



28th September, 2018

BSE Ltd. Corporate Relationship Department 1st Floor New Trading Rotunda Building, P J Towers Dalal Street Fort, Mumbai – 400001	National Stock Exchange of India Ltd Listing Department, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051
Scrip Code – 530517	Scrip Code – RELAXO

Sub : Notice of 34th Annual General Meeting and Annual Report in compliance with the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir,

Please find enclosed Notice of 34th Annual General Meeting and Annual Report for the Financial Year ended on 31st March, 2018 in compliance with the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Request you to please take the above mentioned information on record.

Thanking you,

For Relaxo Footwears Limited


Vikas Kumar Tak
Company Secretary



RELAXO FOOTWEARS LIMITED

Registered Office: Aggarwal City Square, Plot No. 10, Manglam Place,
District Centre, Sector-3, Rohini, Delhi-110085. Phones: 46800 600, 46800 700
Fax: 46800 692 E-mail: rfl@relaxofootwear.com
CIN L74899DL1984PLC019097



www.relaxofootwear.com

RELAXO

FUTURE READY

ANNUAL REPORT 2017-18

RELAXO FOOTWEARS LIMITED

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
Kuruvi Kuriakose	Independent Director
Deepa Verma	Independent Director

CHIEF FINANCIAL OFFICER

Sushil Batra

COMPANY SECRETARY

Vikas Kumar Tak

AUDITORS

B R Maheswari & Co. LLP,
Chartered Accountants
M-118, Connaught Circus, New Delhi - 110001

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, Telangana - 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

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FROM THE MANAGING DIRECTOR'S DESK



Dear Stakeholders,

It gives me great pleasure to announce yet another year of healthy growth. FY18 was a crucial year for us as we re-emphasized on the growth agenda. We closed the fiscal year with increase in revenue by 19%, EBITDA by 31% and PAT by 34%. In FY18, your Company has shown strong growth on the key financial metrics for the year, despite the uncertain market scenario and increasing competition.

Your Company has continued its effort to adapt its product portfolio with evolving consumer needs and trends enabling an impressive growth in FY18. Structured market research has been the cornerstone of portfolio strategy – which has helped us to better understand customer's specific needs. Our focus on in-season launches with an optimal product portfolio has enabled us to deliver right product, at right price, at right time. New products are the key to sustain any growth story and our in-house design team has maintained a strong new product portfolio over the years. As a result, sales contribution from new product launches has grown across all brands – Relaxo, Flite, Sparx and Bahamas.

Your Company launched a strategic initiative to streamline the distribution network – especially in under-penetrated markets which have given us substantial incremental sales. This has laid the foundation for next wave of growth for Relaxo.

The implementation of GST has been one of the major structural tax reforms in recent times. I am pleased to inform that your Company was ready for GST roll-out with backend preparation before time which enabled a smooth transition to the new regime. Further, with the implementation of GST share of organised players is going to increase and your Company is favourably placed in this scenario.

Your Company has achieved the landmark target of opening 300th exclusive retail outlet. During the year, Company has opened 8 franchise outlets (FOFO) in eastern region on experimental basis. The initial response to this concept is encouraging. A special focus has been

given to inventory management at retail stores, resulting in reduced carrying cost.

In order to support sustainable and profitable growth, your Company took steps towards manufacturing excellence across all production units. The program aimed at improving productivity and optimizing manufacturing costs with the help of world class concepts like Maynard Operation Sequence Technique (MOST), yield improvement, etc. in all plants with the help of renowned consulting firms. With these initiatives, we have been successful in optimizing manufacturing efficiency and costs.

Trust in the brand is essential for its growth and we have been investing heavily to ensure this objective is met. Shahid Kapoor & Shruti Haasan have been engaged as brand ambassadors for Filte, while Salman Khan and Akshay Kumar continue to endorse Bahamas and Sparx brands, respectively.

We believe modern trade and e-commerce will continue to be the growth engines of the future and we are well placed to capitalise on it. Your Company has partnered with all major e-commerce companies for sale of its products to the emerging online consumers.

We value our employees and have been strengthening our bond with them through various initiatives such as reward & recognition, training and ESOP plans. During the year, a second phase of ESOP plan was introduced encompassing more employees in its ambit.

I would like to thank all our stakeholders - customers, business partners, Board of Directors, bankers and all our employees for their valuable support and belief in the Company.

With Best Regards,

Ramesh Kumar Dua
Managing Director

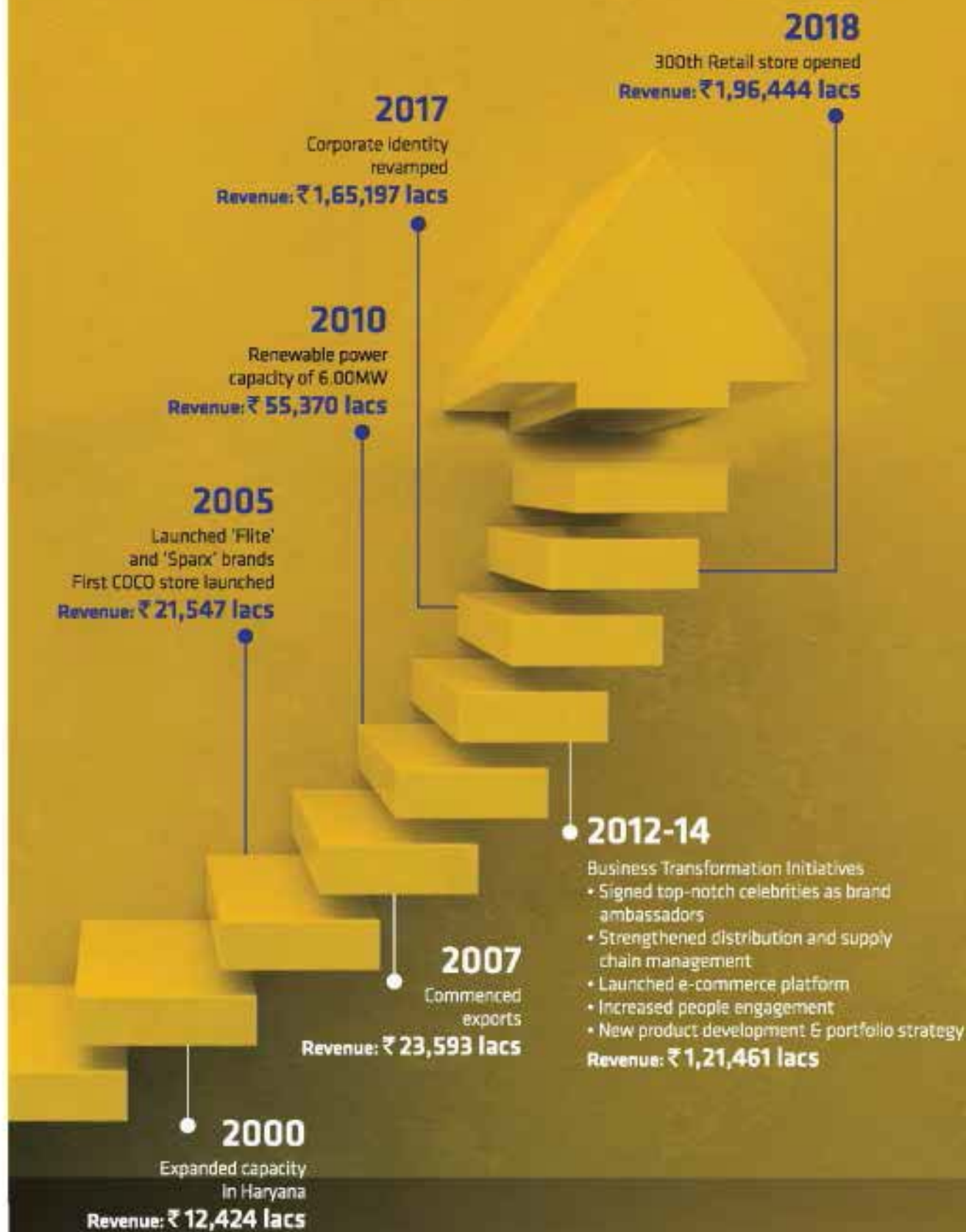
PERFORMANCE THAT SPEAKS

Over the years Relaxo has grown, building on its strengths and strengthening its equity, net worth and value. As performance glides up, Relaxo continues putting vision to work by boosting its DNA and adding more brands to its portfolio.

1976
Launched
Relaxo brand
Revenue: ₹12 lacs

1995
IPO, to set up a
plant in Haryana
Revenue: ₹3,817 lacs

1984
Relaxo Footwears
Limited was
Incorporated
Revenue: ₹178 lacs



BRANDS THAT ARE LOVED

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 Relaxo logo features the word "RELAXO" in a bold, blue, sans-serif font. A stylized orange and yellow swoosh underline is positioned beneath the letters "A" and "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 demand, Relaxo Hawaii has reached the length and breadth of the nation making it a household name that is synonymous with durability and comfort.

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

The Bahamas logo features the word "Bahamas" in a stylized, red, cursive-like font. Above the letter "a" is a small green palm tree icon.

The youth is not a segment anymore. It is 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.

To make change a part of life, one must thrive for it. In the footwear category, there exists a segment that craves for adrenaline rush. 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.



SCHOOLMATE
A STEP AHEAD

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 is 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 is available in different styles and looks.

BOSTON

Mary Jane

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 is 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 is a range for those happy and restless feet. KIDS FUN is a range of cool, colourful footwear that the 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.



Casualz

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.

FINANCIAL HIGHLIGHTS

(₹ in Crores)

Particulars	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
No. of Pairs sold (in Crores)	15.74	13.46	13.55	12.28	10.78
Sales	1955.13	1643.25	1704.18	1472.78	1205.83
Revenue from Operations	1964.44	1651.97	1711.81	1481.21	1214.61
EBITDA	302.09	230.91	239.88	201.03	149.36
Finance Costs	8.59	15.03	22.89	18.48	22.66
Depreciation and Amortisation Expense	54.34	51.46	47.12	39.90	31.16
Tax Expense	82.55	58.08	57.31	39.60	29.90
Net Profit before OCI	161.07	119.95	120.28	103.05	65.64
Equity Share Capital	12.03	12.01	12.00	6.00	6.00
Net Worth	761.21	606.37	479.98	367.82	276.56
Net Fixed Assets (Tangible and Intangible)	662.44	603.44	558.76	473.82	390.06
Capital Employed	886.56	738.20	682.58	641.49	506.83
Capital Expenditure	112.85	96.31	129.56	120.09	68.86
Growth in Sales(%)	18.98	* 1.58	15.71	22.14	20.00
EBITDA (%)	15.38	13.98	14.01	13.65	12.39
Face Value per Share (in ₹)	1.00	1.00	1.00	1.00	1.00
EPS - Basic (in ₹)	13.40	9.99	10.02	17.17	10.94
EPS - Diluted (in ₹)	13.38	9.98	10.00	17.15	10.94
Dividend(%)	150	100	60	100	50
Book Value per share (in ₹)	63.25	50.48	39.99	61.30	46.09
ROCE(%)	28.45	26.15	31.11	27.99	25.18
Market Capitalisation (As on 31st March)	7727.91	5992.10	4369.45	3876.39	1768.38

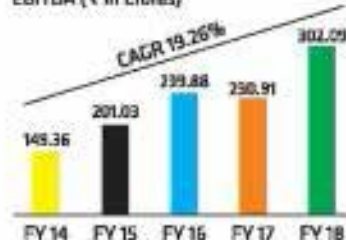
The above Financial Highlights for 2016-17 and 2017-18 are based on Ind AS.

*Growth in sales as per IGAAP.

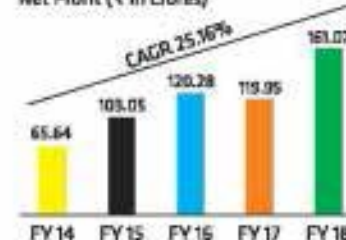
Sales (₹ in Crores)



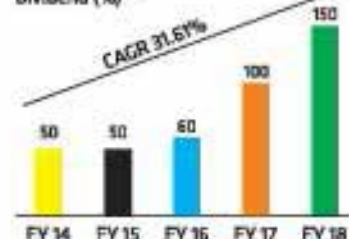
EBITDA (₹ in Crores)



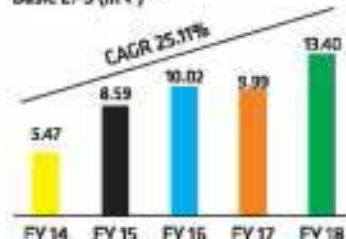
Net Profit (₹ in Crores)



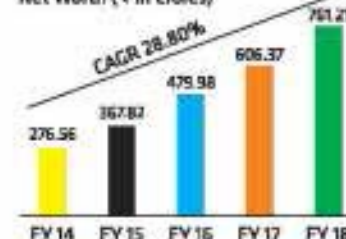
Dividend (%)**



Basic EPS (in ₹)**



Net Worth (₹ in Crores)



**Adjusted
^As per IGAAP

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 2017-18.

