. Vivek Kumar	4	4

Members of the Audit Committee have requisite Financial and Management expertise. The Company Secretary of the Company acts as the Secretary of the Committee.

III. STAKEHOLDER RELATIONSHIP COMMITTEE

The Company has constituted Stakeholder Relationship Committee to specifically look into the redressal of Shareholders and Investors complaints.

The role of Stakeholder Relationship Committee is as follows:-

The Committee supervises the mechanism for redressal of investors' grievance and ensures cordial investors relations. The Committee performs the following functions:

- Transfer/transmission of shares.
- Split-up/sub-division and consolidation of shares.
- Issue of new and duplicate share certificates.
- Registration of Power of Attorneys, Probates, Letter of transmission or other documents.
- To open /close Bank Account(s) of the Company for remittance of dividend and issue instructions to bank from time to time in this regard
- To look into the redressal of shareholders' complaints and enquiries.
- Any allied matter out of and incidental to these functions

Composition and Attendance

The Committee comprised of Three Directors, Mr. Vivek Kumar, Non-Executive Independent Director and Chairman of the Committee, Mr. Ramesh Kumar Dua, Managing Director and Mr. Mukand Lal Dua, Executive Director.

During the Financial Year 2016-17, three meetings of the Committee were held and the attendance of members at the meetings is given below:

Name of Members	No. of Meetings held	No. of Meetings attended
Mr. Vivek Kumar	3	3
Mr. Ramesh Kumar Dua	3	3
Mr. Mukand Lal Dua	3	3

Company received 31 complaints, suggestions and grievances during the year which were promptly dealt with and resolved within 15 days and no complaint is pending on 31st March, 2017.

Company Secretary acts as the Secretary of the Committee.

III. NOMINATION AND REMUNERATION COMMITTEE

The Company constituted "Nomination and Remuneration Committee" to recommend the Board of Directors, the compensation and remuneration of Directors and Senior Managerial Personnel.

The role of Nomination and Remuneration Committee as per the Nomination and Remuneration Policy is as follows:

- determining / recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- determining / recommending the criteria for qualifications, positive attributes and independence of Directors;
- identifying candidates who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal;
- reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, etc.;
- reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria;
- determining policy on service contracts, notice period, severance fees for Directors and Senior Management and
- evaluating performance of each Director and performance of the Board as a whole;

The Committee also plays a role of a Compensation Committee and is responsible for administering the Stock Option Plan and Performance Share Plan of the Company and determining eligibility of employees for stock options.

Composition and Attendance

The Committee comprised of Three Non-Executive cum Independent Directors, Mr. Pankaj Shrimali, Chairman of the Committee, Ms. Deepa Verma and Mr. Vivek Kumar, members of the Committee. During the Financial Year 2016-17, four meetings of the Committee were held and the attendance of members at the meetings is given below:-

Name of Members	No. of Meetings held	No. of Meetings attended
Mr. Pankaj Shrimali	4	3
Mr. Vivek Kumar	4	4
Ms. Deepa Verma	4	4

Nomination and Remuneration Policy of the Company

The Nomination and Remuneration Policy is also available on the website of the Company at the following link <http://www.relaxofootwear.com/pdf/Nomination-and-remuneration-policy.pdf>.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation

of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Chairman of the respective meetings was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating & providing guidance to the Management.

The Committees of the Board were assessed on the basis of degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors.

IV. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013. The Committee has been constituted with the following terms of reference:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount to be spent on the CSR activities.
- Monitor the Company's CSR Policy periodically.
- Attend to such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is available on the website of the Company at <http://www.relaxofootwear.com/pdf/Corporate-Social-Responsibility-Policy.pdf>. The Annual Report on CSR activities for the Financial Year 2016-17 forms a part of the Directors' Report.

Composition and Attendance

The Committee comprised of Four Directors, Mr. Ramesh Kumar Dua, Managing Director and Chairman of the Committee, Mr. Mukand Lal Dua, Whole Time Director, Ms. Deepa Verma and Mr. Pankaj Shrimali Non- Executive cum Independent Directors. During the Financial Year 2016-17, one meeting of the Committee was held on

03.09.2016 and the attendance of members at the meeting is given below:-

Name of Members	No. of Meetings held	No. of Meetings attended
Mr. Ramesh Kumar Dua	1	1
Mr. Mukand Lal Dua	1	1
Mr. Pankaj Shrimali	1	1
Ms. Deepa Verma	1	1

4. DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2016-17

- i). The Managing Director and Whole-Time Directors are paid remuneration as per the terms approved by the Board of Directors of the Company and confirmed by the Shareholders of the Company and subject to such other statutory approvals as may be necessary. Details of remuneration paid to the Executive Directors for the Financial Year 2016-17 is as follows:

(₹ in lacs)

Name of Directors	Designation	Salary	Commission	Total
Mr. Ramesh Kumar Dua	Managing Director	134.80	778.09	912.89
Mr. Mukand Lal Dua	Whole Time Director	134.80	778.09	912.89
Mr. Nikhil Dua	Whole Time Director	86.44	-	86.44
Mr. Deval Ganguly	Whole Time Director	93.32	-	93.32

Mr. Ramesh Kumar Dua, Managing Director and Mr. Mukand Lal Dua, Whole-time Director of the Company were appointed with effect from 01.04.2014 for a period of five years and are related to each other. Mr. Nikhil Dua, Whole-time Director was appointed with effect from 01.10.2016 for a period of one year and is related to Mr. Mukand Lal Dua.

However, no one is entitled for any kind of severance fees from the Company.

- ii) Non Executive Directors: - The sitting fee paid to Non-Executive Directors for the Financial Year 2016-17 was ₹ 2,60,000/- to Mr. Pankaj Shrimali, ₹ 3,32,500/- to Mr. Vivek Kumar, ₹ 2,80,000/- to Mr. Kuruvila Kuriakose and ₹ 2,60,000/- to Ms. Deepa Verma for attending the meetings.

5. VENUE & TIME OF ANNUAL GENERAL MEETINGS

Venue, date and time of Annual General Meetings held during the last 3 years and special resolutions passed:

Year	Venue	No. of Special Resolution	Day and Date	Time
2015-16	Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi-110 003	1	Thursday, 15th September, 2016	10.30 a.m.
2014-15	-- do --	1	Thursday, 24th September, 2015	10.30 a.m.
2013-14	-- do --	13	Thursday, 18th September, 2014	10.30 a.m.

6. POSTAL BALLOT

There was no resolution at the last Annual General Meeting of the Company which was required to be passed through Postal ballot process.

7. DISCLOSURES

a) Related Party Transactions

There were no materially significant related party transactions with its Promoters, Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. However all related party transactions have been reported and forms part of the Notes to Accounts of the Balance Sheet. The Company does not have any subsidiary. The policy for dealing with related parties is available at the site of the Company at the following link <http://www.relaxofootwear.com/pdf/Policy-for-Transactions-with-related-Parties.pdf>.

b) Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards while preparing the Financial Statements.

c) Non-Compliance by the Company

There has not been any non-compliance by the Company and no penalties or stricture have been imposed on the Company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years. The Company has complied with applicable rules and regulations prescribed by Stock Exchange, SEBI or any other statutory authority relating to Capital Market.

All Returns/Reports were filed within stipulated time with the Stock Exchanges / other authorities.

d) Compliance of Regulation 27 of the SEBI (LODR) Regulations 2015

The Company has complied with the mandatory requirements specified in Regulation 17 to 27 & clause 'b' to 'i' of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations 2015.

e) Policy for Prevention of Insider Trading

With a view to prevent trading of shares of the Company by an insider on the basis of unpublished price sensitive information, the Board has approved Policy for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Sensitive Information in pursuance of the Securities and Exchange Board of India

(Prohibition of Insider Trading) Regulations, 2015. Under the Policy, insiders are prohibited to deal in the Company's shares while in possession of unpublished price sensitive information.

f) Vigil Mechanism/ Whistle Blower Policy

To provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy the Company has adopted a Whistle Blower Policy. The Whistle Blower Policy is available at the site of the company at following link <http://www.relaxofootwear.com/pdf/Vigil-Mechanism-Policy.pdf>. It is affirmed that no personnel of the Company has been denied access to the audit committee.

g) Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of relevant regulations and schedules of Listing Regulations of SEBI (LODR) Regulations 2015 relating to Corporate Governance. The status of compliance with the Non-Mandatory requirements as per Part E of Schedule II is as under:

- The financial statements of the Company are unqualified.
- The Internal Auditor reports to the Audit Committee.

h) Commodity price risk or foreign exchange risk and hedging activities

During FY17, Company had foreign exchange exposure towards the Term & Working Capital Loans, Import and Export. However the Company has hedged all its term loans and as a policy major part of the import and export transactions are hedged.

8. RECONCILIATION OF SHARE CAPITAL

A qualified Practicing Company Secretary carried out quarterly examination of Secretarial Records to reconcile the total admitted share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirmed that the total issued /paid-up capital was in agreement with the aggregate of total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

9. CODE OF CONDUCT

The Company has laid down a Code of Conduct for all the Board Members and Senior Management of the Company.

The Code of Conduct is available on the website of the Company at www.relaxofootwear.com. All Board Members and Senior Management personnel have affirmed compliance with Code of Conduct. A declaration signed by the Managing Director is given below.

All the Board Members and Senior Management Personnel have affirmed compliance with the provisions of the Code of Conduct of Relaxo Footwears Limited for the Financial Year ended on 31st March, 2017.

Delhi, 12th May, 2017

Ramesh Kumar Dua
Managing Director
DIN : 00157872

10. MEANS OF COMMUNICATION

The Company ensures timely disclosure of all corporate financial information and other details relevant to the Shareholders.

As per the Listing Agreement with Bombay Stock Exchange Limited and National Stock Exchange of India Limited, Quarterly, Half-yearly, Nine Months and Annual Financial Statements of the Company are published in Economic Times (in English Language) and / Navbharat Times (in Hindi Language).

The Financial Results of the Company for the Quarter, Half yearly, Nine months and Whole year are posted on website of the Company i.e. www.relaxofootwear.com with:

- Full version of the Annual Report including the Balance Sheet, statement of Profit and Loss, Directors' Report and Auditors' Report, Cash Flow Statement and Quarterly Financial Statements.
- Shareholding Pattern.
- Quarterly & Annual presentation on the Financial Performance of the Company for analysts and shareholders.

g) Market Price Data

Table showing monthly price movement on BSE & NSE during the Financial Year 2016-17:

Month & Year	BSE			NSE		
	High	Low	Close	High	Low	Close
Apr-16	521.40	360.00	486.40	501.95	477.75	487.20
May-16	526.00	441.80	446.70	456.75	444.00	446.45
Jun-16	510.00	426.00	503.00	511.20	495.75	503.85
Jul-16	518.70	469.40	491.45	499.00	482.90	490.00
Aug-16	488.00	451.10	459.25	462.45	455.00	455.75
Sep-16	470.00	413.55	447.55	448.00	435.00	444.95
Oct-16	477.00	420.60	436.55	454.00	424.10	437.40
Nov-16	441.00	373.00	429.70	438.75	415.20	432.60
Dec-16	435.00	391.50	401.85	405.00	398.10	401.95
Jan-17	448.45	395.00	432.20	441.00	430.85	437.20
Feb-17	456.00	417.00	421.05	431.85	421.00	422.75
Mar-17	500.00	422.50	496.90	502.00	482.30	498.80

11. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting

Date : 21.09.2017

Time : 10.30 a.m.

Venue : Sri Sathya Sai International Centre
Lodhi Road, Institutional Area,
Pragati Vihar, New Delhi-110 003

b) Financial Year

1st April, 2016– 31st March, 2017

c) Book Closure Date:

Friday, 15.09.2017 to Wednesday, 20.09.2017
(both days inclusive).

d) Dividend Payment Date:

On or before 20th October, 2017, (Subject to the approval of the Shareholders in AGM)

e) Registered Office:

Aggarwal City Square, Plot No -10 Manglam Place,
District Centre, Sector-3 Rohini Delhi -110085
Tel.: 011-46800500, 46800600, 46800700

f) Listing on Stock Exchanges:

National Stock Exchange of India Limited,

Exchange Plaza C-1, Block - G, Bandra-Kurla
Complex, Bandra (E) Mumbai-400 051.

Stock Symbol : **NSE-RELAXO**

(The annual listing fee for the year has been paid to NSE).

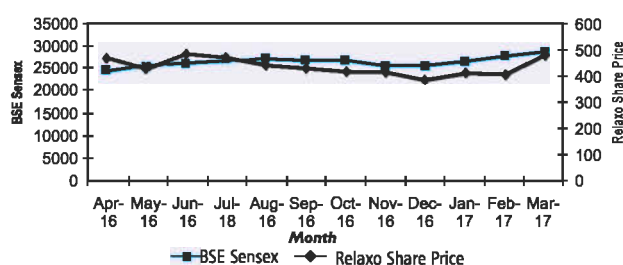
BSE Limited,

Phirozee Jeejeebhoy Towers, Dalal Street,
Mumbai-400 001.

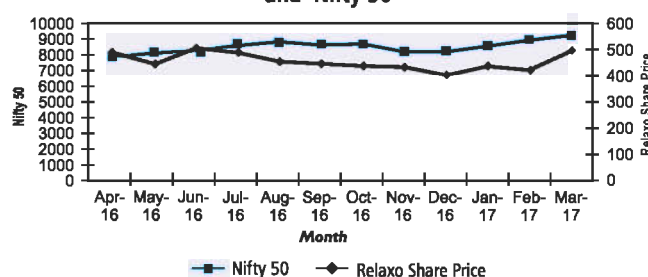
Stock Code : **BSE-530517.**

(The annual listing fee for the year has been paid to BSE)

Based on the monthly closing share price of Relaxo Share Price and BSE Sensex



Based on the monthly closing share price of Relaxo Share Price and Nifty 50



- h) **Registrar and Transfer Agents:** Securities and Exchange Board of India (SEBI), has made it mandatory for all the listed Companies that all the work relating to share transfer / registry, both in Physical and Electronic form, to be handled either wholly 'in house' by Companies or wholly by a SEBI registered external Registrar and Transfer Agent. The Company has appointed M/s. Karvy Computershare Private Limited as the Registrar and Transfer Agent of the Company. Detail of the Registrar and Transfer Agent of the Company is given below:-

M/s. Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No. 31-32,

Gachibowli, Financial District,

Hyderabad – 500 032

Email : einward.ris@karvy.com

- i) **Share Transfer System**

The request regarding physical share transfers and share certificates should be addressed to Registrar

and Transfer Agent. Such requests are processed within stipulated time from the date of receipt provided documents meet the stipulated requirement of statutory provisions in all respect. The share certificates duly endorsed are returned immediately to the shareholder by RTA. The details of transfer and transmission are placed before the Shareholders'/Investors' Grievance and Share Transfer Committee from time to time and the Board for noting and confirmation.

Pursuant to Regulation 40(9) & 40(10) of SEBI (LODR) Regulations 2015, Certificate on half yearly basis confirming due compliance with Share Transfer formalities by the Company and Certificate for timely dematerialization of shares as per SEBI (Depositories and Participants) Regulations, 1996, have been submitted to stock exchange.

- j) **Distribution Pattern as on 31st March, 2017**

- i) **Shareholding pattern (in form of size):**

S. No.	No. of Equity Shares held	2017				2016			
		No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
1	1-5000	10570	98.01	2741957	2.28	10500	97.96	2817673	2.35
2	5001- 10000	102	0.94	765350	0.64	106	0.99	804010	0.67
3	10001- 20000	37	0.34	559871	0.47	40	0.37	607579	0.51
4	20001- 30000	19	0.18	485817	0.40	21	0.19	532426	0.44
5	30001- 40000	5	0.05	184355	0.15	5	0.05	176915	0.15
6	40001- 50000	1	0.01	47124	0.04	2	0.02	85104	0.07
7	50001- 100000	18	0.17	1331945	1.11	13	0.12	986686	0.82
8	100001 & Above	32	0.30	114013831	94.91	32	0.30	114029307	94.99
	Total	10784	100.00	120130250	100.00	10719	100.00	120039700	100.00

ii) Shareholding pattern (in form of Ownership Category):

S. No.	Category	2017				2016			
		No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
1	Promoters	12	0.11	90009000	74.93	12	0.11	90009000	74.98
2	Bodies corporate	239	2.22	16159787	13.45	298	2.78	17796517	14.83
3	Resident individuals	9923	92.02	5683153	4.73	9862	92.00	6537498	5.45
4	HUF	206	1.91	245060	0.21	197	1.84	235478	0.20
5	Clearing Members	69	0.64	27203	0.02	34	0.32	17624	0.01
6	Non-resident Indians	285	2.64	397474	0.33	263	2.45	349270	0.29
7	Foreign Institutional Investors	-	-	-	-	5	0.05	268188	0.22
8	Others	50	0.46	7608573	6.33	48	0.45	4826125	4.02
	Total	10784	100.00	120130250	100.00	10719	100.00	120039700	100.00

k) Dematerialization of Shares:

The shares of the Company are under compulsory Demat Scheme. For the purpose of dematerialization of the shares, the Company has entered into the Agreements with two Depositories:

- 1 National Securities Depository Limited (NSDL)
 - 2 Central Depository Services (India) Limited (CDSL)
- The details of shares of the Company in demat and physical forms is given below:

DEMATERIALIZATION OF SHARES AS ON 31.03.2017

Particulars	No. of Shares	% of Paid up Capital	No. of Shareholders
1. National Securities Depository Limited (a)	117833643	98.09	6836
2. Central Depository Services (India) Limited (b)	1453997	1.21	3661
SHARES IN DEMAT FORM (a+b)	119287640	99.30	10497
SHARES IN PHYSICAL FORM (c)	842610	0.70	287
TOTAL (a+b+c)	120130250	100.00	10784

l) Investors Correspondence:

All enquiries, clarifications and correspondence should be addressed to the Compliance Officer at the following address:

CS Vikas Kumar Tak, Company Secretary & Compliance Officer,

Relaxo Footwears Limited

Aggarwal City Square, Plot No -10 Manglam Place, District Centre, Sector-3 Rohini Delhi -110085

E-mail: vikastak@relaxofootwear.com

The Company addresses all complaints, suggestions, grievances and other correspondence expeditiously and replies are sent usually within 7-10 days except in case of other impediments. The Company endeavours to implement suggestions as and when received from the investors. During the year under review, a total of 31 investors' complaints were

received and resolved.

m) Plant Locations

Location of Plants of the Company is given below :-

- 1) **RFL-I & II** -326-327, MIE, Bahadurgarh, Haryana
- 2) **RFL-III** - A-1130 & 1130 (A), RIICO Industrial Area, Phase-III, Bhiwadi, Rajasthan
- 3) **RFL-IV** - 30/3/2, Mooja Hasanpur, Tikri Border Bahadurgarh, Haryana
- 4) **RFL-V** - 83-92, SIDCUL Industrial Area, BHEL, Haridwar, Uttarakhand
- 5) **RFL-VI** - 342-343, Footwear Park, Industrial Estate, Sector-17, Bahadurgarh, Haryana
- 6) **RFL-VII** - 328-329, MIE, Bahadurgarh, Haryana
- 7) **RFL-VIII** - 37, Sector 4B, Bahadurgarh, Haryana

n) Corporate Identity Number (CIN):

L74899DL1984PLC019097

o) Per Share Data

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Net Earning (₹ in Crores)	122.97	120.28	103.05	65.64	44.81
Cash Earning (₹ in Crores)	174.45	167.40	142.95	96.80	70.31
EPS - Basic (in ₹)	10.24	10.02	17.17	10.94	37.34
Dividend (including Interim Dividend per share) (in ₹)	1.00	0.60	1.00*	0.50	2.00
Dividend Pay out (%)	9.77	5.99	5.82	4.57	5.36
Book Value Per Share (in ₹)	50.34	39.99	61.30	46.09	178.68
Face value per Share (in ₹)	1.00	1.00	1.00	1.00	5.00

* pre bonus

- p) There were no outstanding ADRs/GDRs/Warrants or any other convertible instruments, conversions date and likely impact on equity during the year under review.

q) **Transfer of unclaimed amount to Investor Education and Protection Fund (IEPF)**

Pursuant to the provisions of Section 124, 125 and other relevant rules of the Companies Act, 2013, the dividend declared by the Company which remain unclaimed for a period of seven years shall be transferred by the Company to Investor Education and Protection Fund established by the Central Government.

During the year under review, the Company has deposited unpaid and unclaimed sum of Rs. 46936/- (Final Dividend for FY 2009) and Rs. 66284/- (Interim Dividend for FY 2010) to the Investor Education and Protection Fund.

The details of disclosure with respect to unclaimed demat suspense account is provided in point no 34 of the Directors Report.

r) **Other useful information for the shareholders:**

- Equity Shares of the Company are under compulsory demat trading. To avail the advantage of scripless trading, Shareholders are advised to consider dematerialization of their shareholding so as to avoid inconvenience in future.
- Members/Beneficial owners are requested to quote their Folio No./ D.P. & Client ID Nos. as the

case may be, in all correspondence with the Company.

- In case of loss/misplacement of shares, a complaint shall be lodged with the Police Station and an intimation shall be sent to the Company along with original or certified copy of FIR/acknowledgement of the Complaint.
- Beneficial owners of shares, in demat form, are advised that in terms of the Regulations of NSDL & CDSL, their Bank Account details, as furnished to the Depository Participants (DP) will be printed on their Dividend Warrants. The Company will not entertain requests for change of such bank details printed on their dividend warrants.
- Members holding shares in physical form, are requested to notify to the Company, change in their Address/Pin Code Number and Bank Account details promptly.
- Beneficial owners of shares in demat form, are requested to send their instructions regarding change of address, bank details, nomination, power of attorney etc. directly to their DP as the same are maintained by them.
- Section 72 of Companies Act, 2013 extends nomination facility to individuals holding shares in physical form in Companies. Members, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nomination in the prescribed Nomination form.

For and on behalf of the Board of Directors

Ramesh Kumar Dua

Managing Director

DIN : 00157872

Mukand Lal Dua

Whole Time Director

DIN : 00157898

Delhi, 12th May, 2017

CEO/CFO CERTIFICATION

To

The Board of Directors

Relaxo Footwears Limited

SUB: CEO/CFO Certification

We Ramesh Kumar Dua, Managing Director and Sushil Batra, Chief Financial Officer of Relaxo Footwears Limited, certify that:

1. We have reviewed financial statements and the cash flow statements for the Financial Year ended on 31st March, 2017.
2. To the best of our knowledge and information:
 - i) these statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions, entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee.
 - i. Significant changes in internal control over financial reporting during the year, if any:
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
 - iii. Instances of fraud, whether or not significant, of which we have become aware and the involvement thereto, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Delhi, 12th May, 2017

Ramesh Kumar Dua

Managing Director

Sushil Batra

Chief Financial Officer

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

RELAXO FOOTWEARS LIMITED

1. We, Gupta and Dua, Chartered Accountants, the Statutory Auditors of Relaxo Footwears Ltd. ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements 'Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2017.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Managements has conducted the affairs of the Company.

For Gupta & Dua

Chartered Accountants

Firm Registration No.003849N

CA. Mukesh Dua

Partner

Membership No.085323

Delhi, 12th May, 2017

INDEPENDENT AUDITORS' REPORT

To the members of

RELAXO FOOTWEARS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of RELAXO FOOTWEARS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters, which are required to be included in the audit, report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the

circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31st March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B' and
 - (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Refer Note 29 to the Financial Statements;
 - ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The Company has provided requisite disclosures in its Financial Statements as to the holding as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based upon our audit procedures and relying on management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company. Refer Note 42 to the Financial Statements.
- (ii) The management at reasonable intervals during the year has physically verified the inventories, except goods in transit. In our opinion, the frequency of such verification is reasonable. In respect of inventories lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
 - (iii) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirement of clauses (iii) (a), (iii) (b) and (iii) (c) of paragraph 3 of the order are not applicable to the Company.
 - (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. In respect of investments made by the company, the provisions of Section 186 of the Act have been complied with.
 - (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public within the meaning of Section 73 to 76 of the Act and the Rules framed there under.
 - (vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, in respect of manufacture of its products by the Company.
 - (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance fund, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

For Gupta & Dua
Chartered Accountants

Firm's Registration Number 003849N

CA. Mukesh Dua
Partner

Delhi, 12th May, 2017

Membership Number 085323

Annexure 'A' to the Independent Auditors' Report - 31st March 2017

RELAXO FOOTWEARS LIMITED

(Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which its fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- (b) According to the information and explanations given to us, the following disputed statutory dues aggregating to ₹ 2.69 Crores, that have not been deposited on account of matters pending before appropriate authorities, are as under: -

(₹ in Crores)

S. No.	Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
1.	Haryana General Sales Tax Act, 1973	Purchase Tax	0.20	2001-02	Jt. Commissioner
			0.15	2002-03	Jt. Commissioner
2.	Delhi Value Added Tax, 2005	Input Tax	0.03 0.22	2005-06 2013-14	Appellate Tribunal, Delhi
3.	Income Tax Act, 1961	Income Tax(*)	2.02(*)	Assessment Years 2013-14, 2015-16 and 2016-17	Assessing Officer
		TDS	0.07	2007-08 to 2010-11, 2012-13 to 2014-15 & 2016-17	Commissioner (A), ITAT, Assessing Officer
	Total		2.69		

(*) The above demands are on account of Dividend Distribution Tax (DDT) credit not given by Income Tax Department while issuing intimations under section 143(1) of the Income Tax Act, 1961. Company has disputed the same demands as Company has already deposited the DDT on time and has also submitted the proof for payment of same to Income Tax Department for deleting the said demands.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks during the year. The company did not have any outstanding loans and borrowings from the government and debenture holders during the year.

(ix) The company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. In our opinion the term loans have been applied for the purpose for which those were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of records, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act, wherever applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) According to the information and explanations given to us, the Company has not entered into non-cash transaction within the meaning of section 192 of the Act, with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Gupta & Dua
Chartered Accountants
Firm's Registration Number 003849N

CA. Mukesh Dua
Partner
Membership Number 085323
Delhi, 12th May, 2017

Annexure 'B' to the Independent Auditors' Report -31st March, 2017

RELAXO FOOTWEARS LIMITED

(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of RELAXO FOOTWEARS LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement,

including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gupta & Dua

Chartered Accountants

Firm's Registration Number 003849N

CA. Mukesh Dua

Partner

Membership Number 085323

Delhi, 12th May, 2017

BALANCE SHEET AS AT 31st MARCH, 2017

(₹ in Crores)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	12.01	12.00
Reserves and Surplus	2	592.78	467.98
		604.79	479.98
Non Current Liabilities			
Long Term Borrowings	3	69.81	112.99
Deferred Tax Liabilities (Net)	4	28.34	27.01
Other Long Term Liabilities	5	10.06	10.23
Long Term Provisions	6	7.26	5.28
		115.47	155.51
Current Liabilities			
Short Term Borrowings	7	60.89	89.61
Trade Payables			
Micro and Small Enterprises (Refer Note 37)		7.09	5.39
Others		118.61	116.98
Other Current Liabilities	8	137.15	118.11
Short Term Provisions	9	23.14	31.81
		346.88	361.90
TOTAL		1067.14	997.39
ASSETS			
Non Current Assets			
Fixed Assets	10		
Tangible Assets		480.08	462.61
Intangible Assets		61.22	67.92
Capital Work-in-Progress (Refer Note 39)		61.91	27.99
Intangible Assets under Development		0.51	0.24
		603.72	558.76
Non Current Investments	11	0.70	0.50
Long Term Loans and Advances	12	18.31	19.22
Other Non Current Assets	13	0.13	0.00
		622.86	578.48
Current Assets			
Inventories	14	290.21	285.84
Trade Receivables	15	123.71	108.69
Cash and Bank Balances	16	3.65	2.37
Short Term Loans and Advances	17	23.49	19.06
Other Current Assets	18	3.22	2.95
		444.28	418.91
TOTAL		1067.14	997.39
Significant Accounting Policies	28		

The accompanying notes are an Integral part of Financial Statements

As per our report of even date

For Gupta & Dua

Chartered Accountants

Firm's Registration Number 003849N

CA. Mukesh Dua

Partner

Membership Number 085323

Delhi, 12th May, 2017

For and on behalf of the Board of Directors

Ramesh Kumar Dua

Managing Director

DIN : 00157872

Mukand Lal Dua

Whole Time Director

DIN : 00157898

Sushil Batra

Chief Financial Officer

Vikas Kumar Tak

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in Crores)