1. FINANCIAL RESULTS

(₹ in Crores)

Particulars	2017-18	2016-17
Revenue from Operations	1964.44	1651.97
EBITDA	302.09	230.91
Other Income	4.46	13.61
Less : Finance Costs	8.59	15.03
Less : Depreciation and Amortisation Expense	54.34	51.46
Profit before Tax	243.62	178.03
Less : Tax Expense	82.55	58.08
Profit after Tax	161.07	119.95
Other Comprehensive Income	(0.40)	2.29
Balance brought forward from Previous year	12.81	9.24
Amount available for Appropriation	173.48	131.48
Appropriation :		
Final Dividend *	12.01	7.20
Tax on Final Dividend *	2.45	1.47
Transfer to General Reserve	125.00	110.00
Balance carried to Balance Sheet	34.02	12.81
EPS-Basic (In ₹)	13.40	9.99
EPS-Diluted (In ₹)	13.38	9.98

*Dividend Distributed during the year.

The Ind (AS) provisions were applicable on the Company w.e.f. 01.04.2017, therefore the Financial statements for FY18 and corresponding previous year were prepared as per Ind (AS).

2. BUSINESS PERFORMANCE

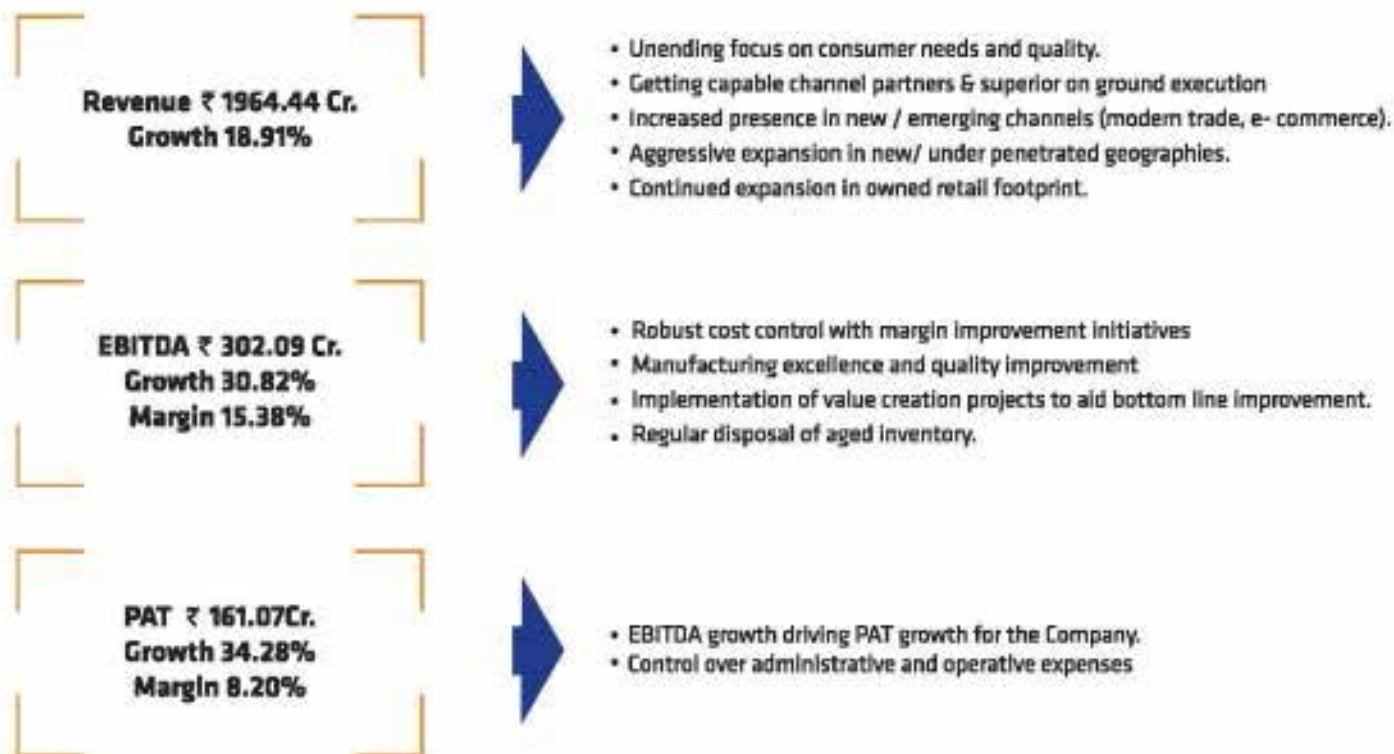
The key highlights of the Company's financial performance during the Financial Year 2017-18 are given here below:-

- Revenue from operations Increased by 18.91% to ₹ 1964.44 Crores from ₹ 1651.97 Crores in the last Financial Year.
- EBITDA increased by 30.82% to ₹ 302.09 Crores; with EBITDA margin increased by 140 bps to 15.38%.
- Net Profit increased by 34.28% to ₹ 161.07 Crores from ₹ 119.95 Crores in the last Financial Year.
- Net Profit margins increased to 8.20%.
- Total retail outlets increased from 270 to 302 during the Financial Year.

3. PERFORMANCE OVERVIEW

(A) FINANCIALS

Your Company has been able to show strong growth on the key financial metrics for the year, despite the market scenario being uncertain and increasing competition in the year. 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 & end consumer, streamline of indirect tax laws by introduction of GST and continued focus on the long term business plan.



(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 product, at right price, at right time.

Distribution architecture and footprint expansion

Your Company launched a strategic initiative to streamline the distribution network—especially in underpenetrated markets which have given us substantial incremental sales. This has laid the foundation for next wave of growth for Relaxo.

Your Company also moved away from a category led sales to a geography led sales organization structure. This allowed us to offer the full breadth of our brands to our distributor partners and providing scale in their business. The organization restructuring was carried out in a quick but streamlined manner without any market level disruptions and losing key talent.

Your Company has continued its effort to adapt its product portfolio with evolving consumer needs and trends enabling its impressive growth in FY18. Structured market research has been the corner stone of this portfolio strategy – it has helped us to better understand the customer's typical usage occasions, key purchase drivers and identify any evolving opportunity spaces for our portfolio. All this has been achieved within the guardrails of Relaxo's overall strategy of an "optimal sized" product portfolio with high quality products.

New products are the key to sustain any growth story and our in-house design team has supported us to maintain a strong new product portfolio over the years. As a result, sales contribution from new product launches has continued to grow in FY18, across all brands – Relaxo, Flite, Sparx and Bahamas.

In parallel, your Company has continued to invest extensively in its brands with an aim to reinforce trust, drive consumer recall and sustain demand pull for our brands.

- Acclaimed celebrities such as Salman Khan and Akshay Kumar continue to be brand ambassadors for Bahamas and Sparx respectively while Shahid Kapoor & Shruti Haasan have been engaged afresh for Flite.
- Digital marketing: With an objective to connect with the younger generation, your Company has enhanced its digital marketing strategy to stimulate consumers throughout the entire purchase cycle. Widening the range of digital marketing activities, we aim to (a) Enhance product exposure via greater social media campaigns, (b) Influence consumer purchase via advocacy marketing and (c) Build consideration via advertising on e-commerce portals.

E-commerce

Increasing smartphone penetration in the country coupled with evolving shopping habits of the consumer, who looks for ease and convenience, has resulted in rapid growth of e-commerce channels. Your Company has partnered with all major e-commerce companies for sales of its products to the emerging online consumers and has posted a decent growth in FY18. While the Indian market continues to be our focus, your Company made considerable efforts to strengthen operations in international markets, with a specific focus on Middle East, Africa and Oceania. Your Company has opened branch office in Dubai to be nearer to customer. Given a strong brand recall and a widespread Indian diaspora, your Company is well positioned to capitalize on growth from these regions.

Retail

In FY18, your Company has achieved landmark target of opening 300th exclusive retail outlet. Retail continues to be instrumental in increasing brand visibility and range of products. During the year, Company has opened 8 Franchise outlets (FOFO) in eastern region on experimental basis. The initial response to this concept is encouraging.

In order to maintain optimum inventory level, retail division has focussed on store to store rotation of stock and on liquidation of aged inventory, resulting in reducing inventory days.

Procurement

Vendor Portal was launched for online registration of new vendors to improve vendors base besides facilitating existing vendors to upgrade their profiles, new products offering etc.

During the year, audit was carried out on main vendors for assessment of their infrastructure and quality control systems maintained by them. This helped in making them more aware about our expectations about quality in supplies. This initiative helped in rationalizing and improving vendor portfolio.

During FY18, your Company not only focused on improving the quality of products but also in improving various packaging materials.

Manufacturing

Global competition is becoming a marathon race toward a new age of advanced and "smart" (lean, efficient, cost effective, flexible, robotics and AI based) manufacturing. Your Company took initiatives aimed at improving productivity and optimizing manufacturing costs by applying world class manufacturing concepts like Maynard Operation Sequence Technique (MOST), yield improvement etc. in all plants. We also continued 5S journey along with safety enhancement projects for better working environment.

Technology

FY18 was the year of technology advancement that has put us in the top of IT adoption and compliance graph helping the Company to leverage technology in achieving its business goals.

Your Company was ready for GST rollout with backend preparation before time, which helped in its smooth implementation. We initiated implementation of SAP HANA for retail operations which will help in improving and standardizing processes. Company updated its IT landscape / Applications by deploying ATP (Advance Threat Protection) solution for data security.

ISO Certification

Relaxo has been certified by British Standards Institute (BSI) for ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System) & OHSAS 18001:2007 (Occupational Health & Safety Assessment Series) till June 2020. The Quality, Environmental and Safety Policy symbolizes the organization's commitment towards improving product and process quality, protecting mother nature and safeguarding the people working for and on behalf of the organization.

People Focus

HR function has taken following key initiatives in FY18:

- 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 in hiring sales team by introducing new recruiters and created bench strength for the function. Your Company has created a pool of future leaders by hiring management trainees from top B-Schools and engineering institutes. Several initiatives were taken for employer branding by communicating company philosophy & culture through social media and guest lectures in premium campuses.
- b) **Employee Stock Options Plan (ESOP):** Second phase of RFL ESOP PLAN -2014 was launched during the year. The 2nd phase of ESOP Plan was introduced encompassing more employees in its ambit and accordingly options were granted to them during the year.
- c) **Grievance Handling:** Your Company has continued to spread awareness about the mechanism and facilities for grievance handling. We have a toll free helpdesk number and a dedicated email wherein the employees can report their grievances, which

are thoroughly investigated and closed as per TAT (turn around time) defined in the policy.

- d) **Training and Development:** Your Company has continued to impart need based functional and behavioral trainings to employees during FY18.
- e) **Employee Engagement:** Your Company has focused on creating a congenial workplace & employee engagement by initiating family connect programs, skip level interaction sessions and health & wellness camps.

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 11th May, 2018 have recommended a final dividend of 150% i.e. ₹ 1.50 per equity share for the Financial Year ended 31st March, 2018. The Proposed Dividend is subject to the approval of shareholders at the Annual General Meeting to be held on 27th September, 2018.

6. TRANSFER TO RESERVE

We propose to transfer Net Profit of ₹ 125.00 Crores to the General Reserve. An amount of ₹ 34.02 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 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) from public during the year under review.

8. 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, 2018, which forms an integral part of this report.

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.relaxofootwear.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 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) 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 2017-18, Mr. Nikhil Dua was reappointed as Whole Time Director for a period of three years w.e.f. 1st October, 2017 by the shareholders in the Annual General Meeting held on 21st September, 2017.

Mr. Ramesh Kumar Dua, Managing Director and Mr. Mukand Lal Dua, Whole Time Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment.

Your Directors recommend their re-appointment as the Directors of the Company.

Pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and on the recommendations of Nomination and Remuneration Committee and the Board of Directors, Mr. Ramesh Kumar Dua, whose term as Managing Director shall expire on 31.03.2019, is proposed to be re-appointed as a Managing Director of the Company for a period of 5 (five) years with effect from 01.04.2019 to 31.03.2024, and subject to retirement by rotation, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the notice convening the ensuing AGM.

Pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and on the recommendations of Nomination and Remuneration Committee and the Board of Directors, Mr. Mukand Lal Dua, whose term as Whole Time Director shall expire on 31.03.2019, is proposed to be re-appointed as a Whole Time Director of the Company for a period of 5 (five) years with effect from 01.04.2019 to 31.03.2024, and subject to retirement by rotation, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the notice convening the ensuing AGM. He is also going to attain age of 70 years during the proposed tenure.

Pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and on the recommendations of Nomination and Remuneration Committee and the Board of Directors, Mr. Deval Ganguly, whose term as Whole Time Director shall expire on 04.11.2018, is proposed to be re-appointed as a Whole Time Director of the Company for a period of 3 (three) years with effect from 05.11.2018 to 04.11.2021, and subject to retirement by rotation, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the notice convening the ensuing AGM.

The first term of Independent Directors Mr. Pankaj Shrivastava, Mr. Vivek Kumar and Mr. Kuruvilla Kuriakose shall expire on 31.03.2019. They have shown their interest to continue as Independent Directors for the next term of five years. On the recommendation of Nomination and Remuneration Committee and Board of Directors recommendation has been made to members for appointment of Mr. Pankaj Shrivastava, Mr. Vivek Kumar and Mr. Kuruvilla Kuriakose as Independent Directors of the Company for the next term of 5 (five) years with effect from 01.04.2019 to 31.03.2024 in the ensuing AGM.

A brief resume of the Directors proposed to be re-appointed, the nature of their expertise in specific functional areas, names of companies in which they have held Directorships, committee membership/s / chairmanship/s, their shareholding etc., are furnished in the explanatory statement to the notice of the ensuing AGM. The Board of Directors recommend their re-appointment at the ensuing AGM.

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 2017-18. Directors were evaluated on their contribution at Board / Committee meetings and guidance & support to the management outside Board / Committee meetings. During the year Company engaged renowned consultants to reset the parameters for performance evaluation of Board, Director(s) and Committees which helped in setting the guidelines for evaluation.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, role and accountability, management oversight, risk management, culture and communication, frequency and effectiveness of meetings.

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 Chairman appointed for the Board meetings was also evaluated by all the Directors on the basis of managing relations, leadership, competence and diligence.

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 five 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) Regulations, 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 strategy, operations, plants, products, organization structure, finance, human resource and facilities. During the year, Company had arranged presentations for the Independent Directors, on business operating plans, capital expenditure plans, HR policies, retail business, GST, Ind (AS), merger laws and 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.relaxofootwear.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, 2018, 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, 2018 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 B R Maheswari & Co LLP, Chartered Accountants were appointed during the year for a period of five years and will hold office till 38th Annual General Meeting subject to Section 139 and other applicable provisions of Companies Act, 2013 to be held in year 2022 subject to the annual ratification by members, if required at every Annual General Meeting.

The Ministry of Corporate Affairs vide its Notification dated 7th May, 2018, dispensed with the requirement of ratification of appointment of Statutory Auditors at every AGM. Accordingly, the proposal for ratification of appointment of Statutory Auditors is not forming part of the Notice convening ensuing Annual General Meeting of the Company.

17. AUDITORS' REPORT

The Auditor's Report for the financial year ended 31st March, 2018 does not contain any qualification, reservation or adverse remarks. 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, (including any statutory modifications(s) or re-enactment(s) thereof for the time being in force) your Company appointed M/s Vivek Arora, Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2017-18. The Secretarial Audit Report for the Financial Year 2017-18 forms part of the Annual Report as **Annexure-B** to this Report.

19. 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. 47 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 6(2) of the Companies (Accounts) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out as **Annexure-D** to this Report.

21. MERGERS AND AMALGAMATIONS

Your Company had filed a petition with National Company Law Tribunal (NCLT) Delhi for amalgamation of M/s Marvel Polymers

Private Limited and M/s Relaxo Rubber Private Limited with your Company along with its shareholders and creditors. During FY18, your Company has obtained necessary approvals from stock exchanges NSE & BSE.

22. 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:-

- Details of investments made by the Company as on 31st March, 2018 (including investments made in previous years).

(i) Investment in equity shares	:	₹ 20.00 Lacs
(ii) Investment in debt instruments	:	₹ 50.00 Lacs
- Details of loans given by the Company : Nil
- There are no guarantees issued by your Company in accordance with Section 186 of the Companies Act, 2013 read with the Rules issued thereunder.

23. 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 effective risk management systems to carry out risk assessment and also to document risk mitigation plans. In addition, all the key risks get continuously deliberated and discussed during business review meetings. Company has taken many initiatives to further strengthen the GRC framework at Relaxo which includes automation of compliance monitoring, litigation management and documentation of Delegation of Authority (Operational / Financial). 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.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company believe that the collective development of all the stakeholders especially the people at the bottom of the pyramid is prerequisite for the sustainability & the holistic development of the business.

The CSR Vision of your Company is to ensure sustained human development of the most deprived communities by involving them & leveraging Company's strength in need-based, result-oriented, and sustainable projects.

Your Company has decided to work under two thrust areas, 'Education & Skill development' and 'Health & Hygiene', primarily with the underprivileged communities living in the vicinity of Relaxo locations. However, being one of the most popular household brand Relaxo has presence across India therefore, your Company intends to work beyond these geographical boundaries.

Presently, Relaxo Foundation is running six projects in four different locations. During the reporting period, the activities of the Foundation have directly impacted more than **20,000 individuals**. However, the indirect reach has been much more.

The rationale and strategy under both thrust areas are mentioned below-

a) Education & Skill Development

Relaxo Foundation is undertaking projects both in the rural and urban areas towards ensuring the holistic development of the underprivileged children through an integrated approach. The short-term goal of the education program is to improve the quality of education & learning outcome of the Government school students. However, the long-term goal is to create a model of school-led-individual & community-development.

wherein through school the other aspects of the community can be addressed like health, gender, local self-governance, livelihood etc., so that the entire community could be uplifted. Along with school education, Relaxo Foundation is also providing Vocational training to school and college drop-out underprivileged youth.

During the year under review, your Company has initiated three projects under Education & Skill Development viz. project 'Model School' in 13 Primary schools of Khanpur Block in Haridwar District of Uttarakhand; 'Student to Scholar' program in Bahadurgarh and a retail sector specific vocational training course in Delhi.

b) Health & Hygiene

Availability, accessibility and affordability of health services is a huge challenge for the socio-economically backward communities that lead to higher morbidity and mortality. Also, in India, the Non-Communicable Diseases are on a rise which are the life style disorders and an emerging National Health challenge. Relaxo Foundation believes that protection from diseases not only ensure survival but can contribute significantly in the economic growth and prosperity of an individual, family and the Nation at large.

Through Need assessment, Bhiwadi emerged as the most deprived area in terms of availability and accessibility of health services. Therefore, in the reporting period, Relaxo Foundation has initiated two extensive projects involving both curative and preventive healthcare services. One project is 'Smile on Wheel (Comprehensive Health Care)' addressing the general health needs of the community and the other project is 'Nayan' towards preventable blindness covering the entire Tijara Block of Alwar District.

In FY18, the focus of your Company was more on developing the strategy and laying down strong foundation for the Relaxo CSR so that the amount could be spent on impactful and sustainable projects. Along with this, the Foundation adopted consultative process to finalize the projects and did stringent due diligence process for the identification of the Implementing Partners. The time invested in this whole process, resulted in the delay of project initiation that lead to underspent of CSR budget. However, a significant amount has been allocated and other projects are under consideration. Considering the progress, your Company is confident to increase CSR spending in the next financial year.

Detailed report of all the on-going CSR projects is mentioned in Annexure-E.

25. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee as on March 31, 2018 comprises of the following Directors:

Mr. Pankaj Shrivastava (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.

26. 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>.

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a gender neutral policy on prevention, prohibition and redressal of sexual harassment at workplace.

An Internal Committee (IC) is available at each of the units and offices of the Company as per the requirements of the law. The IC is responsible for redressal of complaints related to sexual harassment as well as to create a preventive environment across the organization. The Company conducts sensitization / awareness sessions on a regular basis so as to create a free and fair working environment.

The IC received one complaint of Sexual Harassment during the year under review and the same was disposed off as per the provisions of law. It is our constant endeavour to ensure that we provide harassment free, safe and secure working environment to all employees specially the women. We are proud to inform that our female workforce feels happy and safe while working at Relaxo.

28. 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 operations in future.

29. CREDIT RATING

During the year under review, ICRA has upgraded Long term rating of the Company to ICRA AA- (stable outlook) from ICRA A+ (positive outlook). 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 reaffirmed A1+ top notch rating to the Company for Commercial Paper of ₹ 50.00 Crores.

30. 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.

31. EMPLOYEES STOCK OPTION PLAN

During the year, 223,370 options were exercised by the employees after vesting. Accordingly, the Company has made allotment of 223,370 equity shares on 4th November, 2017 against the options exercised by the employees. Company launched 2nd tranche of Employee Stock Option Plan 2014 ("RFL ESOP PLAN-2014") during the year and granted 494,200 options in 2 tranches to eligible employees of the Company.

During the Financial Year 2017-18, 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.

32. CHANGE IN SHARE CAPITAL

During the year under review, the Company has issued and allotted 223,370 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 ₹ 223,370/-.

33. INTERNAL FINANCIAL CONTROL SYSTEM

The Company has in place well defined and adequate Internal Financial Control framework which is independently evaluated by external agency apart from periodic evaluation 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 which ensures regulatory and statutory compliances along with safeguarding of investors 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. A CEO and CFO Certificate included in the Corporate Governance Report confirms the existence of effective internal control systems and procedures in the Company. The Audit Committee reviews the effectiveness of the internal financial control framework in the Company.

34. 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.

35. 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. The summary of "Unclaimed Suspense Account" during the year is given hereunder:

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	47	118,110
2.	Number of shareholders along with shares held who approached the Company for transfer of shares from the suspense account during the year	2	8,000
3.	Number of shareholders along with shares held to whom shares were transferred from the suspense account during the year	2	8,000
4.	Transfer of shares to IEPF Account	18	70,025
5.	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year.	27	40,085

36. 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. B R Maheswari & Co LLP, Chartered Accountants, confirming compliance with the conditions of Corporate Governance is attached to the Report of Corporate Governance as Annexure-H.

37. OTHER DISCLOSURES

(A) **Dividend Policy:** Your Company intends to maintain similar or better levels of dividend payout over the next few years. However, the actual dividend payout in each year will be subject to the investment requirements of the annual operating plan for the year and any other strategic priorities identified by the Company. The Company has formulated a Dividend Policy in accordance with SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 (hereinafter "LODR Regulations") and the same is available on your Company's website: www.relaxof footwear.com/pdf/Dividend-Policy.pdf.

(B) The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

(C) The Company affirms that the annual listing fees for the year 2018-19 to both National Stock Exchange of India Limited (NSE) and BSE Limited (Bombay Stock Exchange) has been paid.

(D) During the year, pursuant to the provisions of Section-138 of the Companies Act, 2013, your Company has appointed Deloitte Haskins & Sells LLP (Deloitte) as Internal Auditors for FY19 in addition to existing in-house Internal Audit Department.

38. 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

Mukund Lal Dua
Whole Time Director
DIN :00157898

Delhi, 11th May, 2018

Annexure-A

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 2017-18 is as follows :-

Name of Director	Ratio of Remuneration of Director to the Median Remuneration
Mr. Ramesh Kumar Dua	642.51
Mr. Mukand Lal Dua	642.51
Mr. Nikhil Dua	49.24
Mr. Deval Ganguly	98.75
Mr. Pankaj Shrimall	2.07
Mr. Vivek Kumar	2.04
Mr. Kuruvilla Kurlakose	1.49
Ms. Deepa Verma	1.65

- The aforesaid details are calculated on the basis of remuneration for the Financial Year 2017-18.
- The remuneration includes sitting fee paid to the Directors for attending Board and Committee meetings.
- Median Remuneration for all its employees is ₹ 188293/- for the Financial Year 2017-18.

B. Details of percentage increase in the remuneration of each Director, CFO and Company Secretary in the Financial Year 2017-18 as compared to last year are as follows :-

Name	Designation	% Increase
Mr. Ramesh Kumar Dua	Managing Director	32.52
Mr. Mukand Lal Dua		32.52
Mr. Nikhil Dua	Whole Time Director	7.25
Mr. Deval Ganguly		99.24
Mr. Pankaj Shrimall		50.00
Mr. Vivek Kumar	Independent Director	15.62
Mr. Kuruvilla Kurlakose		0.00
Ms. Deepa Verma		19.23
Mr. Sushil Batra	Chief Financial Officer	52.26
Mr. Vikas Kumar Tak	Company Secretary	9.76

Note:

The remuneration to Directors is within the overall limit approved by shareholders.

C. Percentage increase in the median remuneration of all employees in Financial Year 2017-18:

There is increase of 6.78% in median remuneration of all employees in Financial Year 2017-18.