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
REVENUE			
Revenue from Operations (Gross)	19	1760.66	1733.23
Less: Excise Duty [Refer Note 30(h)]		20.82	21.42
Revenue from Operations (Net)		1739.84	1711.81
EXPENSES			
Cost of Materials Consumed [Refer Note 30(b)]		580.13	596.26
Purchases of Stock-in-Trade [Refer Note 30(a)]		140.54	145.49
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	5.16	(33.82)
Manufacturing Expense	21	189.96	189.38
Employee Benefits Expense	22	172.21	160.84
Selling and Distribution Expense	23	251.39	267.89
Other Expenses	24	156.16	145.89
		1495.55	1471.93
Earnings before Interest, Tax, Depreciation, Amortization and Exceptional items (EBITDA)		244.29	239.88
Finance Costs	25	15.18	22.89
Depreciation and Amortization Expense	10	51.48	47.12
Other Income	26	3.73	3.46
Profit Before Exceptional Items and Tax		181.36	173.33
Exceptional Items			
Gain on Sale of Non-Current Investment		-	4.26
Profit Before Tax		181.36	177.59
Tax Expense			
Current Tax		57.23	55.21
Deferred Tax		1.33	2.10
Tax for Earlier Years		(0.17)	-
		58.39	57.31
Profit for the Year		122.97	120.28
Earnings Per Equity Share of Face Value of ₹ 1/- each (In ₹) (Refer Note 35)			
Basic		10.24	10.02
Diluted		10.23	10.00
Significant Accounting Policies	28		

The accompanying notes are an Integral part of Financial Statements

As per our report of even date

For Gupta & Dua
Chartered Accountants
Firm's Registration Number 003849N

CA. Mukesh Dua
Partner
Membership Number 085323

Delhi, 12th May, 2017

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director
DIN : 00157872

Sushil Batra
Chief Financial Officer

Mukand Lal Dua
Whole Time Director
DIN : 00157898

Vikas Kumar Tak
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in Crores)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Cash Flow from Operating Activities		
Profit Before Tax	181.36	177.59
Adjustments for		
Depreciation and Amortization (Refer Note 10)	51.48	47.12
Interest and Other Finance Costs (Refer Note 25)	15.18	22.89
Gain on Sale of Non-Current Investment	-	(4.26)
Net Unrealized Foreign Exchange Loss	0.56	0.59
Interest Income on Fixed Deposits, Security Deposits and Others	(0.74)	(0.27)
Net Gain on Sale of Current Investments	(0.01)	(0.09)
Net Sundry Balances Written Off / (Written Back)	(0.52)	(0.44)
Bad Debts Written off	0.03	0.01
Provision no Longer Required Written Back	(0.20)	(0.19)
Provision for Doubtful Debts	0.41	0.66
Net loss on Disposal / Write off of Fixed Assets	0.45	0.32
Operating Profit Before Working Capital Changes	248.00	243.93
Adjustments for		
Trade Receivables and Other Assets	(21.11)	(33.47)
Inventories	(4.37)	(37.16)
Trade Payables and Other Liabilities	17.19	40.39
Cash Generated from Operations	239.71	213.69
Tax Paid	(58.63)	(54.26)
Net Cash Flow from Operating Activities	181.08	159.43
Cash Flow from Investing Activities		
Capital Expenditure on Fixed Assets, including Capital Advances	(91.19)	(134.79)
Proceeds from Sale of Fixed Assets	0.29	0.36
Investment in Shares / Bonds	(0.20)	(0.50)
Proceeds from Sale of Non-Current Investments	-	4.33
Interest Income Received	0.72	0.25
(Purchase) / Sale of Current Investments (Net)	0.01	0.09
Net Cash Flow (Used in) Investing Activities	(90.37)	(130.26)
Cash Flow from Financing Activities		
Proceeds from Issuance of Equity Shares under "RFL Employee Stock Option Plan 2014"	0.01	0.00
Share Premium on Issuance of Equity Shares under "RFL Employee Stock Option Plan 2014"	1.83	0.55
Proceeds from Borrowings	-	83.13
Repayments of Borrowings	(62.51)	(86.13)
Change in Earmarked Balances with Banks	(0.01)	(0.02)
Dividend Paid	(7.19)	(5.99)
Tax on Dividend	(1.47)	(1.22)
Interest and Other Finance Costs Paid	(20.10)	(21.63)
Net Cash Flow (Used in) Financing Activities	(89.44)	(31.31)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017 (Contd.)

(₹ in Crores)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Net Increase / (Decrease) in Cash and Cash Equivalents	1.27	(2.14)
Cash and Cash Equivalents at the Beginning of the Year	2.24	4.38
Cash and Cash Equivalents at the End of the Year (Refer Note 16)	3.51	2.24
Earmarked Balances with Banks	0.14	0.13
Cash and Bank Balances (Refer Note 16)	3.65	2.37
Components of Cash and Cash Equivalents		
Cash and Cash Equivalents		
Balances with Banks	2.88	0.75
Cash on Hand	0.63	1.49
	3.51	2.24
Other Bank Balances (Earmarked)		
Balances with Bank held as Margin Money on Letter of Credit, Bank Guarantees and Other Commitments	0.05	0.05
Unpaid Dividend Accounts (Refer Note 8)	0.09	0.08
	0.14	0.13
Total Cash and Cash Equivalents	3.65	2.37

The accompanying notes are an Integral part of Financial Statements

Notes

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement as specified under Section 133 of the Act, read with Rule 7 of The Companies (Accounts) Rules, 2014.
- The Company can use Other Bank Balances (Earmarked) for specified purposes only.
- Tax Paid is treated as arising from Operating Activities and is not bifurcated between Investing and Financing Activities.

As per our report of even date

For Gupta & Dua

Chartered Accountants
Firm's Registration Number 003849N

CA. Mukesh Dua

Partner
Membership Number 085323

Delhi, 12th May, 2017

For and on behalf of the Board of Directors

Ramesh Kumar Dua

Managing Director
DIN : 00157872

Sushil Batra

Chief Financial Officer

Mukand Lal Dua

Whole Time Director
DIN : 00157898

Vikas Kumar Tak

Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

Particulars	As at 31st March, 2017	As at 31st March, 2016
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Note 1 Share Capital

Authorised 200000000 (Previous year 200000000) Equity Shares of ₹1/- each	20.00	20.00
Issued, Subscribed and Fully Paid up 120130250 (Previous year 120039700) Equity Shares of ₹1/- each	12.01	12.00

Reconciliation of Equity Shares

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year Equity Shares of face value of ₹1/- each	120039700	12.00	60006000	6.00
Addition in Share Capital Equity Shares of face value of ₹1/- each issued as Bonus Shares in 1:1 ratio *	-	-	60006000	6.00
Equity Shares of face value of ₹ 1/- each issued under "RFL Employee Stock Option Plan 2014" (Refer Note 34)	90550	0.01	27700	0.00
At the end of the year Equity Shares of face value of ₹ 1/- each	120130250	12.01	120039700	12.00

*Board of Directors in their meeting held on 3rd July, 2015 allotted Bonus Shares in the ratio of 1:1 (i.e. one Bonus Share of ₹ 1/- each to every shareholder holding equity share of ₹ 1/- each).

Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a face value of ₹1/- each. Each holder of Equity Shares is entitled to one vote per share. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of the Company being liquidated, since the Equity Shares of the Company are fully paid-up, there would be no additional liability on the Shareholders of the Company. However, post settlement of the liabilities of the Company, the surplus, if any, would be distributed to the Shareholders in proportion to the number of Shares held by each one of them.

In terms of "RFL Employee Stock Option Plan 2014", the Company has reserved issuance of Options to Employees, exercisable into Equity Shares of face value of ₹ 1/- each in one or more tranches on such terms and in such manner as the Board may decide in accordance with provisions of Law or guidelines issued by relevant authorities. (Refer Note 34)

The Equity Shares of the Company are listed at Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Annual Listing Fee has been paid for the year.

Details of Equity Shares held by each Shareholder holding more than 5% Shares

Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	Number of Shares held & % Holding		Number of Shares held & % Holding	
Ramesh Kumar Dua	31473150	26.20%	31473150	26.22%
Mukand Lal Dua	26770700	22.28%	26770700	22.30%
VLS Finance Limited	6286791	5.23%	8057760	6.71%
VLS Securities Limited	8150000	6.78%	8150000	6.79%

(₹ in Crores)

Particulars	As at 31st March, 2017	As at 31st March, 2016
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Note 2 Reserves and Surplus

Capital Reserve		
Balance as per Last Financial Statements	-	0.45
Less : Utilized for issuance of Bonus Shares	-	0.45
	-	-
Securities Premium Account		
Balance as per Last Financial Statements	0.55	0.74
Add : Share Premium received on issuance of Equity Shares under "RFL Employee Stock Option Plan 2014"	1.83	0.55
Less : Utilized for issuance of Bonus Shares	-	0.74
	2.38	0.55
General Reserve		
Balance as per Last Financial Statements	464.76	359.57
Less : Utilized for issuance of Bonus Shares	-	4.81
Add : Transferred from Surplus in Statement of Profit and Loss	110.00	110.00
	574.76	464.76
Surplus in Statement of Profit and Loss		
Balance as per Last Financial Statements	2.67	1.06
Add : Profit for the year transferred from Statement of Profit and Loss	122.97	120.28
Less : Appropriations		
Transferred to General Reserve	110.00	110.00
Proposed Dividend on Equity Shares (Refer Note 41)	-	7.20
Tax on Proposed Dividend (Refer Note 41)	-	1.47
	15.64	2.67
	592.78	467.98

Note 3 Long Term Borrowings

Secured Loans		
Term Loans from Banks	112.99	146.78
Less : Current Maturities of Term Loans (Refer Note 8)	43.18	33.79
	69.81	112.99

Nature of Securities and Terms of Repayment

(₹ in Crores)

Particulars of Loans	As at 31st March, 2017	As at 31st March, 2016	Nature of Securities
Repayable in 16 quarterly installments with last payment due on 17th February, 2021 alongwith interest @ 8.35% per annum.	60.00	60.00	Exclusive Charge on Immovable and Movable Assets at Plot Nos. SP-6 & SP-7, Industrial Area, Kaharani (Bhiwadi Extension), District Alwar, Rajasthan and Personal Guarantee of Managing Director and Whole Time Director.
Repaid in 16 quarterly installments with last installment paid on 16th November, 2016 alongwith interest @ 10.25% per annum.	-	3.54	Exclusive Charge on Immovable and Movable Assets at Plot No. 37, Sector 4B, Bahadurgarh, Haryana and Plot No. A-1130 & 1130 (A), RIICO Industrial Area, Phase- III, Bhiwadi, Rajasthan and Personal Guarantee of Managing Director and Whole Time Director.
Repayable in 16 quarterly installments with last payment due on 13th August, 2017 alongwith interest @ 10.90% per annum.	2.07	6.20	
Repayable in 16 quarterly installments with last payment due on 14th February, 2018 alongwith interest @ 10.25% per annum.	13.71	27.42	
Repayable in 16 quarterly installments with last payment due on 25th February, 2020 alongwith interest @ 9.66% per annum.	37.21	49.62	Exclusive Charge on Immovable and Movable Assets at Plot No. 342-343, Footwear Park, Industrial Estate, Sector-17, Bahadurgarh, Haryana and Personal Guarantee of Managing Director and Whole Time Director.
	112.99	146.78	

Particulars	As at 31st March, 2017	As at 31st March, 2016
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Note 4 Deferred Tax Liabilities (Net)

Tax effect of items constituting Deferred Tax Liability		
Difference between Depreciation as per Books and as per Income Tax Act	47.56	43.47
Tax effect of items constituting Deferred Tax Assets		
Entry Tax	15.52	13.08
Unavailed Leaves and Other Employee Benefits	3.29	3.05
Doubtful Debts	0.41	0.33
Others	0.00	-
	19.22	16.46
Deferred Tax Liabilities (Net)	28.34	27.01

Note 5 Other Long Term Liabilities

Retention Money	0.40	0.59
Security Deposits	9.66	9.64
	10.06	10.23

(₹ in Crores)

Particulars	As at 31st March, 2017	As at 31st March, 2016
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Note 6 Long Term Provisions

Provision for Employee Benefits		
Unavailed Leaves [Refer Note 33(b)]	6.78	5.02
Gratuity [Refer Note 33(c)]	0.48	0.26
	7.26	5.28

Note 7 Short Term Borrowings

Secured Working Capital facilities from Banks		
Loans Repayable on Demand	58.99	85.74
Buyer's Credit (Refer Note 36)	1.90	3.87
	60.89	89.61

Nature of Securities

Secured by way of first Pari Passu charge on Inventories, Book Debts, Immovable Property situated at Plot No.326, MIE, Bahadurgarh, Haryana and Personal Guarantee of Managing Director and Whole Time Director.

Note 8 Other Current Liabilities

Current Maturities of Term Loans (Refer Note 3)	43.18	33.79
Interest Accrued but not Due on Borrowings	0.89	1.36
Interest Accrued and Due on Borrowings	0.08	0.21
Advances from Customers	1.99	3.15
Payable to Employees	16.37	14.49
Director's Commission Payable	15.56	14.90
Payable for Forward Contracts (Net)	0.99	0.25
Retention Money	2.51	0.80
Payable for Capital Goods	2.56	3.23
Statutory Liabilities		
Entry Tax	44.83	37.81
Others	8.10	8.04
Unpaid Dividends* (Refer Note 16)	0.09	0.08
	137.15	118.11

*Unpaid Dividends shall be transferred to Investor Education and Protection Fund as and when due.

Note 9 Short Term Provisions

Provision for Employee Benefits		
Unavailed Leaves [Refer Note 33(b)]	1.45	1.55
Gratuity [Refer Note 33(c)]	0.14	0.08
Performance Linked Incentives	3.08	3.75
Provision for Others		
Income Tax (Net of Advance Tax)	1.10	2.67
Interest on Income Tax	0.08	0.11
Proposed Dividend (Refer Note 41)	-	7.20
Dividend Distribution Tax (Refer Note 41)	-	1.47
Sales Promotion Schemes	16.19	14.30
Mark to Market Loss on Outstanding Derivative Instruments with firm commitments (Refer Note 24)	1.10	0.68
	23.14	31.81

Note 10 Fixed Assets

(₹ in Crores)

Particulars	Gross Block				Depreciation / Amortization / Adjustment				Net Block
	As at 1st April, 2016	Additions	Deletions/ Adjustments	As at 31st March, 2017	As at 1st April, 2016	For the Year	Deletions/ Adjustments	As at 31st March, 2017	As at 31st March, 2017
Tangible Assets									
Property, Plant and Equipment									
Land									
Free Hold	33.61	-	-	33.61	-	-	-	-	33.61
Leasehold	53.53	-	-	53.53	1.02	0.56	-	1.58	51.95
Buildings	159.07	29.45	-	188.52	27.20	5.23	-	32.43	156.09
Leasehold Improvements	11.95	2.39	0.47	13.87	2.68	1.71	0.14	4.25	9.62
Plant and Machinery	259.67	6.04	0.39	265.32	94.44	15.73	0.30	109.87	155.45
Moulds	61.50	14.08	0.01	75.57	47.02	9.21	0.00	56.23	19.34
Computers	12.56	1.52	1.35	12.73	8.48	1.79	1.32	8.95	3.78
Motor Vehicles-Other	9.22	2.33	0.88	10.67	3.85	1.18	0.69	4.34	6.33
Motor Vehicles-Transport	4.37	-	0.31	4.06	2.49	0.40	0.31	2.58	1.48
Furniture and Fixtures	13.80	1.77	0.05	15.52	5.33	1.56	0.03	6.86	8.66
Electrical Fittings	20.20	2.31	0.00	22.51	8.84	2.16	0.00	11.00	11.51
Office Equipments	12.64	0.89	0.36	13.17	6.26	1.64	0.30	7.60	5.57
Wooden Structure	2.53	0.20	0.03	2.70	1.75	0.40	0.02	2.13	0.57
Wind Power Generation Plant	35.24	-	-	35.24	17.92	1.20	-	19.12	16.12
	689.89	60.98	3.85	747.02	227.28	42.77	3.11	266.94	480.08
Intangible Assets									
Computer Software and Licences	14.15	1.92	-	16.07	8.49	1.99	-	10.48	5.59
Technical Know-how	0.07	-	-	0.07	0.07	-	-	0.07	-
Intellectual Property Rights	67.12	0.09	-	67.21	4.86	6.72	-	11.58	55.63
	81.34	2.01	-	83.35	13.42	8.71	-	22.13	61.22
Capital Work-in-Progress* (Refer Note 39)	27.99	46.57	12.65	61.91	-	-	-	-	61.91
	27.99	46.57	12.65	61.91	-	-	-	-	61.91
Intangible Assets under Development	0.24	0.35	0.08	0.51	-	-	-	-	0.51
	0.24	0.35	0.08	0.51	-	-	-	-	0.51
	799.46	109.91	16.58	892.79	240.70	51.48	3.11	289.07	603.72

* Includes Capital Goods in transit Nil (Previous year ₹ 0.06 Crore)

The Company has taken Loans from Banks which carry charge over certain Assets (Refer Note 3 & Note 7)

Note 10 Fixed Assets (Contd.)

(₹ in Crores)

Particulars	Gross Block				Depreciation / Amortization / Adjustment				Net Block
	As at 1st April, 2015	Additions	Deletions/ Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the Year	Deletions/ Adjustments	As at 31st March, 2016	As at 31st March, 2016
Tangible Assets									
Land									
Free Hold	33.75	-	0.14	33.61	-	-	-	-	33.61
Leasehold	53.30	0.23	-	53.53	0.14	0.88	-	1.02	52.51
Buildings	154.56	4.51	-	159.07	22.13	5.07	-	27.20	131.87
Leasehold Improvements	7.93	4.22	0.20	11.95	1.59	1.13	0.04	2.68	9.27
Plant and Machinery	249.57	11.35	1.25	259.67	80.39	15.13	1.08	94.44	165.23
Moulds	52.83	8.67	0.00	61.50	38.13	8.89	0.00	47.02	14.48
Computers	10.27	2.79	0.50	12.56	7.37	1.57	0.46	8.48	4.08
Motor Vehicles-Other	9.31	0.28	0.37	9.22	3.03	1.11	0.29	3.85	5.37
Motor Vehicles-Transport	4.14	0.29	0.06	4.37	2.09	0.43	0.03	2.49	1.88
Furniture and Fixtures	11.84	2.05	0.09	13.80	3.98	1.40	0.05	5.33	8.47
Electrical Fittings	18.76	1.46	0.02	20.20	6.79	2.06	0.01	8.84	11.36
Office Equipments	12.24	1.04	0.64	12.64	4.92	1.84	0.50	6.26	6.38
Wooden Structure	1.96	0.62	0.05	2.53	1.49	0.30	0.04	1.75	0.78
Wind Power Generation Plant	35.24	-	-	35.24	16.72	1.20	-	17.92	17.32
	655.70	37.51	3.32	689.89	188.77	41.01	2.50	227.28	462.61
Intangible Assets									
Computer Software and Licences	10.85	3.30	-	14.15	6.93	1.56	-	8.49	5.66
Technical Know-how	0.07	-	-	0.07	0.07	-	-	0.07	-
Intellectual Property Rights	1.17	65.95	-	67.12	0.31	4.55	-	4.86	62.26
	12.09	69.25	-	81.34	7.31	6.11	-	13.42	67.92
Capital Work-in-Progress* (Refer Note 39)	1.27	27.93	1.21	27.99	-	-	-	-	27.99
	1.27	27.93	1.21	27.99	-	-	-	-	27.99
Intangible Assets under Development	0.84	0.09	0.69	0.24	-	-	-	-	0.24
	0.84	0.09	0.69	0.24	-	-	-	-	0.24
	669.90	134.78	5.22	799.46	196.08	47.12	2.50	240.70	558.76

* Includes Capital Goods in transit ₹ 0.06 Crore (Previous year ₹ 0.07 Crore)

(₹ in Crores)

Particulars	As at 31st March, 2017	As at 31st March, 2016
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Note 11 Non Current Investments

Investment in Bonds (Long Term)		
500 (Previous Year 500) 6% Non-Convertible Redeemable Taxable Bonds of face value of ₹10000/- each, maturing on 31st January, 2019 of National Highways Authority of India (Unquoted, Other than Trade, At Cost, Fully Paid up)	0.50	0.50
Investment in Equity Instruments (Long Term)		
40 (Previous Year Nil) Shares of face value of ₹ 50000/- each of Bahadurgarh Footwear Development Services Private Limited (Unquoted, Trade, At Cost, Fully Paid up)	0.20	-
Aggregate amount of Unquoted Investments	0.70	0.50

Note 12 Long Term Loans and Advances

Unsecured, Considered good		
Capital Advances	1.64	3.25
Security Deposits	14.50	13.71
Loans and Advances to Employees	0.06	0.01
Prepaid Expenses	1.70	1.90
Share Application Money	-	0.20
Balances with Statutory / Government Authorities	0.41	0.15
	18.31	19.22

Note 13 Other Non Current Assets

Balances with Bank held as Margin Money on Letter of Credit, Bank Guarantees and Other Commitments	0.13	0.00
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Note 14 Inventories (Valued at Lower of Cost or Net Realisable Value)

Raw Materials (Includes in transit ₹ 7.32 Crores, Previous year ₹ 1.00 Crore)	63.91	55.47
Work-in-Progress (Includes in transit Nil, Previous year ₹ 0.03 Crore)	42.27	39.68
Finished Goods	127.05	134.49
Stock-in-Trade * (Includes in transit ₹ 0.40 Crore, Previous year Nil)	46.04	46.11
Stores and Spares (Includes in transit Nil, Previous year ₹ 0.08 Crore)	7.36	6.89
Packing Materials (Includes in transit Nil, Previous year ₹ 0.08 Crore)	3.58	3.20
	290.21	285.84

* In respect of Goods acquired for Trading

Note 15 Trade Receivables

Receivables Outstanding for a Period Exceeding Six Months from the date they are due for Payment (Unsecured)		
Considered, Good	1.65	1.12
Doubtful	1.17	0.96
	2.82	2.08
Less: Provision for Doubtful Debts	1.17	0.96
	1.65	1.12
Other Receivables		
Secured, Considered Good	-	0.46
Unsecured, Considered Good	122.06	107.11
	122.06	107.57
	123.71	108.69

(₹ in Crores)

Particulars	As at 31st March, 2017	As at 31st March, 2016
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Note 16 Cash and Bank Balances

Cash and Cash Equivalents		
Balances with Banks	2.88	0.75
Cash on Hand	0.63	1.49
	3.51	2.24
Other Bank Balances (Earmarked)		
Balances with Bank held as Margin Money on Letter of Credit, Bank Guarantees and Other Commitments	0.05	0.05
Unpaid Dividend Accounts (Refer Note 8)	0.09	0.08
	0.14	0.13
	3.65	2.37

Note 17 Short Term Loans and Advances

Unsecured, Considered Good		
Loans and Advances to Employees	0.28	0.28
Advance to Suppliers	11.11	8.69
Prepaid Expenses	10.57	7.70
Balances with Statutory / Government Authorities	1.53	2.39
	23.49	19.06

Note 18 Other Current Assets

Interest Accrued but not Due on Deposits	0.01	0.01
Interest Accrued and Due on Bonds	0.03	0.01
Export Incentives Receivable	2.45	2.08
Unamortised Premium on Forward Contracts	0.10	0.19
Insurance Claims Receivable	0.35	0.21
Duty Credit Scripts	0.28	0.45
	3.22	2.95

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
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Note 19 Revenue from Operations (Gross)

Sale of Products (Manufactured and Traded)		
Footwear	1741.49	1715.61
Power	3.97	2.89
Others	6.48	7.10
	1751.94	1725.60
Other Operating Revenue		
Scrap Sale	4.76	5.01
Export Incentives	3.96	2.62
	8.72	7.63
	1760.66	1733.23

(₹ in Crores)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
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Note 20 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

Inventories at the end of the year		
Finished Goods	127.05	134.49
Stock-in-Trade *	46.04	46.11
Work-in-Progress	42.27	39.68
	215.36	220.28
Inventories at the beginning of the year		
Finished Goods	134.49	119.04
Stock-in-Trade *	46.11	32.57
Work-in-Progress	39.68	35.04
	220.28	186.65
Net (Increase) / Decrease		
Finished Goods	7.44	(15.45)
Stock-in-Trade *	0.07	(13.54)
Work-in-Progress	(2.59)	(4.64)
	4.92	(33.63)
Change in Excise Duty [Refer Note 30(h)]	0.24	(0.19)
	5.16	(33.82)

* In respect of Goods acquired for Trading

Note 21 Manufacturing Expense

Power and Fuel	40.98	44.30
Factory Rent (Refer Note 32)	5.27	5.02
Processing Charges	126.77	118.68
Production Expenses	5.31	6.27
Repairs		
Building	0.94	1.41
Machinery (Including Spares)	10.69	13.70
	189.96	189.38

Note 22 Employee Benefits Expense *

Salaries & Wages	152.56	138.88
Contribution to Provident and Other Funds (Refer Note 33)	12.41	14.71
Staff Welfare Expenses	7.24	7.25
	172.21	160.84

* For Employee Stock Option Plan (Refer Note 34)

Note 23 Selling and Distribution Expense

Advertisement and Publicity	58.82	66.12
Sales Promotion Schemes	76.36	90.61
Cash Discount	42.98	44.11
Freight and Forwarding Charges	73.23	67.05
	251.39	267.89

(₹ in Crores)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
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Note 24 Other Expenses

Electricity Expenses	6.65	6.20
Handling Charges	19.86	16.81
Repairs Others	10.72	10.00
Rent (Refer Note 32)	39.19	33.50
Insurance	2.17	2.23
Rates and Taxes	0.46	0.54
Printing and Stationery	1.35	1.27
Travelling and Conveyance	14.91	14.77
Communication Expenses	4.40	3.71
Legal and Professional Expenses (Refer Note 38)	38.12	37.66
Security Expenses	8.61	7.21
Provision for Doubtful Debts	0.41	0.66
Bad debts Written off	0.03	0.01
Net Loss on Disposal/Write off of Fixed Assets	0.45	0.32
Net Mark to Market Loss on Outstanding Derivative Instruments with firm Commitments (Refer Note 9)	0.42	0.68
Contribution towards CSR	-	3.67
Miscellaneous Expenses	8.41	6.65
	156.16	145.89

Note 25 Finance Costs

Interest Expense *	14.55	21.38
Other Borrowing Costs	0.06	0.06
Net Loss on Foreign Currency Translation and Transactions to the extent recognised as Borrowing Cost	0.57	1.45
	15.18	22.89

*Includes Interest on Income Tax ₹ 0.08 Crore (Previous year ₹ 0.11 Crore) and excludes ₹ 4.38 Crores (Previous year ₹ 0.45 Crore) capitalized during the year .

Note 26 Other Income

Interest Income on Fixed Deposits, Security Deposits and Others	0.74	0.27
Net Gain on Sale of Current Investments	0.01	0.09
Net Gain on Foreign Currency Translation and Transactions	0.94	1.89
Miscellaneous Income	2.04	1.21
	3.73	3.46

Company Information and Significant Accounting Policies

27 Company Information

Relaxo Footwears Limited ('the Company') is a market leader in the Footwear Industry. The company has 'state of the art' manufacturing facilities at Bahadurgarh (Haryana), Bhiwadi (Rajasthan) and Haridwar (Uttarakhand). The selling arrangements are through its Wholesale Distribution, Export, Modern Trade and Company operated Retail Network.

The Company is a Public Limited Company domiciled & incorporated in India and its shares are listed at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

28 Significant Accounting Policies

(a) Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with the historical cost convention under accrual basis of accounting as per Indian Generally Accepted Accounting Principles (Indian GAAP). All the Accounting Standards (AS) specified in Companies (Accounting Standard) Rules, other pronouncement of ICAI, guidelines issued by SEBI, provisions of the Companies Act, 2013 as applicable are complied.

Use of Estimates

Indian GAAP enjoins management to make estimates and assumptions that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to year, the financial statement relate to. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Presentation and Disclosure of Financial Statements

All 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 the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

(b) Tangible Fixed Assets

Tangible fixed assets are held with the intention of being used for the purpose of producing goods or providing services and is not held for sale in the normal course of business.

Tangible fixed assets are stated at historical cost of acquisition i.e. cost less accumulated depreciation and impairment loss, if any.

The cost of asset comprises its purchase price including import duties and other non-refundable taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Project under which assets are not ready for their intended use and other capital work-in-progress, are carried at cost comprising direct cost and directly attributable expenses. Advances given towards acquisition / construction of fixed assets outstanding at each Balance Sheet date are disclosed as Capital Advances under "Long Term Loans and Advances.

Gains or losses arising from disposal of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets. Such Gains or losses are recognized in the statement of profit and loss when the assets are disposed off.

(c) Intangible Assets

Intangible assets are carried at cost less accumulated amortization and impairment loss, if any. The cost of an intangible asset comprises its purchase price including import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Intangible Assets under development are shown separately at cost incurred in bringing the asset to its present condition.

Subsequent expenditure on an intangible asset after its purchase / completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in such case such expenditure is added to the cost of the asset.

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

Gains or losses arising from disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets. Such Gains or losses are recognized in the statement of profit and loss when the assets are disposed off.