D. Number of Permanent Employees on the roll of the Company as on 31st March, 2018

Particulars	No. of Employees
Staff	2064
Sub Staff	3674
Total	5738

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 KMPs grew by 8.62% over the previous year. The aggregate increase in salary for Whole Time Directors and other KMP was 35.16% in FY18 over FY17. 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 2017-18 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 2017-18 at a rate which in aggregate was not less than ₹ 8.5 lacs per month:

S.No.	Employee Name	Designation	Date of Joining	Age (Years)	Remuneration (₹ In Lacs)	Qualification	Experience (Years)	Last Employment
1	Mr. Deval Ganguly	Whole Time Director	05-Nov-12	59	185.94	B.Tech.	37	JK Tyre & Industries Ltd.
2	Mr. Hans Raj Sapra	Senior Vice President (Material)	16-Oct-93	69	149.01	BE, Dip. Mech. Engg	45	India Meterological Dept.
3	Mr. Mukand Lal Dua	Whole Time Director	13-Sep-84	69	1209.80	B.Sc.	45	Relaxo Rubber Pvt Ltd.
4	Mr. Ramesh Kumar Dua	Managing Director	13-Sep-84	64	1209.80	B.Com., Licentiate of LPRI London	42	Relaxo Rubber Pvt Ltd.
5	Mr. Sushil Batra	Chief Financial Officer	30-Jul-07	53	162.46	B.Com., FCA	27	A2Z Infra Engg. Ltd.
6	Mr. Verinder Kumar	Vice President - Manufacturing	01-Apr-13	54	110.50	PGDM	36	Relaxo Rubber Pvt 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.

Annexure-B

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31-03-2018

[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,

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 31-03-2018 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 31-03-2018 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:

1. Allotted 223370 Equity Shares of ₹ 1/- each to the employees under ESOP Scheme vide Board Resolution passed on 4th November 2017 @ ₹ 200.60 for each equity share (218090 Equity shares) and @ ₹ 352.78 (5280 Equity Shares) for each equity share.
2. The Board of Directors has approved the Scheme of Amalgamation of two companies viz, Marvel Polymers Private Limited and Relaxo Rubber Private Limited with the Company on 12th May, 2017. The Matter of amalgamation is under process for obtaining approvals from concerned authorities.

For Vivek Arora
Company Secretaries

Vivek Arora
(Proprietor)

Delhi, 11th May, 2018

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,
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, 11th May, 2018

CP No. 8255, ACS 12222

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

(as on Financial Year ended on 31.03.2018)

(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 +91-11-46800600, 46800700 Email : rfl@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, Telangana- 500032. Ph. : +91- 040-67162222 Email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S.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 Shareholding :

Category of shareholder	No. of Shares held at the beginning of the year (As on 31-March-2017)				No. of Shares held at the end of the year (As on 31-March-2018)				% 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	74.93	89359000	-	89359000	74.25	-0.68
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total A(1)	90009000	-	90009000	74.93	89359000	-	89359000	74.25	-0.68
(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	74.93	89359000	-	89359000	74.25	-0.68
B. PUBLIC SHAREHOLDING									
(1) INSTITUTIONS									
a) Mutual Funds	2148363	-	2148363	1.79	2598606	-	2598606	2.16	0.37
b) Banks/FI	3790	-	3790	0.00	14961	-	14961	0.01	0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs*	5368228	-	5368228	4.47	5554680	-	5554680	4.62	0.15
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1)	7520381	-	7520381	6.26	8168247	-	8168247	6.79	0.53

Category of shareholder	No. of Shares held at the beginning of the year (As on 31-March-2017)				No. of Shares held at the end of the year (As on 31-March-2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) NON-INSTITUTIONS									
a) Bodies Corp.									
i) Indian	16059787	-	16059787	13.37	16056460	-	16056460	13.34	-0.03
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	4536216	842610	5378826	4.48	4167028	570360	4737388	3.94	-0.54
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	600000	-	600000	0.50	942718	124000	1066718	0.89	0.39
(c) Others (specify)									
i) Clearing Members	27203	-	27203	0.02	12215	-	12215	0.01	-0.01
ii) Non Resident Indians*	397474	-	397474	0.33	513300	-	513300	0.42	0.09
iii) Trusts	-	-	-	-	3577	-	3577	0.00	0.00
iv) Alternative Investment Fund	37579	-	37579	0.03	184090	-	184090	0.15	0.12
v) NBFC (Registered with RBI)	100000	-	100000	0.08	100150	-	100150	0.08	0.00
vi) IEPF	-	-	-	-	152475	-	152475	0.13	0.13
Sub-Total B(2)	21758259	842610	22600869	18.81	22132013	694360	22826373	18.96	0.15
Total Public Shareholding B=B(1)+B(2)	29278640	842610	30121250	25.07	30300260	694360	30994620	25.75	0.68
C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL	119287640	842610	120130250	100.00	119659260	694360	120353620	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 2017-18.

B) Shareholding of Promoters:

S.No.	Shareholder's Name	Shareholding at the beginning of the year (As on 31-March-2017)			Shareholding at the end of the year (As on 31-March-2018)			% 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	26.20	-	31148150	25.88*	-	-0.32
2	Mukand Lal Dua	26770700	22.28	-	26445700	21.97*	-	-0.31
3	Nikhil Dua	4500450	3.75	-	4500450	3.74**	-	-0.01
4	Usha Dua	4500450	3.75	-	4500450	3.74**	-	-0.01
5	Lalita Dua	4500450	3.75	-	4500450	3.74**	-	-0.01
6	Rahul Dua	4500450	3.75	-	4500450	3.74**	-	-0.01
7	Gaurav Dua	4500450	3.75	-	4500450	3.74**	-	-0.01
8	Ritesh Dua	4500450	3.75	-	4500450	3.74**	-	-0.01
9	Nitin Dua	4500450	3.75	-	4500450	3.74**	-	-0.01
10	Mukand Lal Dua (HUF)	232000	0.19	-	232000	0.19	-	-
11	Ramesh Kumar Dua (HUF)	20000	0.02	-	20000	0.02	-	-
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 sale of shares and ESOP allotment during the year.

**Decrease in percentage shareholding of Mr. Nikhil Dua, Ms. Usha Dua, Ms. Lalita Dua, Mr. Rahul Dua, Mr. Gaurav Dua, Mr. Ritesh Dua & Mr. Nitin Dua is due to ESOP allotment during the year.

C) Change in Promoters' Shareholding :

S.No.	For Each Promoter	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	26.20	31/03/2017	31473150	26.20
	Decrease in Shareholding due to sale of shares during the year	-325000	-0.27	29/11/2017	31148150	25.88
	At the End of the year			31/03/2018	31148150	25.88
2.	Mukand Lal Dua					
	At the beginning of the year	26770700	22.28	31/03/2017	26770700	22.28
	Decrease in Shareholding due to sale of shares during the year	-325000	-0.27	29/11/2017	26445700	21.97

There is no change in shareholding of other promoters during the Financial Year 2017-18

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	6.78	31/03/2017	8150000	6.78
	Increase/ Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the Year			31/03/2018	8150000	6.77
2	VLS FINANCE LTD					
	At the beginning of the Year	6286791	5.23	31/03/2017	6286791	5.23
	Increase/ Decrease in Shareholding during the year	1000	0.00	13/10/2017	6287791	5.23
		-1000	0.00	03/11/2017	6286791	5.23
	At the end of the Year			31/03/2018	6286791	5.22
3	JWALAMUKHI INVESTMENT HOLDINGS					
	At the beginning of the Year	4088907	3.40	31/03/2017	4088907	3.40
	Increase/ Decrease in Shareholding during the year	4088907	3.40	14/07/2017	8177814	6.80
		-4088907	-3.40	31/03/2018	4088907	3.40
	At the end of the Year			31/03/2018	4088907	3.40
4	SBI MAGNUM GLOBAL FUND					
	At the beginning of the Year	1700000	1.42	31/03/2017	1700000	1.42
	Increase/ Decrease in Shareholding during the year	-260000	-0.22	09/02/2018	1440000	1.20
		-60543	-0.05	09/03/2018	1379457	1.15
	At the end of the Year			31/03/2018	1379457	1.15
5	ICICI PRUDENTIAL VALUE FUND-SERIES 10					
	At the beginning of the Year	0	0.00	31/03/2017	0	0.00
	Increase/ Decrease in Shareholding during the year	49462	0.04	19/05/2017	49462	0.04
		2176	0.00	09/06/2017	51638	0.04
		764	0.00	07/07/2017	52402	0.04
		14939	0.01	28/07/2017	67341	0.06
		1320	0.00	04/08/2017	68661	0.06
		1833	0.00	18/08/2017	70494	0.06
		13279	0.01	25/08/2017	83773	0.07
		16648	0.01	01/09/2017	100421	0.08
		11707	0.01	29/09/2017	112128	0.09
		3128	0.00	06/10/2017	115256	0.10
		3323	0.00	01/12/2017	118579	0.10
		578770	0.48	08/12/2017	697349	0.58
	At the end of the Year			31/03/2018	697349	0.58
6	JATINDER AGARWAL					
	At the beginning of the Year	600000	0.50	31/03/2017	600000	0.50
	Increase/ Decrease in Shareholding during the year	-2976	0.00	01/09/2017	597024	0.50
		-10443	-0.01	08/09/2017	586581	0.49
		-15154	-0.01	15/09/2017	571427	0.48
		-11427	-0.01	22/09/2017	560000	0.47
		-1311	0.00	06/10/2017	558689	0.47
		-19075	-0.02	13/10/2017	539614	0.45
		-22	0.00	27/10/2017	539592	0.45
		-39592	-0.03	31/10/2017	500000	0.42
	At the end of the Year			31/03/2018	500000	0.42

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
7	KARVANSARAI TRAVEL AND LIFESTYLE PRIVATE LIMITED					
	At the beginning of the Year	443190	0.37	31/03/2017	443190	0.37
	Increase/ Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the Year			31/03/2018	443190	0.37
8	VALUEQUEST INDIA MOAT FUND LIMITED					
	At the beginning of the Year	418640	0.35	31/03/2017	418640	0.35
	Increase/ Decrease in Shareholding during the year	225000	0.18	09/02/2018	643640	0.53
	At the end of the Year			31/03/2018	643640	0.53
9	VIBGYOR INVESTORS AND DEVELOPERS PVT LTD					
	At the beginning of the Year	400000	0.33	31/03/2017	400000	0.33
	Increase/ Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the Year			31/03/2018	400000	0.33
10.	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C					
	At the beginning of the Year	273765	0.23	31/03/2017	273765	0.23
	Increase/ Decrease in Shareholding during the year	115000	0.09	09/06/2017	388765	0.32
		-168000	-0.14	09/06/2017	220765	0.18
		-10000	-0.01	03/11/2017	210765	0.17
		-4300	0.00	15/12/2017	206465	0.17
		-17127	-0.01	22/12/2017	189338	0.16
		-11500	-0.01	12/01/2018	177838	0.15
		500	0.00	09/02/2018	178338	0.15
		3088	0.00	16/03/2018	181426	0.15
		10000	0.01	23/03/2018	191426	0.16
		5000	0.00	30/03/2018	196426	0.16
	At the end of the Year			31/03/2018	196426	0.16
11	EM RESURGENT FUND					
	At the beginning of the Year	249796	0.21	31/03/2017	249796	0.21
	Increase/ Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the Year			31/03/2018	249796	0.21

E) Shareholding of Directors and Key Managerial Personnel:

S.No.	Shareholding of each Director 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	26.20	31/03/2017	31473150	26.20
	Increase / Decrease in Shareholding during the year	-325000	-0.27	29/11/2017	31148150	25.88*
	At the end of the year			31/03/2018	31148150	25.88
2.	Ramesh Kumar Dua (HUF)					
	At the beginning of the year	20000	0.02	31/03/2017	20000	0.02
	Increase / Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year			31/03/2018	20000	0.02
3.	Mukand Lal Dua					
	At the beginning of the year	26770700	22.28	31/03/2017	26770700	22.28
	Increase / Decrease in Shareholding during the year	-325000	-0.27	29/11/2017	26445700	21.97*
	At the end of the year			31/03/2018	26445700	21.97
4.	Mukand Lal Dua(HUF)					
	At the beginning of the year	232000	0.19	31/03/2017	232000	0.19
	Increase / Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year			31/03/2018	232000	0.19
5.	Nikhil Dua					
	At the beginning of the year	4500450	3.75	31/03/2017	4500450	3.75
	Increase / Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year			31/03/2018	4500450	3.74**
6.	Deval Ganguly					
	At the beginning of the year	-	-	31/03/2017	-	-
	Increase / Decrease in Shareholding during the year due to allotment of Esop Shares and sale of Esop Shares	24480	0.02	15/11/2017	24480	0.02
		-13250	-0.01	16/03/2018	11230	0.01
		-1870	0.00	23/03/2018	9360	0.01
	At the end of the year			31/03/2018	9360	0.01
7.	Pankaj Shrimali					
	At the beginning of the year	22000	0.02	31/03/2017	22000	0.02
	Increase / Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year			31/03/2018	22000	0.02
8.	Sushil Batra					
	At the beginning of the year	21710	0.02	31/03/2017	21710	0.02
	Increase in Shareholding during the year due to allotment of Esop Shares	17990	0.01	15/11/2017	39700	0.03
	At the end of the year			31/03/2018	39700	0.03
9.	Vikas Kumar Tak					
	At the beginning of the year	-	-	31/03/2017	-	-
	Increase in Shareholding during the year	1	0.00	22/02/2018	1	0.00
	At the end of the year			31/03/2018	1	0.00