(d) Depreciation and Amortization

Depreciation is provided pro-rata to the period of use on Straight Line Method (SLM) based on the estimated useful lives of the assets, which have been determined as per Schedule II of Companies Act, 2013. The useful lives in respect of the below assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013, which are as under:

Asset description	Useful Life estimated by the Management
Plant and Machinery	30 Years
Moulds	6 Years
Wind Power Generation Plant	20 Years
Mobiles	3 Years

The useful lives of above assets have been assessed by the management considering the technical study, technological obsolescence, actual usage, historical data regarding breakdown, uses and maintenance and industry data available on record. Components having useful lives different from the life of parent assets are depreciated over the useful life of the components.

Leasehold lands are amortized over the period of lease except where the lease is renewable. Cost of leasehold improvements is amortized over the period of lease and any further addition is amortized over the balance lease period.

Intangible assets are amortized on straight line basis. Intellectual Property Rights and Technical Know-how are amortized over their useful life, not exceeding ten years. Computer Software and Licences are being amortized over the period of five years.

(e) Impairment of Assets

Any impairment loss is recognized to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

(f) Investments

Investments which are readily realizable and is intended to be held for not more than one year from the date on which such investment is made, are classified as current investments.

The Carrying amount for current investments is the lower of cost and fair value. Investments other than current investments are classified as Long Term Investments. Long Term Investments are stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(g) Valuation of Inventories

Raw Materials, Packing Materials, Consumables, Stores and Spares

These are valued at lower of cost and net realizable value. The costs of inventories comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase consist of the purchase price including duties and taxes (other than those subsequently recoverable from the taxing authorities), freight inward and other expenditure directly attributable to the acquisition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

Work-in-Progress and Finished Goods

These are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty wherever applicable.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(h) Cash Flow Statement

Cash and Cash Equivalents

Cash and Cash equivalents comprise cash on hand and balances with Banks other than earmarked balances.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit or (loss) before extraordinary items and tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or

future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

(i) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Sale of Goods

Sales are recognized when the substantial risks and rewards of ownership in the goods are transferred to the buyer upon supply of goods and are recognized net of trade discounts, returns, sales taxes and excise duty.

Income from Energy Generation

Revenue from energy generated through Wind Power Generation Plant is recognized on the basis of net power delivered as per power purchase agreement signed with Discom(s).

Interest Income

Interest income is accounted on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend Income

Dividend income is recognized when the right to receive is established.

(j) Government Grants

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve under shareholders' fund.

Grant/ Subsidy received against specific fixed asset is reduced from the cost of fixed asset.

Export benefits are accounted for in the year of export based on eligibility with certainty in receiving the same.

(k) Foreign Currency Transaction

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

Monetary current assets and liabilities at the year-end are translated at the rate prevailing on Balance Sheet date. The difference thereon and also the exchange difference on settlement of foreign currency transactions during the year is recognized as income or expense in Statement of Profit and Loss.

Non-monetary items are carried at historical cost and reported using the exchange rate at the date of transaction.

Forward Exchange Contracts

The premium or discount arising at the inception of forward exchange contract, which is not intended for trading or speculation purposes is amortized and recognized as an expense/ income over the life of the contract. Exchange difference on such contracts is recognized in the statement of profit and loss in the period in which the exchange rates change. Any gain or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

Derivative Transactions

All outstanding derivative contracts in respect of firm commitments are fair valued at every year end, on a mark-to market basis and any loss on valuation is recognized in the statement of profit and loss, on each contract basis. Any gain on mark-to-market valuation on respective contract is not recognized by the Company, keeping in view the principle of prudence as enunciated in AS 1, 'Disclosure of Accounting Policies'. Any reduction in fair value or reversal of such reduction is included in statement of profit and loss.

(l) Employee Benefits

Defined Contribution Plan

Provident Fund and Employee State Insurance

Contribution towards provident fund and employee state insurance for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis. Such contributions are charged to the Statement of Profit and Loss for the period of service rendered by the employees.

Defined Benefit Plan

Leave Encashment (Compensated Absences) and Gratuity

Accumulated leaves, which are expected to be availed or encashed within twelve months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating leaves as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated leaves, which are expected to be availed or encashed beyond twelve months from the end of the year are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

In case of Gratuity, the company funds the benefits through annual contributions to Life Insurance Corporation of India under its Employee Group Gratuity Scheme. Company's liabilities towards Gratuity are actuarially determined, at each year end. Actuarial gain or loss is recognized in the statement of profit and loss. Obligation is measured at the present value of estimated future cash flows using a discounted rate by reference to market yields at the Balance Sheet date on Government Bonds.

(m) Employee Share Based Payments

The Company follows Intrinsic Value method for valuation of Employee Stock Option in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share Based Payments, issued by the Institute of Chartered Accountants of India.

(n) Borrowing Costs

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are expensed in the period in which they occur.

(o) Leases

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are expensed with reference to lease terms and other considerations.

(p) Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for events i.e. bonus issue, share splits and further issue of share capital.

Diluted earnings per share is computed by dividing the profit/ (loss) after tax (including the post-tax effect of extraordinary items, if any) for the period attributable to equity shareholders by the weighted-average number of shares outstanding during the period and adjusted for the effects of all dilutive potential equity shares.

(q) Tax on Income

Current tax is determined on the basis of estimated taxable income computed in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized on timing difference between the book and taxable profit for the year and quantified using the tax rates and law enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forwarded only to the extent that there is a reasonable certainty that asset will be realized in future.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal Income Tax during the specified period. In the period/ year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

(r) Provisions and Contingent Liabilities

Provisions

Provisions are recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from the

past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. Material contingent liabilities are disclosed by way of notes.

Contingent assets are neither recognized nor disclosed in the Financial Statements.

(s) Prior Period Items and Changes in Accounting Estimates

Prior period items as well as changes in accounting estimates having material impact on the current period financial statements of the company are disclosed separately.

(t) Corporate Social Responsibility

Pursuant to the requirements of section 135 of the

Company Act 2013 and rules thereon and guidance note on "Accounting for expenditure on Corporate Social Responsibility activities" issued by ICAI, with effect from April 1, 2015, CSR expenditure is recognized as an expense in the Statement of Profit and Loss in the period in which it is incurred.

(u) Measurement of EBITDA

The Company has opted to present earnings before interest, tax, depreciation, amortization and exceptional items (EBITDA) as a separate line item on the face of the Statement of the Profit and Loss. In its measurement, the Company does not include interest, tax, depreciation, amortization and exceptional items.

Note 29 Contingent Liabilities and Commitments

(₹ in Crores)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Contingent Liabilities		
Claims against the company not acknowledged as debt*		
Sales Tax Matters	0.60	0.38
Income Tax Matters	2.09	0.23
Central Excise Matters	-	0.32
	2.69	0.93
Guarantees		
Surety Bonds given to Government Authorities	0.06	0.06
Others*		
- Interest on Entry Tax, Haryana - The matter has been decided in favour of the Company, although the department has preferred appeal before Hon'ble Supreme Court of India	29.29	22.40
- Interest on Entry Tax, Rajasthan - Under dispute and Company's appeal is pending before Hon'ble Supreme Court of India	0.01	0.05
	29.30	22.45
Commitments		
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	32.43	42.75
Others**		
Total Export obligation against total duty saved of ₹14.12 Crores (Previous year ₹15.91 Crores)	112.51	127.28

*Cash outflows related to disputed tax matters are determinable only on outcome of the pending cases at various forums/authorities.

**The Company has obtained licenses under the Export Promotion Capital Goods (EPCG) Scheme for importing capital goods at the concessional / Zero rate of customs duty. As per the scheme, the company is obliged to export eight and six times of duty saved. This obligation is to be fulfilled within eight & six years respectively.

Note 30 Additional Information Required Under Schedule III of The Companies Act, 2013

(a) Details of Opening Stock, Purchases, Sales and Closing Stock

Particulars	Opening Stock	Purchases	Sales (Gross)	Closing Stock
Footwear - Manufactured / Traded	179.50 (150.77)	137.07 (140.64)	1741.49 (1715.61)	172.23 (179.50)
Others - Manufactured / Traded	1.10 (0.84)	3.47 (4.85)	6.48 (7.10)	0.86 (1.10)
Power	- -	- -	3.97 (2.89)	- -
	180.60 (151.61)	140.54 (145.49)	1751.94 (1725.60)	173.09 (180.60)

Previous year figures are given in brackets.

(b) Materials Consumed

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Raw Rubber	51.10	46.98
EVA	135.74	143.11
Synthetic Rubber	8.70	4.55
Packing Material	95.26	93.52
Others	289.33	308.10
	580.13	596.26

(c) Value of Materials and Spares Consumed

(₹ in Crores)

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	%	Value	%	Value
Materials				
Imported	37.55	217.85	32.59	194.31
Indigenous	62.45	362.28	67.41	401.95
	100.00	580.13	100.00	596.26
Spares				
Imported	12.06	0.92	34.64	4.16
Indigenous	87.94	6.71	65.36	7.85
	100.00	7.63	100.00	12.01

(d) C.I.F. Value of Imports

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Materials	169.23	161.25
Capital Goods	13.75	11.64
Traded Goods	37.04	49.39
Spares	1.30	3.13

(e) Expenditure in Foreign Currency

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Travelling Expenses	0.29	0.33
Interest	2.87	3.82
Professional and Consultation Fees	0.02	0.02
Others	3.30	1.91

(f) Remittance in Foreign Currency on Account of Dividend

During the year, there is no remittance in foreign currency on account of Dividend (Previous year Nil).

(g) Earnings in Foreign Exchange

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Export of goods (FOB value)	46.85	38.42

(h) Excise Duty

Excise duty on sales amounting to ₹ 20.82 Crores (Previous year ₹ 21.42 Crores) has been reduced from sales in Statement of Profit and Loss. Excise duty relating to changes in inventories is shown as part of changes in inventories (Refer Note 20).

Note 31 Related Party Disclosures

In pursuant to Accounting Standard (AS) - 18, "Related Party Disclosures" are as under:

(a) Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them Significant Influence over the Company and Key Management Personnel (KMP)

Name	Designation
Mr. Ramesh Kumar Dua	Managing Director
Mr. Mukand Lal Dua	Whole Time Director

(b) Key Management Personnel (KMP)

Name	Designation
Mr. Nikhil Dua	Whole Time Director
Mr. Deval Ganguly	Whole Time Director

(c) Entities where Individuals and Key Management Personnel (KMP) as defined in note 31(a) and 31(b) above Exercise Significant Influence.

Marvel Polymers Private Limited
Relaxo Rubber Private Limited
Patel Oil Mills

Sh. Ramesh Kumar Dua (H.U.F.)

Sh. Mukand Lal Dua (H.U.F.)

Sh. Mool Chand Dua (H.U.F.)

Relaxo Foundation

(d) Relatives of Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them Significant Influence over the Company and relatives of Key Management Personnel (KMP)

Name	Relationship
Ms. Usha Dua	Wife of Whole Time Director
Ms. Lalita Dua	Wife of Managing Director
Mr. Ritesh Dua	Son of Whole Time Director
Mr. Nitin Dua	Son of Whole Time Director
Mr. Gaurav Dua	Son of Managing Director
Ms. Sakshi Dua	Daughter of Managing Director
Mr. Rahul Dua	Son of Managing Director
Ms. Garima Dua	Wife of Whole Time Director
Ms. Shashi Mehra	Sister of Managing Director
Ms. Aalya Dua	Daughter of Whole time Director

(e) Related Party Transactions

(₹ in Crores)

Transactions	Entities where KMP and Individuals exercise Significant Influence	Individuals having Significant Influence over the Company and KMP	KMP	Relatives of Individuals and KMP	Total
In Relation to Statement of Profit and Loss					
Rent	7.17 (6.97)	0.98 (0.98)	0.72 (0.66)	2.79 (2.67)	11.66 (11.28)
Dividend	0.01 (0.01)	3.50 (2.91)	0.27 (0.23)	1.62 (1.35)	5.40 (4.50)
Salary / Perquisites*	- -	2.70 (2.70)	1.80 (1.71)	3.10 (2.53)	7.60 (6.94)
Commission	- -	15.56 (14.90)	- -	- -	15.56 (14.90)
Interest on Unsecured Loans	- (0.97)	- (1.49)	- (0.12)	- (2.34)	- (4.92)
Contribution towards CSR	- (2.05)	- -	- -	- -	- (2.05)
In Relation to Balance Sheet					
Sale of Investment	- -	- -	- -	- (4.32)	- (4.32)
Issue of Bonus Shares (In No.)	- (126000)	- (29121925)	- (2250225)	- (13506350)	- (45004500)
Issue of Shares under "RFL Employee Stock Option Plan 2014" (In No.)	- -	- -	- (2720)	- -	- (2720)
Guarantees and Collaterals Taken	- -	425.04 (447.69)	- -	- -	425.04 (447.69)

Previous year figures are given in brackets

* Perquisites includes Employer's Provident Fund Contribution

Note 32 Disclosure on Operating Leases

The company has entered into operating leases for building premises. These lease arrangements range for a period between 11 months to 9 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

The lease rentals charged during the year for cancellable/non-cancellable leases relating to rent of building premises as per the agreements and future minimum lease payments under non-cancellable operating leases are as follows:

(₹ in Crores)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Lease Rentals charged to Statement of Profit and Loss		
Factory Rent (Refer Note. 21)	5.27	5.02
Rent (Refer Note. 24)	39.19	33.50
	44.46	38.52
Obligations on non-cancellable leases		
Not later than one year	0.77	2.08
Later than one year but not later than five years	0.00	0.55
Later than five years	-	-
	0.77	2.63

Note 33 Disclosure on Employee Benefits

Disclosure is hereby given in pursuant to Accounting Standard (AS) 15 - "Employee Benefits"

(a) Defined Contribution Plan

During the year, the Company has recognised the following amount in Statement of Profit and Loss (Refer Note 22)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Employer's Contribution to Provident and Other Fund	9.86	8.32
Employer's Contribution to ESIC Scheme	2.28	2.03

(b) Defined Benefit Plan - Leave Encashment (Unfunded)

The present value of obligation is determined based on actuarial valuation, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars : Leave Encashment (Unfunded)	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Reconciliation of opening and closing balances of Defined Benefit Obligation		
Present Value of Obligation as at the beginning of the year	6.57	4.95
Current Service Cost	1.82	1.71
Interest Cost	0.50	0.39
Actuarial (gain) / loss on obligations	0.79	0.37
Benefit Paid	(1.45)	(0.85)
Present Value of Obligation as at the end of the Year	8.23	6.57
Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets		
Present value of obligation	8.23	6.57
Fair Value of Plan Assets	-	-
Amount recognised in Balance Sheet as Liability	8.23	6.57
Amount Recognised as Liability Under		
Long Term Provisions (Refer Note 6)	6.78	5.02
Short Term Provisions (Refer Note 9)	1.45	1.55

(₹ in Crores)

Expenses Recognised in the Statement of Profit and Loss		
Current Service Cost	1.82	1.71
Interest Cost	0.50	0.39
Expected Return on Plan Assets	-	-
Net actuarial (gain) / loss on obligations	0.79	0.37
Expenses recognised in the Statement of Profit and Loss	3.11	2.47
Actuarial assumptions		
Interest rate for discounting (per annum)	7.40%	7.70%
Rate of Return on Plan Assets	-	-
Rate of escalation in salary (per annum)	10.00%	8.00%
Method of Computation	Projected unit credit method IALM (2006-2008)	
Demographic Assumption: Life Expectancy		

The above information is certified by Actuary. The estimates of escalation in salary take into account inflation, seniority, promotion and other relevant factors.