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

**Decrease in percentage shareholding of Mr. Nikhil Dua is due to ESOP allotment during the year.

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	178.44	-	-	178.44
ii) Interest due but not paid	0.08	-	-	0.08
iii) Interest accrued but not due	0.89	-	-	0.89
Total (i+ii+iii)	179.41	-	-	179.41
Change in Indebtedness during the Financial Year				
• Addition	25.20	-	-	25.20
• Reduction	(50.75)	-	-	(50.75)
Net Change	(25.55)	-	-	(25.55)
Indebtedness at the end of the Financial Year				
i) Principal Amount	153.36	-	-	153.36
ii) Interest due but not paid	0.12	-	-	0.12
iii) Interest accrued but not due	0.38	-	-	0.38
Total (i+ii+iii)	153.86	-	-	153.86

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/Manger				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	86.21	93.13	419.34
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.40	0.40	2.90	5.56	9.26
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	83.04	83.04
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	1075.00	1075.00	-	-	2150.00
	- others	-	-	-	-	-
5	Others (Employers Contribution to Provident Fund)	14.40	14.40	3.60	4.21	36.61
	Total (A)	1209.80	1209.80	92.71	185.94	2698.25
	Ceiling as per the Act	10% of Net Profits of the Company as calculated under Section 198 of Companies Act, 2013 is ₹ 2714.68 Lacs				

B. Remuneration to other directors

(₹ in Lacs)

S.No.	Particulars of Remuneration	Pankaj Shrimali	Kuruvila Kuriakose	Vivek Kumar	Deepa Verma	Total Amount
1	Independent Directors					
	Fee for attending Board / Committee meetings	3.90	2.80	3.85	3.10	13.65
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (1)	3.90	2.80	3.85	3.10	13.65
2.	Other Non-Executive Directors					
	Fee for attending Board / Committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	3.90	2.80	3.85	3.10	13.65
	Ceiling as per the Act	1% of Net Profits of the Company as calculated under Section 198 of Companies Act, 2013 is ₹ 271.47 Lacs				
	Total Managerial Remuneration (A+B)					2711.90
	Overall Ceiling as per the Act	11% of Net Profits of the Company as calculated under Section 198 of Companies Act, 2013 is ₹ 2986.15 Lacs				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lacs)

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		22.97	97.99	120.96
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		0.76	3.36	4.12
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-NA-	-	-	-
2	Stock Option		-	56.74	56.74
3	Sweat Equity		-	-	-
4	Commission				
	- as % of profit		-	-	-
	- others		-	-	-
5	Others (Employers Contribution to Provident Fund)		1.10	4.37	5.47
	Total		24.83	162.46	187.29

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 2017-18 :

(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 2017-18 :

(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

Delhi, 11th May, 2018

Ramesh Kumar Dua
Managing Director
DIN :00157872

Mukund Lal Dua
Whole Time Director
DIN :00157898

Annexure -E

Corporate Social Responsibility (CSR) Activities

Introduction:

Further to the Need Assessment done in FY 17, Relaxo Foundation undertook a rigorous process of stakeholder consultation, appraisal of national & international goals and assessing the core strength of the Company, to strategize the CSR activities. Through this intensive process, Relaxo Foundation identified 'Education & Skill Development' and 'Health & Hygiene' as the two thrust areas. Presently, the Foundation is implementing below mentioned CSR projects with the communities surrounding the manufacturing plants of Relaxo at Bhiwadi, Bahadurgarh & Haridwar and also in Delhi.

A. Education & Skill development

- 1. Navjyoti Remedial Education Program-** Relaxo Foundation has partnered with Navjyoti India Foundation to ensure holistic development of the 150 grade IV and V students from the Government schools of Bawana area, Delhi. The short-term objective is to improve the learning outcome of the students, however, the long-term objective of the project is to save these children from the external threats that may lead them into anti-social activities. Today, these students are not only excelling in their studies but are teaching other children in-school or out-of-school from their neighborhood.
 - 2. Model School Program -** Right to Education (RTE) Act has increased the elementary school enrolment in India but the quality of education and the dropout rate in Secondary & Senior Secondary classes is huge. Considering the contemporary challenges in school education and to create sustainable model, Relaxo Foundation has partnered with Pian- International (India Chapter) to adopt 13 Primary Schools in Haridwar and to transform them into Model Schools by creating child-friendly infrastructure, teachers training, strengthening School Management Committee, form Children's group on life skill & gender etc. This 3-year long project will ensure holistic development of children in a sustainable manner. However, the long-term goal is to develop a model of school led individual & community development.
 - 3. Relaxo Student to Scholar Program-** Your Company partnered with Buddy4Study for mobilizing and empowering 10,000 students of Bahadurgarh with scholarship awareness, application support and mentorship. The project will ensure at least 1000 students may get scholarship either from Government or Private Scholarships that will help them to complete their education and to pursue their dreams. The organization has created India's largest scholarship portal and is engaged in the business of simplifying scholarship access for students and managing end to end scholarship process. In the reporting period, more than 6000 students have got profiled and out of which 66 students have received scholarships of ₹3,600/- to ₹20,000/- each.
 - 4. Vocational Training Program -** CSR is all about leveraging resources to meet the developmental challenges of the country. With this belief Relaxo Foundation has partnered with, the GMR Varalakshmi Foundation to run vocational training course of Customer Service Associate at their vocational training center, 'Center for Empowerment and Livelihoods- Delhi'. Till date, three batches of total 88 students have been completed. More than 78% of the trainees have been placed in jobs with an average salary of ₹12,000/- per month.
- #### B. Health & Hygiene
- 1. Smile on Wheels (SoW), Comprehensive Health Project-** Through the baseline assessment, it was revealed that the healthcare system in Bhiwadi, Rajasthan is insufficient to address the health need of the people. The villagers have to either live with their illness or go to the private hospital which leads to huge out-of-pocket expenditure. Considering the need, Relaxo Foundation partnered with Smile

Foundation to initiate this 3-year long comprehensive health project in 14 villages (approx. 1 lakh population) of Bhiwadi with the objective to meet primary healthcare needs of the villagers through curative, preventive, and promotive services at their doorstep. The project runs one Mobile Health Van, equipped with Doctor, pharmacist & Lab Technician to provide curative health services. Along with this, the outreach teamwork intensively on increasing health awareness through sessions in schools and community with the objective to improve the health-seeking behaviour and to lower down the disease incidence rate among the community. The project also provides antenatal check-ups to pregnant women and referral services to chronic patients. In the reporting period, 8626 Patients (4287 M and 4339 F) were provided the curative services; 2000 people were sensitized on health issues.

- 2. Project 'NAYAN' Giving Sight to the Underprivileged-** On 15th Jan'18, your Company partnered with Dr. Shroff's Charity Eye Hospital (SCEH) to run jointly developed project 'Nayan' towards reducing the incidence and the backlog of avoidable blindness cases in Tijara Block, district, Alwar. This 3-year long project will provide comprehensive and sustainable Eye care services, to more than 2.5 lakh people of 187 villages. Along with regular eye camps, the project will establish a self-sustainable Vision Centre, managed by the local person, identified and trained by Dr. Shroff Hospital. The project will also involve and train school teachers, Anganwadi, ANM, and ASHA workers to do primary level screening that will help in timely identification of the cases.

Employee Engagement

Employee Engagement activities have been undertaken with the Involvement of Relaxo Footwears Limited. One of the Mission Statement of Relaxo Foundation is, "To leverage the skill & resources of employees for social cause and also to make them socially responsible Individuals." Toward this, Relaxo foundation have organized three initiatives viz. Blood Donation Camp, Wish Tree on Christmas & New Year for Bawana Slum children and Virtual training on Gender sensitization on the occasion of International Women's Day.

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

1. The Composition of CSR Committee

The composition of CSR Committee as on 31st March, 2018 is as follows:-

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

- 2. Average Net Profit of the Company for the last 3 Financial years** : ₹ 166.98 Crores
- 3. Prescribed CSR Expenditure** : ₹ 3.34 Crores.
- 4. Details of CSR spent for the Financial Year**
 - (a) Total amount spent for the Financial Year** : ₹ 2.78 Crores
 - (b) Amount unspent*** : ₹ 0.56 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 are undertaken state (Local area or district)	Amount outlay (budget) project or program wise	Amount spent on the Project/ Projects /Programmes Subheads : (1) Direct Expenditure (2) Overhead	Cumulative Expenditure upto the reporting period	Amount spent direct or through implementing agency#
1	Model School Program	Promoting Education	Haridwar, Uttarakhand	224.00	21.07	21.07	Plan International (India Chapter)
2	Remedial Education Program	Promoting Education	Bawana, Delhi	15.00	15.00	36.07	Navjyoti India Foundation
3	Relaxo Student to Scholar Program	Promoting Education	Bhadurgarh, Haryana	26.00	24.71	60.78	Buddy4Study
4	Computer lab	Promoting Education	Haridwar, Uttarakhand	4.50	4.37	65.15	Direct
5	Vocational Training	Vocational skills	Delhi	5.00	4.18	69.33	GMR Varalakshmi Foundation
6	Smile on Wheels (SoW), Mobile Medical Unit	Health care	Bhiwadi, Rajasthan	133.00	49.53	118.86	Smile Foundation
7	'NAYAN' Giving Sight to the Underprivileged	Health care	Bhiwadi, Rajasthan	135.00	33.92	152.78	Dr. Shroff's Charity Eye Hospital
8	Public Toilet	Swachh Bharat	Bahadurgarh, Haryana	6.00	5.72	158.50	Sulabh International
Sub Total				548.50	158.50		
9	Administrative Expenses			12.00	11.15	169.65	
Total				560.50	169.65		

Relaxo Foundation identifies the thrust area, conceptualize & design the project and do the close monitoring of the project as well. However, the on-ground implementation is carried out by the credible NGO partners who get identified through a rigorous process of due diligence.

Your Company spent ₹169.65 Lacs from accumulated CSR Funds available with Relaxo Foundation -Implementation arm for CSR activities, for various initiatives during FY18.

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

5. The intent of your Company is to spend money on the project with long term impact on society at large, therefore Company has adopted a rigorous process in finalization of projects. With this deep sense of responsibility, your Company wants to ensure the spending of this money in impactful and sustainable projects. During the year, your Company strategized to take up and develop CSR projects accordingly. In addition to this, the identification of credible NGO and due diligence process is being done meticulously. All these processes took a lot of time and therefore the projects were rolled out in the second half of the year. Thus, the amount remained unspent as per the plan. However, a significant amount has been allocated in the approved on-going projects. Few other projects are at the final stage.

Your Company is confident that with strong intent, clear vision, and professional approach we would not only be able to spend the prescribed budget but will create visible and sustained impact from our CSR projects.

6. Therefore, FY18 has been significant in terms of laying down strong foundation of the CSR and strategizing activities. We are confident that in FY19, Relaxo CSR will bring larger social impact through CSR projects undertaken and new initiatives. 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, 11th May, 2018

Annexure-F

1. CONSERVATION OF ENERGY

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:

(I) The Company has started following initiatives at plants for energy conservation which has led to restrict the impact of increase in the cost of energy thereby reducing the cost of production of goods:

- Installed Variable drives on Air Cooling Machines, temperature cut-out on Cooling Tower's fan motor and Heater Insulation jackets on Horizontal PVC Molding Machines.
- Installed high bay LED lights at plants replacing the conventional lights.
- Installing RO plant with 80% recovery of water.

(II) 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 by using Inverter air conditioner in 150 new & existing retail outlets.
- Upgraded lighting fixtures in LED fixtures in 12 existing outlets and replaced old lighting fixture by LED in routine repair/maintenance
- Prompted to 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 in one plant and horizontal deployment is being considered 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.

c) The capital investment on energy conservation of energy:

There was no major capital investment on energy conservation during the year.

2. TECHNOLOGY ABSORPTION

a) Efforts made towards technology

- Company has initiated replacement of solvent based Release agent (RA) by water based in 70% PU DIP machines.
- Company has discontinued usage of DMF (Dimethyl formamide) for PU screw cleaning by more eco friendly green chemicals.

b) Benefit derived as a result of the above efforts

- Better Quality of products
- Better shop floor environment in PU plant
- Positive impact on environment.

c) Technology imported during last 3 years : None

d) Expenditure on R & D - The Company has incurred expenditure of ₹ 2.58 Crores through respective heads of accounts on R & D.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) 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. Your Company has also opened branch office at Dubai to be nearer to customer, this will improve service level and lead time and ultimately will add to export growth.

b) Total Foreign Currency used and earned: (₹ In Crores)

Particulars	2017-18	2016-17
Used	312.04	227.80
Earned	45.64	46.85

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, 2018

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 Jul, 2015 31 st Oct, 2015 14 th May, 2016 30 th Jul, 2016 5 th Nov, 2016 5 th Aug, 2017 4 th Nov, 2017
4	Options Granted	1083600
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	Fair Value Method

B. Option Movement During the year

S.No.	Particulars	ESOP Scheme
1	Options Outstanding at the Beginning of the year *	3,33,800
2	Number of Options Granted during the year	4,94,200
3	Number of options vested	2,80,790
4	Number of options exercised during the year	2,23,370
5	Total number of shares arising as a result of exercise of options	2,23,370
6	Number of options Cancelled & lapsed during the year	62,540
7	Number of Options outstanding at the end of the year	5,42,090
8	Number of Options exercisable at the end of the year	86,690
9	Money realised by exercise of options during the year (₹)	4,56,11,506
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
Atul Pandey	8,500
Deval Ganguly	16,900
Hans Raj Sapra	16,000
Sushil Batra	17,200
Vinay Kumar Bajaj	15,400

(ii) Employees who were granted options during the year, amounting to 5% or more of the options:

Nil

(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:

Nil

D (i). Weighted average exercise price of Options granted during the year whose

(a)	Exercise price equals market price (₹)	464.68
(b)	Exercise price is greater than market price (₹)	Nil
(c)	Exercise price is less than market price (₹)	Nil

D (ii). Weighted average fair value of options whose

(a)	Exercise price equals market price (₹)	327.05
(b)	Exercise price is greater than market price (₹)	Nil
(c)	Exercise price is less than market price (₹)	Nil

E. 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	Weighted Average Assumptions
	Stock Price (₹)	464.68
	Volatility	85.40%
	Risk free Rate	6.50%
	Exercise Price (₹)	464.68
	Time To Maturity (In Years)	5.15
	Dividend yield	0.22%

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

Annexure-H

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Relaxo Footwears Limited

1. We, B R Maheswari & Co LLP, Chartered Accountants, the Statutory Auditors of Relaxo Footwears Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2018, 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 (Obligation and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's 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, 2018.
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 Management has conducted the affairs of the Company.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No.081075

Delhi, 11th May, 2018

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		Managing Director	31148150
Mr. Mukand Lal Dua	Promoter & Executive	Whole Time Director	26445700
Mr. Nikhil Dua		Whole Time Director	4500450
Mr. Deval Ganguly	Executive	Whole Time Director	9360
Mr. Vivek Kumar			-
Mr. Pankaj Shrimall	Non- Executive	Independent Director	22000
Mr. Kuruvila Kuriakose			-
Ms. Deepa Verma			-

Details of Board Meetings

During the Financial Year 2017-18 the Board of Directors met five 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
12.05.2017	8	8
05.08.2017	8	8
04.11.2017	8	8
03.02.2018	8	8
30.03.2018	6	8

Attendance record of the Directors at Board Meetings and at the Annual General Meeting (AGM) during the Financial Year 2017-18 is as under:

Date of Meeting	No. of Board Meetings attended	Attendance in AGM held on 21st September 2017	Number of other Companies in which Directorship held
Mr. Ramesh Kumar Dua	5	Present	3
Mr. Mukand Lal Dua	5	Present	2
Mr. Nikhil Dua	4	Present	-
Mr. Vivek Kumar	5	Present	1
Mr. Pankaj Shrimall	5	Present	1
Mr. Kuruvila Kuriakose	4	Absent	6
Mr. Deval Ganguly	5	Present	-
Ms. Deepa Verma	5	Present	-

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/Familiarization-Report-2017-18.pdf>.

3. COMMITTEES OF THE BOARD OF DIRECTORS

- Audit Committee
- Stakeholder Relationship Committee
- Nomination and Remuneration Committee
- 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 Shrivastava, Independent Director and Chairman of the Committee, Mr. Kuruvila 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 2017-18 are given below:

Name of Members	No. of Meetings held	No. of Meetings attended
Mr. Pankaj Shrivastava	4	4
Mr. Nikhil Dua	4	4
Mr. Kuruvila 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

II. 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 2017-18, six 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	6	6
Mr. Ramesh Kumar Dua	6	6
Mr. Mukand Lal Dua	6	6

Company received 47 complaints, suggestions and grievances during the year, out of which 46 complaints were promptly dealt with and resolved within 15 days and one complaint is pending on 31st March, 2018.

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 Shirmali, Chairman of the Committee, Ms. Deepa Verma and Mr. Vivek Kumar, members of the Committee. During the Financial Year 2017-18, 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 Shirmali	4	4
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, role and accountability, management oversight, risk management, culture and communication, frequency and effectiveness of meetings.

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 Chairman appointed for the Board Meetings was also evaluated by the all the Directors on the basis of managing relations, leadership, competence and diligence. Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings, guidance/ support to the

management outside Board/ Committee Meetings, professional qualifications and prior experience.

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.

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 2017-18 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 Shirmali Non-Executive cum Independent Directors. During the Financial Year 2017-18, one meeting of the Committee was held on 16.12.2017 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 Shirmali	1	1
Ms. Deepa Verma	1	1

4. DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2017-18

- 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 2017-18 is as follows:

(₹ In Lacs)

Name of Directors	Designation	Salary	Commission	Total
Mr. Ramesh Kumar Dua	Managing Director	134.80	1075.00	1209.80
Mr. Mukand Lal Dua	Whole Time Director	134.80	1075.00	1209.80
Mr. Nikhil Dua	Whole Time Director	92.71	-	92.71
Mr. Deval Ganguly	Whole Time Director	185.94	-	185.94

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 01.10.2017 for a period of three years 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 2017-18 was ₹ 3,90,000/- to Mr. Pankaj Shrivastava, ₹ 3,85,000/- to Mr. Vivek Kumar, ₹ 2,80,000/- to Mr. Kuruvilla Kuriakose and ₹ 3,10,000/- 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
2016-17	Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi-110 003	5	Thursday, 21 st September, 2017	10.30 a.m
2015-16	-- do --	1	Thursday, 15 th September, 2016	10.30 a.m
2014-15	-- do --	1	Thursday, 24 th September, 2015	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 form 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>.

The Board of Directors during the year have approved amalgamation of M/s Marvel Polymers Private Limited and M/s Relaxo Rubber Private Limited (Related Parties) with your Company along with its shareholders and creditors. Your Company has received necessary approvals from stock exchanges (BSE & NSE) and has filed the first motion application with NCLT.

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 Regulations 2015

The Company has complied with the mandatory requirements specified in Regulation 17 to 27 & clause 'b' to 'f' 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 Financial Year 2017-18, 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, hedges major part of the import and export transactions.

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 web-site 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, 2018.

Ramesh Kumar Dua
Managing Director
DIN: 00157872

Delhi, 11th May, 2018

10. MEANS OF COMMUNICATION

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

In compliance with SEBI (LODR) Regulations, 2015, 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.

11. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting

Date : 27.09.2018
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, 2017 – 31st March, 2018

c) Book Closure Date:

Friday, 21.09.2018 to Wednesday, 26.09.2018 (both days inclusive).

d) Dividend Payment Date:

On or before 26th October, 2018, (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.: 011-46800600, 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,

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

Stock Code : **BSE-530517**.

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

g) Market Price Data

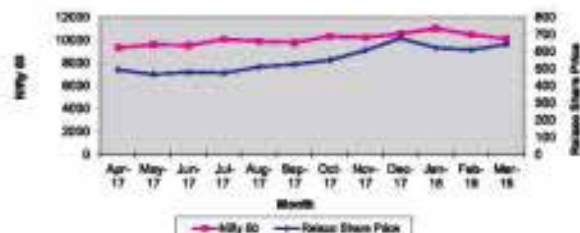
Table showing monthly price movement on BSE & NSE during the Financial Year 2017-18:

Month & Year	BSE			NSE		
	High	Low	Close	High	Low	Close
Apr-17	512.50	470.95	492.40	509.40	469.00	494.40
May-17	526.50	450.10	466.00	528.00	446.55	466.15
Jun-17	503.80	462.00	481.85	504.00	456.80	480.30
Jul-17	554.90	470.50	475.65	554.00	454.95	475.40
Aug-17	539.00	446.75	509.85	512.00	451.95	509.85
Sep-17	542.90	484.75	522.95	543.00	491.80	524.95
Oct-17	570.90	501.00	547.45	570.40	503.10	550.00
Nov-17	649.15	532.50	606.15	647.30	544.50	606.85
Dec-17	723.50	590.05	675.60	725.10	591.95	677.80
Jan-18	697.60	613.80	622.25	698.95	606.05	622.15
Feb-18	658.00	550.00	612.45	674.00	564.00	610.13
Mar-18	667.05	598.80	651.40	662.55	595.00	642.10

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



Based on the monthly closing share price of Relaxo Share 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 31-32, Financial District
Gachibowli, Hyderabad - 500 032, Telangana,
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 exchanges.

j) **Distribution Pattern as on 31st March, 2018**

i) **Shareholding pattern (In form of size):**

S. No.	No. of Equity Share held	2018				2017			
		No. of Share holders	% of Total Share holders	No. of Shares held	% of total Shares	No. of Share holders	% of total Share holders	No of Shares held	% of total Shares
1	1-5000	11312	97.96	2986777	2.48	10570	98.01	2741957	2.28
2	5001-10000	109	0.94	796444	0.66	102	0.94	765350	0.64
3	10001- 20000	41	0.36	576277	0.48	37	0.34	559871	0.47
4	20001- 30000	22	0.19	552947	0.46	19	0.18	485817	0.40
5	30001- 40000	7	0.06	258220	0.22	5	0.05	184355	0.15
6	40001- 50000	7	0.06	311334	0.26	1	0.01	47124	0.04
7	50001- 100000	17	0.15	1231679	1.02	18	0.17	1331945	1.11
8	100001 & Above	33	0.28	113639942	94.42	32	0.30	114013831	94.91
	Total	11548	100.00	120353620	100.00	10784	100.00	120130250	100.00

ii) **Shareholding pattern (In form of Ownership Category):**

S. No.	Category	2018				2017			
		No. of Share holders	% of Total Share holders	No. of Shares held	% of total Shares	No. of Share holders	% of total Share holders	No of Shares held	% of total Shares
1	Promoters	12	0.11	89359000	74.25	12	0.11	90009000	74.93
2	Bodies corporate	268	2.32	16056460	13.34	239	2.22	16159787	13.45
3	Resident individuals	10562	91.46	5392063	4.48	9923	92.02	5683153	4.73
4	H U F	198	1.72	195307	0.16	206	1.91	245060	0.21
5	Clearing Members	43	0.37	12215	0.01	69	0.64	27203	0.02
6	Non-resident Indians	382	3.30	513300	0.43	285	2.64	397474	0.33
7	Foreign Institutional Investors	-	-	-	-	-	-	-	-
8	Others	83	0.72	8825275	7.33	50	0.46	7608573	6.33
	Total	11548	100.00	120353620	100.00	10784	100.00	120130250	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 31.03.2018

Particulars	No. of Shares	% of Paid up Capital	No. of Shareholders
National Securities Depository Limited (a)	117880737	97.94	6739
Central Depository Services (India) Limited (b)	1778523	1.48	4557
Shares in Demat Form (a+b)	119659260	99.42	11296
Shares in Physical Form (c)	694360	0.58	252
Total (a+b+c)	120353620	100.00	11548

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 47 investors' complaints were received and 46 were resolved.

m) Plant Locations

Location of Plants of the Company is given below:-

- **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

n) Corporate Identity Number (CIN): L74899DL1984PLC019097**o) Per Share Data**

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Net Earning (₹ in Crores)	161.07	119.95	120.28	103.05	65.64
Cash Earning (₹ in Crores)	215.41	171.41	167.40	142.95	96.80
EPS-Basic (in ₹)	13.40	9.99	10.02	17.17	10.94
Dividend (including Interim Dividend per share) (in ₹)	1.50	1.00	0.60	1.00*	0.50
Dividend Pay out (%)	11.19	10.01	5.99	5.82	4.57
Book Value Per Share (in ₹)	63.25	50.48	39.99	61.30	46.09
Face value Per Share (in ₹)	1.00	1.00	1.00	1.00	1.00

* 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 ₹ 77156/- (Final Dividend for FY 2010) and ₹ 40657/- (Interim Dividend for FY 2011) to the Investor Education and Protection Fund.