It includes Leave Encashment for KMP as it is worked out for the Company as a whole.

Amount for the current and previous four years for Leave Encashment (Unfunded)

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Defined Benefit Plan: Leave Encashment					
Defined Benefit Obligation	8.23	6.57	4.95	3.96	4.09
Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	(8.23)	(6.57)	(4.95)	(3.96)	(4.09)
Experience Adjustments on Plan Liabilities- (Loss) /Gain	(0.04)	(0.35)	0.24	(0.16)	0.02
Experience Adjustments on Plan Assets- (Loss) /Gain	-	-	-	-	-

(c) **Defined Benefit Plan - Gratuity (Funded):** The Company pays annual contribution for employees group gratuity scheme to Life Insurance Corporation of India (LIC) to fund its plan.

Particulars : Gratuity (Funded)	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Reconciliation of opening and closing balances of Defined Benefit Obligation		
Present Value of Obligation as at the beginning of the year	18.10	13.86
Current Service Cost	3.75	3.65
Interest Cost	1.40	1.06
Actuarial (gain)/ loss on obligations	(3.54)	0.06
Benefit Paid	(1.11)	(0.53)
Present Value of Obligation as at the end of the Year	18.60	18.10
Reconciliation of opening and closing balances of the fair value of plan assets		
Fair Value of Plan Assets at the beginning of the Year	17.76	13.15
Expected Return on Plan Assets	1.48	1.18
Actuarial gain/ (loss) on plan assets	(0.15)	(0.10)
Contribution by the Company	-	4.06
Benefits Paid	(1.11)	(0.53)
Fair Value of Plan Assets at the end of the Year	17.98	17.76
Major Category of Plan Assets as % to Total Plan Assets		
Life Insurance Corporation of India (LIC)	100%	100%
Reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets		
Present Value of Defined Benefit Obligations	18.60	18.10
Fair Value of the Plan Assets	17.98	17.76
Amount Recognised in Balance Sheet as Liability	0.62	0.34

(₹ in Crores)

Amount Recognised as Liability under:		
Long Term Provisions (Refer Note 6)	0.48	0.26
Short Term Provisions (Refer Note 9)	0.14	0.08
Expenses Recognised in the Statement of Profit and Loss		
Current Service Cost	3.75	3.65
Interest Cost	1.40	1.06
Expected Return on Plan Assets	(1.48)	(1.18)
Net actuarial (gain)/ loss	(3.39)	0.16
Expenses recognised in the Statement of Profit and Loss	0.27	3.69
Expected Contribution to the Fund in the next year		
Gratuity	4.28	4.25
Actuarial assumptions		
Interest rate for discounting (per annum)	7.40%	7.70%
Rate of Return on Plan Assets	7.44%	8.35%
Rate of escalation in salary (per annum)	10.00%	8.00%
Method of Computation	Projected unit credit method ALM (2006-2008)	
Demographic Assumption: Life Expectancy		

The above information is certified by Actuary. The estimates of escalation in salary take into account inflation, seniority, promotion and other relevant factors.

It includes Gratuity for KMP as it is worked out for the Company as a whole.

Amount for the current and previous year for Gratuity (Funded)*

Particulars	2016-2017	2015-2016
Defined Benefit Plan: Gratuity		
Defined Benefit Obligation	18.60	18.10
Plan Assets	17.98	17.76
Surplus/ (Deficit)	(0.62)	(0.34)
Experience Adjustments on Plan Liabilities- (Loss)/Gain	0.64	(0.06)
Experience Adjustments on Plan Assets- (Loss) /Gain	(0.15)	(0.10)

* The Company has changed the treatment of Gratuity from 'Defined Contribution Plan' to 'Defined Benefit Plan' w.e.f. Financial Year 2015-16, therefore, the above information is available starting from Financial Year 2015-16.

Note 34 Employee Stock Option Plan*

RFL Employee Stock Option Plan 2014 (hereinafter referred to as the "ESOP 2014"/ "Plan"), was approved by the Shareholders through Postal Ballot on 5th August, 2014. The Plan entitles to the Permanent Employees, existing and future, including the Whole-Time Director (but excluding the Independent Directors) of the Company to exercise the option granted for purchase of Equity Shares in the Company at the Exercise Price i.e. the Market Price of the Equity Shares as on date of grant, subject to compliance with Vesting conditions.

Particulars	Details
Name of the Plan	RFL Employee Stock Option Plan 2014
Method used to account for the employee share-based plan	Intrinsic Value Method
No. of Options reserved	1800180
Persons Entitled	Whole-Time Director and Employees
Options Grant Date	9th August 2014, 9th May 2015, 25th July 2015, 31st October 2015, 14th May 2016, 30th July 2016, 5th Nov. 2016
Vesting Period	1-4 years from Grant Date
Exercise Period	Maximum 4 years from the date of vesting of Options
Lock-in-Period	No Lock in-Period after Exercise

* Refer Note 1

Particulars	Options granted on 5th November, 2016	Options granted on 30th July, 2016	Options granted on 14th May, 2016
Vesting Schedule			
- 100% of total no. of options	5th November, 2017	31st August, 2017	31st August, 2017
Exercise Period	4 Years	4 Years	4 Years
Exercise Price (In ₹)	410.35	490.00	512.55
Market price on the date of grant (In ₹)	410.35	490.00	512.55

The details of activity under the scheme are summarized below:

Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	No. of Options	WAEP (₹)	No. of Options	WAEP (₹)
Outstanding at the beginning of the period	420440	218.53	250800	401.15
Granted during the year	54400	469.71	33000	490.29
Vested during the year	105440	213.78	45380	200.60
Forfeited during the year	50490	339.32	76160	227.12
Exercised during the year	90550	202.82	27700	200.60
Outstanding at the end of the year	333800	245.46	420440	218.53
Exercisable at the end of the year	29950	223.51	16420	200.60

The weighted average remaining contractual life for the stock options outstanding as at 31st March, 2017 is 4.05 years (Previous year 4.99 years). The Weighted Exercise Price for options outstanding as at 31st March, 2017 is ₹ 245.46 (Previous year ₹ 218.53).

The weighted average Fair Value of stock options granted during the year ended on 31st March, 2017 is ₹ 168.98 per option (Previous year ₹ 270.14 per option).

The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Stock Price (In ₹)	469.71	601.46
Volatility (%)	40.79	46.04
Risk free Rate (%)	6.89	7.73
Exercise Price (In ₹)	469.71	601.46
Time to Maturity (In years)	3.12	3.91
Dividend Yield (%)	0.13	0.11

The Company measures the cost of ESOP using Intrinsic Value method. Had the Company used Fair Value method to determine compensation, its Profit after Tax and Earnings per Share would have changed to the amounts indicated below:

(₹ in Crores)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit after Tax as reported	122.97	120.28
Add : ESOP cost using Intrinsic Value method	-	-
Less: ESOP cost using Fair Value method	1.32	1.64
Proforma Profit after Tax	121.65	118.64
Earnings per Share (In ₹)		
Basic	10.13	9.88
Diluted	10.12	9.87

Note 35 Disclosure on Earnings Per Share

As per requirement of the Accounting Standard (AS) 20 - "Earnings Per Share", following is the disclosure:

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit for the Year	122.97	120.28
Weighted average number of equity shares in calculating basic EPS	120076168	120023579
Dilutive impact for number of ESOPs outstanding	148537	227253
Weighted average number of equity shares in calculating diluted EPS	120224705	120250832
Earnings Per Equity Share of ₹ 1/- each (in ₹)		
Basic	10.24	10.02
Diluted	10.23	10.00

Note 36 Foreign Currency Exposure

(Amount in Crores)

Purpose	UoM	Foreign Currency		Local Currency (INR)	
		As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
(a) Unhedged Foreign Currency Exposure					
Import Payables	USD	0.06	0.15	3.97	10.23
Import Payables	EURO	0.00	0.00	0.01	0.03
Export Receivables	USD	0.19	0.12	12.15	7.88
Export Receivables	GBP	-	0.01	-	0.56
(b) Hedged Foreign Currency Exposure					
Currency and Interest Rate Swaps	USD	0.89	1.49	57.82	98.88
No. of buy contracts	Nos	Current year : 59 (Previous year : 58)			
Forward Contracts - Import Payables	USD	0.25	0.33	16.01	21.76
Forward Contracts - Import Orders	USD	0.69	0.53	44.88	34.83
Forward Contracts - Buyer's Credit*	USD	0.03	0.06	1.90	3.87
No. of sell contracts	Nos	Current year : Nil (Previous year : 1)			
Forward Contracts - Export Receivables	USD	-	0.02	-	1.33

*Refer Note 7

Note 37 The Micro, Small and Medium Enterprises Development Act, 2006

The Information regarding Micro and Small Enterprises as defined under the "The Micro, Small and Medium Enterprises Development Act, 2006" ("The Act") has been determined to the extent such parties have been identified on the basis of information received by the Company. The impact of interest, if any, that may be payable to Micro and Small Enterprises in accordance with the provisions of the Act is not expected to be material, hence not provided in the Books of Accounts. Further, Company has not received such claim for interest from any Vendor as at the Balance Sheet Date.

Note 38 Payments to Auditors* (Inclusive of Service Tax)

(₹ in Crores)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Statutory Auditors		
Statutory Audit Fee	0.09	0.09
Tax Audit	0.04	0.04
Limited Review and Other Services	0.08	0.08
Reimbursement of Expenses	-	-
	0.21	0.21

*Included in Legal and Professional Expenses (Refer Note 24)

Note 39 Capital Work-in-Progress

Capital Work-in-Progress includes pre-operative expenses of ₹ 3.36 Crores (Previous year ₹ 0.56 Crore).

Note 40 Segment Reporting

The Company's business activity falls within a single Geographical and single Business segment, viz. "Footwear and Related Products", therefore, segment information is not required to be disclosed under Accounting Standard (AS) - 17, "Segment Reporting" issued by The Institute of Chartered Accountants of India (ICAI).

Note 41 Events occurring after the Balance Sheet date

The Board of Directors has recommended a dividend at the rate of ₹ 1.00 per share of face value of ₹1/- each aggregating to ₹14.46 Crores (including Corporate dividend distribution tax of ₹ 2.45 Crores) for the year ended 31st March, 2017.

Note 42 Details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November 2016 to 30th December 2016

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.82	1.27	2.09
Add:			
Permitted receipts	-	8.02	8.02
Less:			
Permitted payments	0.01	2.09	2.10
Amount deposited in Banks	0.81	6.32	7.13
Closing cash in hand as on 30.12.2016	-	0.88	0.88

Note 43 Figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000/-.

Note 44 Figures for the previous year have been rearranged/ regrouped wherever necessary in terms of current year's grouping.

As per our report of even date

For and on behalf of the Board of Directors

For Gupta & Dua
Chartered Accountants
Firm's Registration Number 003849N

Ramesh Kumar Dua
Managing Director
DIN : 00157872

Mukand Lal Dua
Whole Time Director
DIN : 00157898

CA. Mukesh Dua
Partner
Membership Number 085323

Sushil Batra
Chief Financial Officer

Vikas Kumar Tak
Company Secretary

Delhi, 12th May, 2017

A hand is holding a large, ornate golden trophy cup. The trophy has a wide, fluted bowl with two curved handles and a decorative base. The background is a soft-focus image of green leaves and a bright, hazy sky. In the lower-left corner, there is white text.

CHANGING
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Mr. Ramesh Kumar Dua
awarded as India's Best CEO
(Consumer Goods): Business Today - 2016



Mr. Ramesh Kumar Dua
amongst India's Most Valuable CEOs
Business World 2016



1st Place for
Excellent Export Performance
2015-16



Best Corporate Brand
The Economic Times 2016

Safety Rating



ICRA A+ Long Term Rating
ICRA A1+ Short Term Rating
for Short Term Funds & Commercial Paper



India's Most Valuable Company
[Average Market Capitalization]
Business Today 2016