The details of disclosure with respect to unclaimed demat suspense account is provided in point no 35 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.

- v) 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.
- vi) 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.

vii) 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

Delhi, 11th May, 2018

Ramesh Kumar Dua
Managing Director
DIN - 00157872

Mukand Lal Dua
Whole Time Director
DIN - 00157898

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, 2018.
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, 11th May, 2018

Ramesh Kumar Dua
Managing Director

Sushil Batra
Chief Financial Officer

MANAGEMENT DISCUSSION & ANALYSIS

This report contains statements that are the Company's beliefs and 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 Businesswire, India is the second largest global producer of footwear after China, accounting for 9% of the annual global production of 22 billion pairs. Presently about 90% of the footwear produce in the country is consumed by the domestic market and the rest is exported. The growing Indian fashion and lifestyle market has given an impetus to the footwear industry as well.

Footwear has evolved from being just a mere necessity as a protection for your feet to an important fashion accessory. Footwear industry in India is very optimistic right now with growing awareness about the latest trends and consciousness among consumers. This industry has seen a significant growth in the last few years. Rising incomes, advent of globalization, improved employment and living standards in the country has led to the expansion in the size of this market.

The government has approved a ₹ 2,600 crore special package over the next three years for development of footwear sector. The scheme would lead to development of infrastructure for the leather and footwear sector; address environmental concerns specific to the leather sector and facilitate additional investments, job creation and production.

The GST Council has fixed tax rate at 5% for footwear with MRP up to ₹ 500 and 18% for footwear over ₹ 500. Post GST, the Indian economy has witnessed a transition from an informal setup to a formal one. The organized footwear players will be able to outpace their unorganised counterparts by leveraging the advantage.

All types of footwear (leather & non-leather) will now have uniform tax rates pan India ensuring a level playing field which will boost the footwear industry.

Operating Environment

As per Businesswire, Indian footwear industry has the potential to grow by 100% in next 5 years. The organized segment caters to ~40% of the market while unorganized players fetch the remaining market which essentially falls under micro, mini, small and medium enterprises.

The consumer's increased exposure to plastic money and imposition of GST is going to provide more organized retailing and trade transparency in long term.

Government of India has already commenced the "Make in India" campaign which has been proving beneficial in boosting manufacturing in India. Secondly, due to the ever increasing internet penetration and the overall ecosystem for e-commerce falling in place, a new distribution channel is emerging which is fuelling consumption among the millennials.

The Changing Consumer Behaviour

Demand for footwear is expected to remain strong over the forecast period. The category is anticipated to register a decent growth in coming years.

The way consumers are spending their money on various items has changed in recent years. With growing urbanisation and ever-increasing penetration of internet and social media, the buying behaviour of Indian consumers is changing rapidly.

Instant awareness and aspirations for the latest global trends with the advent of technology has increased frequency of shopping by consumers. Also, global fashion and lifestyle brands have started betting big on small cities of India.

The consumer has undergone a behavioural change in the last decade. He/she has become more tech savvy, extensively prone to digital marketing and practices, fashion conscious, demanding the latest trends and contemporary styles. Brand consciousness, higher discretionary incomes and greater choice has contributed to growth in footwear consumption.

Opportunities & Threats

Indian footwear market is quite under penetrated with per capita consumption of only ~1.66 pairs per annum against a global average of 3 pairs, while the developed countries average around 6-7 pairs.

However, the increasing significance of footwear is leading to an upsurge in the demand promising better growth prospects for footwear industry. The easy availability of variety of brands is fanning the potential of footwear industry even in tier-II and tier-III cities as the people are becoming more and more brand centric in these cities as well. The government measure to lower taxes on footwear is expected to address competition from the unorganised sector and imports.

The Indian footwear industry is gearing up to leverage its strengths towards maximizing benefits. Resource strength of India in the form of materials and skilled manpower is a comparative advantage for the country, among other things.

While the footwear industry is set for an exponential growth in the times to come, there are many challenges such as high competition from global brands and the frequent change in consumer tastes leading to quicker obsolescence and higher stock.

However, given the Company's four decades of experience in manufacturing and marketing of footwear, it would be better placed than its peers during any uncertain times.

Risks and Concerns

Global economic and political factors that are beyond the control, influence forecasts and may directly affect performance of the Company as well as the footwear industry.

These factors include interest rates and its impact on availability of retail space, rate of economic growth, fiscal and monetary policies of government, inflation, deflation, consumer credit availability, consumer debt levels, tax rates and policy, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence and spending.

The Company is subject to risks arising from exchange rate fluctuations which may adversely affect our financial performance.

Internal Control System and its adequacy

The Company has special financial, operational and other control systems which are carried out by internal processes 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. Robust system of internal controls facilitates 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 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. The Company has developed a very comprehensive legal/ statutory compliance software tool and litigation tool with the help of external expert agency which drills down the responsibility of compliance from top management to executive level. These processes are fully automated and generate alerts for proper and timely compliance with regular MIS. To commensurate with the size of Company and its increasing scale and operations, Company is reviewing existing Delegation of Authority (DOA). This is key initiative to enhance existing internal controls and to further strengthen the Governance, Risk & Compliance (GRC) framework at Relaxo.

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, 2018, the total number of employees of the Company is 5738 against 4855 on 31st March, 2017.

Financial Performance of the Company

In the Financial Year 2017-18, your Company achieved record turnover of ₹ 1964.44 crores and profit of ₹ 161.07 crores. Detailed report on financial and non-financial performance of the Company is provided in point no 1, 2 & 3 of the Director's Report.

The Board has recommended a final dividend of ₹ 1.50 per equity share (150% of Face Value of ₹ 1) for the Financial Year 2017-18.

The Company has only one operating 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

The demand for footwear products in India is to expand in the coming years as the customers do not compromise both with comfort and style. Our Company is well placed to meet the changing trends of the audience. Footwear industry has been recognised by the Government of India as a focus sector in the 'Make in India' mission.

The Company is constantly involved in branding and advertising and has engaged Bollywood actors like Salman Khan, Akshay Kumar, Shahid Kapoor and Shruti Haasan to endorse its brands. This not only makes the products aspirational but also creates a significant barrier for competition.

The Company has over 300 stores across the country, most of these stores are Company Owned and Company Operated (COCO), but the company has during the year opened few franchise stores in order to expand its retail footprint. We plan to open 30-40 more COCO / franchise stores in FY19. Our brand has carved a niche for itself in the competitive footwear retail sector. The Company's focus to gradually expand its retail presence remains intact.

To cater to the Gulf and South East Asian markets, Company has opened branch office in Dubai. This initiative will boost export and will smoothen the process of exports and will enable the Company to cater small export orders.

We undertook the amalgamation of Marvel Polymers Private Limited (MPPL) and Relaxo Rubber Private Limited (RRPL) with our Company, which is under process. The Company has received necessary approvals from BSE & NSE and has filed first motion application with NCLT. It will enable the Company to leverage on its larger net worth base, besides eliminating related party transactions between MPPL, RRPL and RFL and improving operating profits.

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 and Bahamas. The company sells its products through ~50,000 retailers served through distributors, 300 plus 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 Securities and Exchange Board of India (SEBI) has mandated that the top 500 listed Companies by market capitalization 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 (NVEGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 principles and core elements for each of 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 a platform for better governance and conducting the business practices in transparent and ethical manner.

The Business Responsibility Report for FY18 describing the initiatives undertaken by your Company in the prescribed format are 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	2017-18
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. Relaxo (rubber slippers), Flite (EVA & PU Slippers) and Sparx (sports and canvas shoes, sandals and sporty slippers).
9 Total number of locations where business activity is undertaken by the Company:	
a) Number of International Locations	Branch office -1
b) Number of National Locations	Manufacturing Plants - 8 Registered & Corporate office - 1 Retail Outlets - 302
10 Markets served by the Company - Local/State/National/International	Relaxo has Pan India Market along with presence in Gulf and South East Asia Market.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

		(₹ In Crores)
1	Paid up Capital	12.03
2	Total Turnover	1964.44
3	Total profit after taxes	161.07
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.73%
5	List of activities in which expenditure in 4 above has been incurred	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

S No.	Particulars	Details
1	DIN	00157872
2	Name	Mr. Ramesh Kumar Dua
3	Designation	Managing Director
4	Telephone number	011-46800600
5	e-mail id	rfi@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? If 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
8.	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	NA	Y	Y

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 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 CED 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 assesses 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

- 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

Your Company is committed to the adherence to the highest standards of moral, ethical and legal principles and believe to run business in fair and transparent manner. Based on these principles, the Company has

laid down the Code of Conduct for employees and all its associates, that includes dealing with gifts, bribery, sexual harassment etc. Code of Conduct is signed by all the Executives at the time of joining the Company.

Whistle Blower

In order to ensure the effective implementation of the Code of Conduct, your Company has strong Vigil Mechanism / Whistle Blower policy, applicable to all the employees and Directors that ensures

fearless reporting and fair treatment of the incidence. This policy is applicable to Directors, employees, vendors and other business partners of the Company.

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 has received 1 complaint which was resolved by the management.

Principle 2

Relaxo commits to provide innovative, value-added footwear to all classes of society including all gender and age groups across regions, which are user-friendly as well as environment-friendly.

Your Company complies with all applicable environmental, legal and other requirements towards protecting the environment and conserving natural resources. Your Company strives to achieve continuous improvement in the environmental sustainability journey through clearly defined objectives and targets which are based on reduction in energy consumption, control on emissions and waste generation, conservation of water, reducing effluent discharge and creating environmental awareness.

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

As a leading footwear manufacturer, we at Relaxo continue to provide quality products at affordable prices to our customers. We continuously strive to use our innovative ability to upgrade and enhance the quality of products through technological advances in our manufacturing facilities to ensure optimum use of the resources with minimum impact on environment.

Our products like Ortho & Fitness range are specially designed for the comfort of the feet; while Hi-Heel & Cushion Series are economical and affordable products. In the youth segment; Company offers Bahamas & Flite products, which have attractive design and are available in wide range of colors. Sparx range contains trendy slippers, sandals & shoes in the premier range.

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?

Relaxo believes in "save energy, save nation" principle. Towards this, your Company has taken following steps to reduce the consumption of energy, water & raw material:

- Regular training for employees to manage the resources in an efficient manner.
- We have set up a solar power unit with a capacity of 75KW in our manufacturing site in Bahadurgarh, Haryana where ~58,000 kWh was generated in FY18.
- By-product recycling of EVA, PVC led to material wastage reduction and gain in yield.
- Rainwater harvesting facility is operational at our manufacturing facilities.
- Safe and environmental-friendly disposal mechanism of waste.
- The Company has installed modern and efficient machinery across its manufacturing units and has been able to save the usage of thermal & electrical energy.

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. Major associates of the company, who are engaged in supplying of raw materials for shoe manufacturing process, are located nearby to the respective manufacturing units. Relaxo also has its own warehouses located in the vicinity of the manufacturing units, which not only enables to optimize the production-related costs but also significantly reduces the environmental impact of the transportation of material and components.

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?

Yes. Relaxo outsources and gets job-work done from nearby local and small vendors. Services like hospitality, security, and canteen facilities have also been outsourced to local and small vendors. Your Company continuously audits these suppliers for quality systems and manufacturing capabilities and also has a code of conduct for such business partners with whom agreement for supplies is undertaken.

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.

Yes, your Company constantly endeavor to minimize waste generation, reduction at the source and ensure responsible waste disposal. Our sites are committed to 'Zero Waste to Landfill'. Relaxo has in-house facility to recycle by-product generated during the process. Waste generated after sheet cutting is sent to special recycling equipment like crackers & refiners to make it amenable for mixing along-with virgin materials. Waste generated as runners & C quality production is grounded and mixed with the virgin compound. Non-hazardous waste such as packaging material and scrap are recycled and reused.

Principle 3

1. Please indicate the Total number of employees.

Number of Permanent employees as on 31.03.2018 is 5738.

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

Number of Temporary / Contractual / Casual employees as on 31.03.2018 is 8116.

3. Please indicate the Number of permanent women employees.

Number of Permanent women employees as on 31.03.2018 is 170.

4. Please indicate the Number of permanent employees with disabilities

Number of Permanent employees with disabilities as on 31.03.2018 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.

S.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	1	1*
3.	Discriminatory employment	Nil	NA

* As on date the Complaint has been duly resolved.

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, your Company defines stakeholders 'as persons or groups who are directly or indirectly affected by the business, as well as those who may have interest in the business and/or the ability to influence its outcome, either positively or negatively'. Taking this definition, your Company has mapped both internal and external stakeholders and is committed towards understanding & addressing their concerns strategically.