Top 50 BSE 500 company
by growth in M-Cap
Forbes India 2017



India's Largest
Corporations
Fortune India 2016



India's Top 500 Company
Dun & Bradstreet 2016

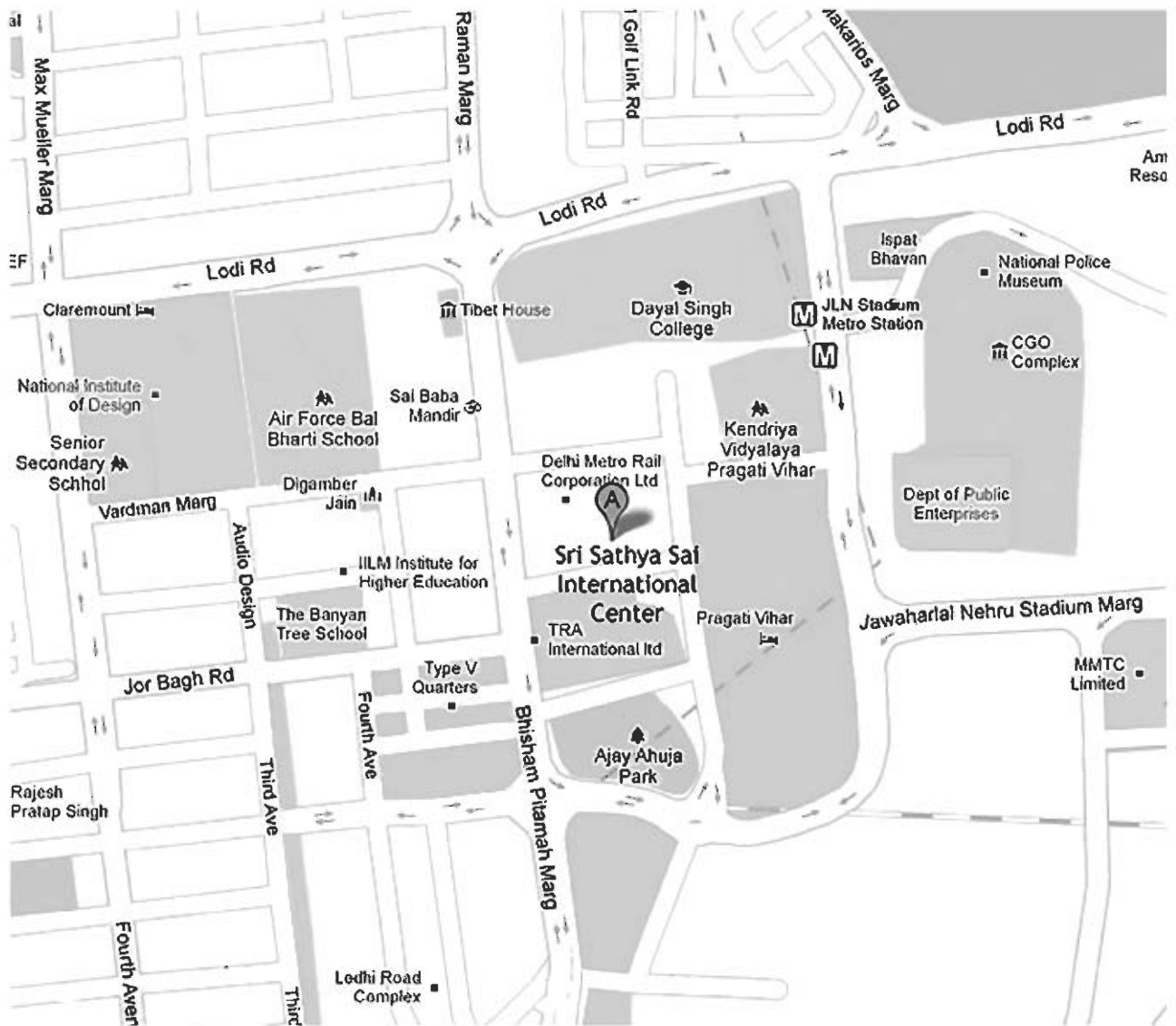


ET 500 :
Future Ready Company
The Economic Times 2016



HSBC: Making It Big - 2016
CNBC TV 18

Route Map of AGM Venue



Shri Sathya Sai International Centre,
Lodhi Road, Institutional Area,
Pragati Vihar, New Delhi-110003



RELAXO FOOTWEARS LIMITED

Corporate Identity No. L74899DL1984PLC019097

Registered Office : Aggarwal City Square Plot No. 10, Manglam Place, District Centre, Sector-3, Rohini, Delhi -110085

Tel. No.: +91-11-46800500, 46800600 Fax No.: +91-11-46800692 E-mail address: rfi@relaxofootwear.com, Website: www.relaxofootwear.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of The Companies (Management and Administration) Rules, 2014]

Name of Member :
Registered Address :

Email id :
Folio No / Client No :
DP ID :

I/ We, being the Member(s) of _____ shares of the above named Company, hereby appoint:

(1) Name: _____ Address: _____

E-mail Id: _____ Signature: _____ or failing him;

(2) Name: _____ Address: _____

E-mail Id: _____ Signature: _____ or failing him;

(3) Name: _____ Address: _____

E-mail Id: _____ Signature: _____

as my/ our Proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the THIRTY THIRD ANNUAL GENERAL MEETING of the Company, to be held on Thursday, the 21st September, 2017 at 10.30 a.m. at Sri Sathya Sai International Centre, Lodhi Road Institutional Area, Pragati Vihar, New Delhi -110 003 and at any adjournment thereof in respect of the resolutions as are indicated below :

Resolution No.	Resolution
Ordinary Business	
1	Adoption of Audited Financial Statements, Directors' and Auditors' Reports for the Financial Year ended 31st March, 2017.
2	Declare Final Dividend ₹ 1 @ 100% for the year 2016-17 on Equity Shares.
3	Reappointment of Mr. Deval Ganguly, who retires by rotation.
4	Appointment of M/s. B.R. Maheswari & Co. LLP. Chartered Accountants as Statutory Auditor of the Company & fix their remuneration.
Special Business	
5	Reappointment of Mr. Nikhil Dua as Whole Time Director of the Company.
6	Reappointment of Mr. Ritesh Dua relative of Director of the Company as EVP-Finance.
7	Reappointment of Mr. Gaurav Dua relative of Director of the Company as EVP-Marketing.
8	Reappointment of Mr. Nitin Dua relative of Director of the Company as EVP-Retail.
9	Appointment of Mr. Rahul Dua relative of Director of the Company as AVP-Manufacturing.

Signed this _____ day of _____ 2017

Signature of Shareholder: _____

Signature of Proxyholder: _____

Affix
Revenue
Stamp

NOTES:

1. This form of Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, at Aggarwal City Square Plot No. 10 Manglam Place, District Centre, Sector-3 Rohini Delhi -110085, not less than FORTY-EIGHT (48) HOURS before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the THIRTY THIRD ANNUAL GENERAL MEETING of the Company.



RELAXO FOOTWEARS LIMITED

Corporate Identity No. L74899DL1984PLC019097

Registered Office : Aggarwal City Square Plot No. 10, Manglam Place, District Centre, Sector-3, Rohini, Delhi -110085
Tel. No.: +91-11-46800500, 46800600 Fax No.: +91-11-46800692 E-mail address: rfl@relaxofootwear.com, Website: www.relaxofootwear.com

ATTENDANCE SLIP

33rd Annual General Meeting – Thursday, 21st September, 2017 at 10.30 a.m.

Name and Registered Address of the sole/ first member:

--

Name(s) of the Joint Member(s) if any :
Registered Folio No/ DP ID No. & Client ID No. :
Number of Shares held :

I/We certify that I/We am/are registered shareholder/proxy of the Company.

I/We hereby record my/our presence at the 33rd Annual General Meeting of the Company at Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi-110003 on Thursday, the 21st September, 2017 at 10.30 a.m.

Signature of First Proxy/Holder

Signature of Second Proxy/Holder

Signature of Third Proxy/ Holder

Note :

Please complete this attendance slip and hand it over at the entrance counter at entrance of the hall.

FOR IMMEDIATE ATTENTION OF THE MEMBERS

Members may please note the user id/password etc., given below for the purpose of e-voting in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Detailed instructions for e-voting are given in the AGM Notice.

Electronic Voting Particulars

EVEN (E-Voting Event Number)	USERID	PASSWORD

NOTES :-

1. Members/Proxy holders are requested to bring their copies of the Annual Report with them to the meeting.
2. For the convenience of Members, persons other than Members/Proxies will not be allowed into the meeting.
3. No Gift/Gift Coupons will be distributed at the Annual General Meeting.

RELAXO



Bahamas

*Keep Chillin'
Keep Flippin'*



BHG-58



BHG-39



BHG-41



BHL-56

Salman is wearing BHG-31

www.bahamasfootwear.com

[f](#) /BahamasFootwear

[t](#) /@bahamasfootwear

[You Tube](#) /relaxoindia



RELAXO FOOTWEARS LIMITED

Registered Office: Aggarwal City Square, Plot No. 10, Manglam Place, District Centre, Sector-3, Rohini, Delhi-110085 (India)

Phone: 91-11-46800600, 46800700 Fax: 91-11-46800692, CIN-L74899OL1984PLC019097

Email : rfl@relaxofootwear.com www.relaxofootwear.com

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NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the members of Relaxo Footwears Limited will be held at Sri Sathya Sai International Centre, Lodhi Road Institutional Area, Pragati Vihar, New Delhi -110 003 on Thursday, the 21st day of September, 2017 at 10.30 a.m to transact the following business:

ORDINARY BUSINESS

1. To consider, approve and adopt the Audited Financial Statements of the Company for the year ended 31.03.2017, which includes Balance Sheet as at 31st March, 2017 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend @ 100 % equivalent to ₹ 1/- on each equity share of Face Value of ₹ 1/- each for the Financial Year, 2016-17.
3. To appoint a Director in place of Mr. Deval Ganguly (DIN - 00152585) who retires by rotation and being eligible offers himself for reappointment.
4. To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 141 & 142 of the Companies Act, 2013 and the Rules made thereunder including amendment(s), statutory modification(s) or re-enactments thereof, and pursuant to the recommendation of Audit Committee and the Board of Directors, M/s. B R Maheswari & Co LLP, Chartered Accountants (ICAI Firm Registration No - 081075), be and are hereby appointed as the Auditors of the Company in place of M/s Gupta & Dua, Chartered Accountants (ICAI Firm Registration No. - 085323), to hold office from the conclusion of this Annual General Meeting to the conclusion of Thirty Eighth Annual General Meeting to be held in 2022 subject to the ratification of their appointment by the members of the Company, if required at every Annual General Meeting."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors."

SPECIAL BUSINESS

5. REAPPOINTMENT OF MR. NIKHIL DUA, AS WHOLE TIME DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 188, 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any other relevant rules & provisions (including any statutory modification(s) or re-enactment thereof for the time being in force) thereof, consent of Shareholders be and is hereby accorded to the re-appointment of Mr. Nikhil Dua (Relative of

Mr. Mukand Lal Dua, Whole Time Director) (DIN—00157919), as Whole time Director, (liable to retire by rotation), for a period of three years with effect from 1st day of October, 2017 on a Monthly Remuneration of ₹ 650000/- in the pay scale of (₹ 650000 – ₹ 50000 – ₹ 750000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade and performance bonus / variable payout i.e. 0.01% of turnover as defined under Companies Act, 2013, subject to maximum of ₹ 40 Lacs in a Financial Year and on the terms and conditions including remuneration as set out in the Explanatory Statement."

"RESOLVED FURTHER THAT in the absence or inadequacy of the profits in any year, Mr. Nikhil Dua, shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated in the Explanatory Statement hereto, subject to the ceiling as specified under Schedule V and any other provisions of Companies Act, 2013 (including any statutory modifications and re-enactments thereof)."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution."

6. REAPPOINTMENT OF MR. RITESH DUA, RELATIVE OF DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 or any other relevant rules & provisions (including any statutory modification(s) or re-enactment thereof for the time being in force) thereof, consent of Shareholders be and is hereby accorded to the re-appointment of Mr. Ritesh Dua (Relative of Mr. Mukand Lal Dua & Mr. Nikhil Dua Whole Time Directors), to hold and continue to hold office or place of profit under the Company and designated as Executive Vice President (Finance), for a period of three years with effect from 1st day of October, 2017 on a Monthly Remuneration of ₹ 650000/- in the scale of (₹ 650000 – ₹ 50000 – ₹ 750000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade and performance bonus / variable payout i.e. 0.01% of turnover as defined under Companies Act, 2013, subject to maximum of ₹ 40 Lacs in a Financial Year as specified in the statement pursuant to Section 102 (1) of the Companies Act, 2013 annexed to the Notice."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may,

in its absolute discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution."

7. REAPPOINTMENT OF MR. GAURAV DUA, RELATIVE OF DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 or any other relevant rules & provisions (including any statutory modification(s) or re-enactment thereof for the time being in force) thereof, consent of Shareholders be and is hereby accorded to the re-appointment of Mr. Gaurav Dua (Relative of Mr. Ramesh Kumar Dua, Managing Director), to hold and continue to hold office or place of profit under the Company and designated as Executive Vice President (Marketing), for a period of three years with effect from 1st day of October, 2017 on a Monthly Remuneration of ₹ 650000/- in the scale of (₹ 650000 – ₹ 50000 – ₹ 750000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade and performance bonus / variable payout i.e. 0.01% of turnover as defined under Companies Act, 2013, subject to maximum of ₹ 40 Lacs in a Financial Year as specified in the statement pursuant to Section 102 (1) of the Companies Act, 2013 annexed to the Notice."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution."

8. REAPPOINTMENT OF MR. NITIN DUA, RELATIVE OF DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 or any other relevant rules & provisions (including any statutory modification(s) or re-enactment thereof for the time being in force) thereof, consent of Shareholders be and is hereby accorded to the re-appointment of Mr. Nitin Dua (Relative of Mr. Mukand Lal Dua & Mr. Nikhil Dua, Whole Time Directors), to hold and continue to hold office or place of profit under the Company and designated as Executive Vice President (Retail), for a period of three years with effect from 1st day of October, 2017 on a Monthly Remuneration of ₹ 650000/- in the scale of (₹ 650000 – ₹ 50000 – ₹ 750000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in

the similar grade and performance bonus / variable payout i.e. 0.01% of turnover as defined under Companies Act, 2013, subject to maximum of ₹ 40 Lacs in a Financial Year as specified in the statement pursuant to Section 102 (1) of the Companies Act, 2013 annexed to the Notice."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution."

9. REAPPOINTMENT OF MR. RAHUL DUA, RELATIVE OF DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 or any other relevant rules & provisions (including any statutory modification(s) or re-enactment thereof for the time being in force) thereof, consent of Shareholders be and is hereby accorded to the re-appointment of Mr. Rahul Dua (Relative of Mr. Ramesh Kumar Dua, Managing Director), to hold and continue to hold office or place of profit under the Company and designated as Asst. Executive Vice President (Manufacturing), for a period of three years with effect from 1st day of October, 2017 on a Monthly Remuneration of ₹ 450000/- in the scale of (₹ 450000 – ₹ 50000 – ₹ 550000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade and performance bonus / variable payout i.e. 0.01% of turnover as defined under Companies Act, 2013, subject to maximum of ₹ 40 Lacs in a Financial Year as specified in the statement pursuant to Section 102 (1) of the Companies Act, 2013 annexed to the Notice."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution."

By Order of the Board
For Relaxo Footwears Limited

Vikas Kumar Tak
Company Secretary

Delhi, 12th May, 2017

NOTES:-

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to special business set out in the Notice is annexed.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF IN THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS PROVIDED THAT A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
4. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. The proxy, in order to be effective, must be deposited at the Registered Office of the Company, Aggarwal City Square, Plot No. -10, Manglam Place, District Centre Sector-3 Rohini Delhi -110085 or its Registrar and Share Transfer Agent M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Hyderabad – 500 032 not less than forty eight hours before the commencement of the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 15th September, 2017 to 20th September, 2017 (both days inclusive) in connection with the AGM and for the purpose of Dividend.
7. Dividend @ 100% i.e. ₹ 1/- per equity share for the year ended 31st March, 2017 as recommended by the Board if declared at AGM will be payable to those members whose name appears on the Company's Register of Members at the close of business hours on 14th September, 2017.
8. Members holding shares in physical form are advised to notify to the Registrar and Share Transfer Agent of the Company of any change in their addresses immediately.
9. Members holding shares in Demat form are advised to notify to their respective Depository Participant of any changes in their addresses and particulars of their bank accounts immediately.
10. Members who are yet to register their email addresses with the Company or with the Depository are once again requested to register the same. The form for registration of email addresses with Company can be downloaded from the Company's website www.relaxofootwear.com.
11. Members/Proxies are requested to produce the attendance slip, duly completed and signed, for admission to the meeting hall.
12. Pursuant to the provisions of Section 124 of the Companies Act, 2013, any dividend, which remains unpaid or unclaimed for a period of seven years shall be transferred to Investor Education and Protection Fund.

Members who have not encashed their dividend warrants are requested to send back their warrants for revalidation or lodge their claims to our Registrar and Share Transfer Agent.

Members are advised that once the unclaimed dividend is transferred to the above fund, no claim shall lie from the company in respect thereof.

13. The annual report of the Company circulated to the Members of the Company, will be made available on the Company's website www.relaxofootwear.com.
14. Pursuant to the requirements of SEBI (LODR) Regulations, 2015 and Secretarial Standards -2 on General Meetings, the information about the Directors proposed to be appointed / re-appointed are furnished and forms a part of this Notice.
15. In terms of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of M/s Karvy Computershare Private Limited to provide the facility of electronic voting (e-voting) in respect of the Resolutions proposed at this AGM. The Board of Directors of the Company has appointed M/s Baldev Singh Kashtwal, Company Secretary as the Scrutinizer for this purpose.

16. E-Voting Instructions :

The detailed procedure and instructions for remote e-voting are as under:

A. In case a member receives an e-mail from Karvy [for members whose e-mail addresses are registered with the Registrar and Share Transfer Agent of the Company / Depository Participant(s) unless he / she has requested for a hard copy of documents]:

- (i) Launch internet browser by typing the **URL:** <https://evoting.karvy.com>.
- (ii) Enter the login credentials (i.e. User ID and initial password) as provided in the e-mail forwarding the Notice of AGM along with Annual Report of the Company. The E-voting Event Number, Your Folio No./DP ID along with Client ID (For NSDL) / 16 digits beneficiary ID (For CDSL), will be your User ID. However, if you are already registered with Karvy for remote e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1800 3454 001 for your existing password.
- (iii) After entering these details appropriately, click on "LOGIN".
- (iv) You will now reach the password change menu, wherein you are required to mandatorily change your initial password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**

- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the EVSN (Electronic Voting Sequence Number) for Relaxo Footwears Limited, as mentioned in the email forwarding the Notice of AGM along with Annual Report of the Company, in case of members receiving the documents in electronic form and in the enclosed "Electronic Voting Particulars", in case of a member receiving the documents in physical form.
- (vii) On the voting page, you will see resolutions description and against the same the option 'FOR/AGAINST' for voting. Enter the number of shares (which represents the number of votes) as held by member as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date.
- (viii) Members holding shares under multiple folios/ demat accounts shall choose the voting process separately for each of the folios/ demat accounts.
- (ix) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- (x) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the resolutions.
- (xi) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the relevant Board Resolution/Power of Attorney/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s) who are authorized to vote, to the Scrutinizer at e-mail ID: bskashtwal@yahoo.co.in, with a copy marked to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "RELAXO_EVSN Number."
- (xii) Once you have cast your remote e-vote on resolutions you will not be allowed to modify it subsequently or

vote on such resolutions on poll at the Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any.

- B. In case of members whose email address is not registered with the Company/ Depository Participants, their User Id and initial password/ PIN is provided along with attendance slip sent along with the AGM Notice

Please follow steps from (i) to (xi) as mentioned in A above, to cast your vote.

- C. Members holding shares in either physical or dematerialized form as on the Cut-off date i.e. 14th September, 2017, may cast their votes electronically. The e-voting period for the Members who hold shares as on the Cut-off date commences on 18th September, 2017 (9.00 am) and ends on 20th September, 2017 (5.00 pm). The e-voting module shall be disabled by Karvy for voting thereafter.

- D. Any person who acquires Shares of the Company and becomes a Member of the Company after the dispatch of the AGM Notice and holds shares as on the Cut-off date, i.e. 14th September, 2017, may obtain the login ID and password by sending a request. However, if you are already registered with karvy for e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using "Forgot User Details/ Password" option available on <https://evoting.karvy>

- E. A Member can opt for only one mode of voting, i.e. either by e-voting or through Ballot. In case of Member(s) who cast their votes by both modes, then voting done through e-voting shall prevail and the Ballot Form of that Member shall be treated as invalid.

In case of any queries, you may refer the 'Frequently Asked Questions (FAQs) for shareholders' and 'e-voting user manual for shareholders', available at the download section of <https://evoting.karvy.com> or contact Karvy Computershare Private Limited at 1800 345 4001 (toll free).

- 17. The details in respect of unclaimed dividend when due for transfer to the said fund are given below:

Financial Year	Date of Declaration	Date of Transfer to Dividend A/C	Last date of Claim	Due date of Transfer to IEPF	Amount of Unclaimed Dividend as on 31.03.2017 (₹)
2009-10	24.09.10	30.10.10	29.10.17	28.11.17	77562.00
2010-11 (Interim)	03.11.10	09.12.10	08.12.17	07.01.18	40657.00
2010-11	20.09.11	26.10.11	25.10.18	24.11.18	65353.00
2011-12	17.09.12	23.10.12	22.10.19	21.11.19	98986.00*
2012-13	19.09.13	25.10.13	24.10.20	23.11.20	139064.00
2013-14	18.09.14	24.10.14	23.10.21	22.11.21	165482.00
2014-15	24.09.15	30.10.15	29.10.22	28.11.22	189553.00
2015-16	15.09.16	21.10.16	20.10.23	19.11.23	229556.40

* The unpaid dividend for the Financial Year 2011-12 represents demand draft issued to the shareholders which are yet to be encashed.

18. Information pursuant to Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards:

Name of Director	Mr. Nikhil Dua (Item No. 5)	Mr. Deval Ganguly (Item No. 3)
Brief Resume of the Director & Qualifications	He has over 21 years of experience in production and new product development and has rich knowledge of product mix in Footwear Industry. Commerce graduate and has studied from International School of Modern Shoe-making, Czech Republic.	He has over 36 years of experience in areas of manufacturing, project and plant management in various reputed organisations. He had joined Company in 2011 as President, Manufacturing and was elevated to Board w.e.f 5.11.2012. He is B.Tech from IIT Kanpur.
Age	41 years	58 years
Nature of his Expertise in Specific functional areas	Experience in Manufacturing, Product Development in the footwear Industry and Management of the Company.	Experience in the field of Manufacturing, Project and Plant Management.
Disclosure of relationship between Directors inter-se	Related to Mr. Mukand Lal Dua, Whole Time Director	None
Date of First Appointment on the Board	22.02.1997	05.11.2012
Name of Listed entities in which persons hold Directorship and the membership of Committees of the Board	Nil	Nil
Shareholding of Directors	4500450	Nil
Terms and conditions of re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	Details given in explanatory statement for item no. 5 (last salary drawn ₹ 86.44 Lacs per annum in FY17)	Reappointment by Rotation no change in terms (Last salary drawn ₹ 93.32 Lacs per annum in FY17)
Number of Meetings of the Board attended during the Year (01.04.2016 to 31.03.2017)	4	3
Committee Details in Relaxo Footwears Limited	Member in Audit Committee	None

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013
Item No. 5

Mr. Nikhil Dua was appointed as Whole Time Director w.e.f. 1st October, 2016 for a tenure of 1 year and subsequently remuneration increase was approved by the Shareholders in their meeting held on 15th September, 2016 for the remaining tenure which is going to expire on 30th September 2017.

In view of contribution in the manufacturing and Product Development of the Company and the background and experience of Mr. Nikhil Dua the Board of Directors at its meeting held on May 12th, 2017, based on the recommendation of Nomination and Remuneration Committee and subject to the approval of shareholders at the ensuing Annual General Meeting has reappointed Mr. Nikhil Dua as Whole Time Director of the Company for three years on the terms and conditions given below :-

- Term :** Three years commencing from 1st October, 2017 to 30th September, 2020.
- Nature of Duties :** Mr. Nikhil Dua shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and/or the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
- Gross Salary :** Gross salary per month ₹ 6,50,000/- in the pay scale of (₹ 650000 - ₹ 500000 - ₹ 750000).
- Performance Bonus / Variable Payout :** 0.01% of turnover as defined under the Companies Act, 2013, upto a maximum of ₹ 40 Lacs in a Financial Year.
- Other benefits :.**
 - Other Perquisites also include use of Company's car with driver, Group Personal Accidental coverage and

reimbursement of entertainment and all other expenses incurred by him for the business of Company as per the Company Rules, as applicable to all the employees of the Company from time to time which shall not be included in computation of perquisites and allowances.

Explanation :-

Perquisites shall be evaluated as per Income Tax Rules whenever applicable and in the absence of any such rule perquisite shall be evaluated at actual cost to the Company. No Sitting fee for attending the meetings of Board of Directors / Committee thereof shall be paid to Mr. Nikhil Dua till the time he is functioning as a Whole Time Director.

Overall Remuneration

The total remuneration payable to Mr. Nikhil Dua by way of salary prerequisites, allowances, benefits and amenities as approved by the Board shall not exceed the limits laid down in Section 197 and other relevant provisions of Companies Act, 2013 or any statutory modifications or re-enactments thereof.

Minimum Remuneration :

The above remuneration shall also be paid as minimum remuneration to Mr. Nikhil Dua in the event of absence or inadequacy of profit in any year during his remaining tenure subject to the ceilings specified under Schedule V of the Companies Act, 2013 having regard to the effective capital of the Company.

Mr. Mukand Lal Dua Whole Time Director of the Company is related to Mr. Nikhil Dua.

The Board recommends the resolution as item no 5 for approval of members.

Item No. 6-8

The Board of Directors at its meeting held on 12th May, 2017 have reappointed Mr. Ritesh Dua as Executive Vice President (Finance), Mr. Gaurav Dua as Executive Vice President (Marketing) and Mr. Nitin Dua as Executive Vice President (Retail) for a period of three (3) years w.e.f. 1st October, 2017 on such remuneration and terms and conditions as approved by Nomination and Remuneration Committee and given here below :

1. **Term** : Three years commencing from 1st October, 2017 to 30th September, 2020.
2. **Gross Salary** : Gross salary per month ₹ 6,50,000/- in the pay scale of (₹ 650000 - ₹ 50000 - ₹ 750000).
3. **Performance Bonus / Variable Payout** : 0.01% of turnover as defined under the Companies Act, 2013, upto a maximum of ₹ 40 Lacs in a Financial Year.
4. **Other benefits:**

Other Perquisites also include use of Company's car with driver, Group Personal Accidental coverage and reimbursement of entertainment and all other expenses incurred by him for the business of Company as per the Company Rules, as applicable to all the employees of the

Company from time to time which shall not be included in computation of perquisites and allowances.

Explanation:-

Perquisites shall be evaluated as per Income Tax Rules whenever applicable and in the absence of any such rule perquisite shall be evaluated at actual cost to the Company.

Mr. Mukand Lal Dua & Mr. Nikhil Dua, Whole Time Directors of the Company are related to Mr. Ritesh Dua & Mr. Nitin Dua are considered interested in the resolution no. 6 & 8.

Mr. Ramesh Kumar Dua Managing Director of the Company is related to Mr. Gaurav Dua is considered interested in the resolution no. 7.

None of the other Directors /Key Managerial Personnel and their relatives are interested or concerned in the passing of the Special Resolution.

The Board recommends the resolutions as set out in item no 6-8 for approval of members.

Item No. 9

The Board of Directors at its meeting held on 12th May, 2017 have appointed Mr. Rahul Dua as Asst Executive Vice President (Manufacturing) for a period of three (3) years w.e.f. 1st October, 2017 on such remuneration and terms and conditions as approved by Nomination and Remuneration Committee and given here below :

1. **Term** : Three years commencing from 1st October, 2017 to 30th September, 2020.
2. **Gross Salary** : Gross salary per month ₹ 4,50,000/- in the pay scale of (₹ 450000 - ₹ 50000 - ₹ 550000).
3. **Performance Bonus / Variable Payout** : 0.01% of turnover as defined under the Companies Act, 2013, upto a maximum of ₹ 40 Lacs in a Financial Year.
4. **Other benefits :**

Other Perquisites also include use of Company's car with driver, Group Personal Accidental coverage and reimbursement of entertainment and all other expenses incurred by him for the business of Company as per the Company Rules, as applicable to all the employees of the Company from time to time which shall not be included in computation of perquisites and allowances.

Explanation:-

Perquisites shall be evaluated as per Income Tax Rules whenever applicable and in the absence of any such rule perquisite shall be evaluated at actual cost to the Company.

Information Required to be given under Rule 15 of the Companies (meeting of Board and its powers) Rule 2014 :

Mr. Ramesh Kumar Dua Managing Director of the Company is related to Mr. Rahul Dua is considered interested in the resolution no. 9.

None of the other Directors /Key Managerial Personnel and their relatives are interested or concerned in the passing of the Special Resolution.

The Board recommends the resolution as set out in item no. 9 for approval of members.

Information Required to be given under Rule 15 of the Companies (meeting of Board and its powers) Rule 2014 :

S.No.	Particulars	Description			
		Item No. - 6	Item No. - 7	Item No. - 8	Item No. - 9
1	Name of Related Party	Mr. Ritesh Dua	Mr. Gaurav Dua	Mr. Nitin Dua	Mr. Rahul Dua
2	Name of Director or Key Management Personnel who is related, if any	Mr. Mukand Lal Dua & Mr. Nikhil Dua	Mr. Ramesh Kumar Dua	Mr. Mukand Lal Dua & Mr. Nikhil Dua	Mr. Ramesh Kumar Dua
3	Nature of Relationship	Son of Mr. Mukand Lal Dua & Brother of Mr. Nikhil Dua	Son of Mr. Ramesh Kumar Dua	Son of Mr. Mukand Lal Dua & Brother of Mr. Nikhil Dua	Son of Mr. Ramesh Kumar Dua
4	Nature, material terms, monetary value and particulars of the Contract	Reappointment as Executive Vice President (Finance) on terms & conditions as mentioned above	Reappointment as Executive Vice President (Marketing) on terms & conditions as mentioned above	Reappointment as Executive Vice President (Retail) on terms & conditions as mentioned above	Appointment as Asst Executive Vice President (Manufacturing) on terms & conditions as mentioned above

By Order of the Board
For Relaxo Footwears Limited

Vikas Kumar Tak
Company Secretary

Delhi, 12th May, 2017