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

Yes, your Company has identified underserved communities in the vicinity of the Plant locations as most vulnerable external stakeholders. However, the women and children were given more preference in all decision making.

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.

Relaxo CSR is working with the marginalized neighboring communities through projects under Education and Health. For education, Relaxo is working on the model of 'school-led-individual- & community development' and under health, the focus is on improving the accessibility, availability and affordability of primary health care facilities.

Apart from CSR, your Company has initiated 'Worker Education Program' for workers with the objective to help them to excel in life and career through pursuing their education further through NIOS (National Institute of Open Schooling).

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 to 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 to 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 discourages 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 FY18.

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 does 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 is available at all the plants.

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

Yes, Relaxo's manufacturing facilities have been certified for ISO 14001:2015 which is called Environmental Management System by British Standards Institute, a globally recognized certification body. The significant environmental aspects associated with all activities and their related actual or potential environmental impacts are identified, rated, prioritized and actions to reduce their impact are documented. This exercise is being done for all activities at a department level in all plants and is reviewed annually for any changes, whatsoever.

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 wind power project of 6MW (4 WTG x 1.5MW) 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.

Your Company is committed to promote a sustainable environment and drive progress through better engineered and energy efficient processes. Our focus on the ecosystem and environmental conservation are ingrained in the way we conduct our business.

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

We ensure that the emissions and waste generated by us at our various locations are well below the limits prescribed by CPCB and SPCB.

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

We have not received any show cause notice from either CPCB or SPCB in FY18.

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 Accessories)
5. SATRA (International)
6. All India Rubber Association
7. Bahadurgarh Footwear Development Services Pvt. Ltd.

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

Your Company believes in the inclusive growth and equitable development of all the stakeholders and is committed to translating words into action. The Relaxo's business belief in providing a quality product at an affordable price is itself based on the values of inclusion. Before, mandatory CSR, the promoters of the RFL were involved in various philanthropic activities such as (a) Financial support to needy patients, (b) running of skill development center and (c) support to small grass-root level NGOs, through two registered Societies funded by promoters for the welfare of down-trodden people.

However, through CSR, your Company work strategically with the people at the bottom of the pyramid through impactful and sustainable projects under two thematic areas, 'Education & Skill Development' and 'Health & Hygiene'. Programs under Education are focused towards empowering the children to be contributing & productive individuals whereas the Health initiatives are to provide curative, preventive and promotive healthcare to the resource-deprived communities.

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

Your Company has CSR Policy in place to ensure the inclusive growth and equitable development of down-trodden people living in the surrounding areas to the business location. Relaxo Foundation vision statement reflects the business commitment towards the sustained development of most deprived communities.

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

Your Company has constituted Relaxo Foundation (Special Purpose Vehicle), a Society registered under Societies Registration Act 1860 to implement CSR activities. Relaxo Foundation identifies the thrust area, conceptualize & design the project, and post-implementation do the close monitoring of the project as well. However, the on-ground implementation is carried out by the credible NGO partners. These NGO partners get identified through a rigorous process of due diligence. Few of the NGO partners are -

- Navjyoti India Foundation for Remedial Education program
- Plan International (India Chapter) for Model School project - Education program
- Dr. Shroff's Charity Eye Hospital for project 'Nayan' - (project on preventable blindness)

- Smile Foundation for project Smile on Wheel - (comprehensive healthcare)
- GMR Varalakshmi Foundation for Customer Service Associate - (vocational training course)

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

All our CSR projects are designed professionally with clearly defined project goal, objectives, activities, expected outcome, and indicators to measure the success. Furthermore, the baseline and end line assessment forms an integral part of all our CSR projects. Against these indicators, the regular monitoring is being done by the Relaxo Foundation. However, we consider Independent Impact assessment as equally crucial and intend to have an independent assessment at the end of the projects. Presently, most of our projects are in the implementation phase, so we have undertaken a mid-term assessment to ensure whether the project is moving in the right direction or not and if required, the mid-term course correction is being done.

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, your Company has contributed ₹ 2.78 Crores to its implementation agency i.e. Relaxo Foundation. Whereas Relaxo Foundation has incurred amount of ₹ 1.70 Crores on different CSR projects. The details of the projects are mentioned in the Annexure E.

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

Your Company considers community as the most important stakeholder for CSR projects and ensures their active involvement at all the stages right from need assessment to impact assessment. For sustainability of the project, key stakeholders are identified and capacitated during the project duration to take ownership of the project later. For instance, in our school-based intervention along with teachers, we are engaging and empowering School Management Committee & parent groups.

Principle 9

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

Nil consumer complaints are pending as on 31.03.2018

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)

Your 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 last five years.

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

At the new product development division, the company regularly conducts market sensing and monitors evolving consumer needs to develop relevant products. Relaxo also seeks consumer and trade feedback before and after launch of its products.

Independent Auditors' Report

TO THE MEMBERS OF RELAXO FOOTWEARS LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Relaxo Footwears Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. 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 Ind AS 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 Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative Ind AS financial statements of the Company for financial year ended on 31st March, 2017 included in these Ind AS financial statements have been audited by predecessor auditors whose report for the year ended on 31st March, 2017 dated 12th May, 2017 expressed an unmodified opinion on those financial statements.

Our opinion on the Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by section 143(3) of the Act, we report that:
 - 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.
 - 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.
 - The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - On the basis of written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164 (2) of the Act.
 - 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'.

- (g) With respect to the other matters to be included in the Auditor's 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:
- The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 37 to the Ind AS financial statements;
 - The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/NS00050

Sudhir Maheshwari
Partner
Membership No.081075

Place: Delhi
Date: 11th May, 2018

Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

1) In respect of its fixed assets:

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- According to the information and explanations given to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties are held in the name of the Company

2) In respect of its inventories:

- The management has physically verified the inventories. In our opinion, the frequency of verification is reasonable.
- The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.

3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

4) 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.

5) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.

6) In our opinion and according to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

7) (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess & other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2018 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, the following disputed statutory dues aggregating to ₹ 2.76 Crores, that have not been deposited on account of matters pending before appropriate authorities, are as under: -

S.No.	Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending
1.	Haryana General Sales Tax Act, 1973	Purchase Tax	0.20 0.15	2001-02 2002-03	Jt. Commissioner Jt. Commissioner
2.	Delhi Value Added Tax Act, 2005	Input Tax	0.03 0.22	2005-06 2013-14	Appellate Tribunal, Delhi
3.	Maharashtra Value Added Tax Act, 2002	Value Added Tax	0.01	2013-14	Dy. Commissioner of Sales Tax.
4.	Karnataka Value Added Tax Act, 2003	Value Added Tax	0.08 0.01	2012-13 2014-15	CTO Jt. Commissioner- Commercial Taxes, Bangalore.
5.	Income Tax Act, 1961	Income Tax(*) TDS	2.02(*) 0.04	Assessment Years 2013-14, 2015-16 and 2016-17 2008-09 to 2011-12, 2013-14 to 2015-16, 2017-18 and 2018-19	Assessing Officer Commissioner (A), ITAT, Assessing Officer
Total			2.76		

(*) 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.

- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to banks. The Company did not have any outstanding loans and borrowings from government and debenture holders during the year.
- 9) 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 they were obtained.
- 10) In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS Financial Statements, as required by the applicable Indian accounting standards.

14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.

15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him, therefore reporting under clause 3(xv) of the Order are not applicable.

16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/N500050

Place: Delhi
Date: 11th May, 2018

Sudhir Maheshwari
Partner
Membership No.081075

Annexure 'B' to the Independent Auditors' Report

(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 31st March, 2018 in conjunction with our audit of the Ind AS 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 judgment, 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 (i) 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, 2018 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 B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Place: Delhi
Date: 11th May, 2018

Sudhir Maheshwari
Partner
Membership No.081075

BALANCE SHEET AS AT 31st MARCH, 2018

(₹ in Crores)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	1	469.81	479.80	462.30
Capital Work-in-Progress	1	136.44	61.91	27.99
Intangible Assets	2	55.05	61.22	67.92
Intangible Assets under Development	2	1.14	0.51	0.24
Financial Assets				
Investments	3	0.20	0.70	0.50
Loans	4	16.20	14.56	13.71
Other Financial Assets	5	0.61	0.90	5.73
Other Non-Current Assets	6	8.64	4.01	5.59
		688.09	623.61	583.98
Current Assets				
Inventories	7	313.93	290.21	285.84
Financial Assets				
Investments	8	0.50	-	-
Trade Receivables	9	192.35	123.18	108.69
Cash and Cash Equivalents	10	3.12	3.51	2.24
Other Bank Balances	11	0.88	0.14	0.13
Loans	12	0.39	0.28	0.29
Other Financial Assets	13	1.25	3.43	6.19
Other Current Assets	14	68.22	25.98	21.32
		580.64	446.73	424.70
Total Assets		1268.73	1070.34	1008.68
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	15	12.03	12.01	12.00
Other Equity	16	749.18	594.36	477.64
Total Equity		761.21	606.37	489.64
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	17	39.26	70.94	119.86
Other Financial Liabilities	18	0.71	0.40	0.59
Provisions	19	7.76	7.26	5.28
Deferred Tax Liabilities (Net)	20	26.31	25.50	23.26
		74.04	104.10	148.99
Current Liabilities				
Financial Liabilities				
Borrowings	21	86.09	60.89	89.61
Trade Payables	22	174.90	125.70	122.37
Other Financial Liabilities	23	92.63	99.41	90.36
Other Current Liabilities	24	70.48	70.31	60.21
Provisions	25	6.75	2.38	4.72
Current Tax Liabilities (Net)	26	2.63	1.18	2.78
		433.48	359.87	370.05
Total Liabilities		507.52	463.97	519.04
Total Equity and Liabilities		1268.73	1070.34	1008.68

The accompanying notes are an integral part of Financial Statements

As per our report of even date

For B R Maheshwari & Co LLP

Chartered Accountants

Firm's Registration No. 001035N/N500050

Sudhir Maheshwari

Partner

Membership No. 081075

Delhi, 11th May, 2018

For and on behalf of the Board of Directors

Ramesh Kumar Dua

Managing Director

DIN : 00157872

Sushil Batra

Chief Financial Officer

Mukund Lal Dua

Whole Time Director

DIN : 00157898

Vikas Kumar Tak

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ In Crores)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
INCOME			
Revenue from Operations	27	1964.44	1651.97
Other Income	28	4.46	13.61
Total Income		1968.90	1665.58
EXPENSES			
Cost of Materials Consumed		705.69	580.13
Purchases of Stock-in-Trade		190.94	140.54
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	(13.62)	5.16
Excise Duty on Sale of Goods		7.52	20.82
Employee Benefits Expense	30	214.08	177.04
Finance Costs	31	8.59	15.03
Depreciation and Amortisation Expense	32	54.34	51.46
Other Expenses	33	557.74	497.37
Total Expenses		1725.28	1487.55
Profit Before Tax		243.62	178.03
Tax Expense	34		
Current Tax		81.53	57.23
Deferred Tax		1.02	1.02
Tax for Earlier years (Net)		0.00	(0.17)
		82.55	58.08
Profit for the Year		161.07	119.95
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurement Gains / (Losses) on Defined Benefit Plan	39(b)	(0.61)	3.51
Income Tax effect	34	0.21	(1.22)
		(0.40)	2.29
Total Comprehensive Income for the Year (Comprising Profit and Other Comprehensive Income for the year)		160.67	122.24
Earnings Per Equity Share of ₹ 1/- each (In ₹)	41		
Basic		13.40	9.99
Diluted		13.38	9.98

The accompanying notes are an integral part of Financial Statements

As per our report of even date

For B R Maheswari & Co LLP

Chartered Accountants

Firm's Registration No. 001035N/NS000050

Sudhir Maheshwari

Partner

Membership No. 081075

Delhi, 11th May, 2018

For and on behalf of the Board of Directors

Ramesh Kumar Dua

Managing Director

DIN :00157872

Mukund Lal Dua

Whole Time Director

DIN :00157898

Sushil Batra

Chief Financial Officer

Vikas Kumar Tak

Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Crores)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Cash flow from Operating Activities			
Profit Before Tax		243.62	178.03
Adjustments			
Depreciation and Amortisation Expense	32	54.34	51.46
Finance Costs	31	8.59	15.03
Interest Income	28	(0.58)	(0.74)
Net Gain on Sale of Current Investments carried at Fair Value through Profit or Loss (FVTPL)	28	(0.50)	(0.01)
Net Unrealised Foreign Exchange Gain		(3.85)	(9.92)
Share Based Payments	30	4.07	1.32
Fair Valuation loss on Derivatives	33	0.27	8.61
Bad debts Written off	33	0.30	0.03
Allowances for Doubtful Trade Receivables	33	0.73	0.74
Net loss on Disposal / Write off of Property, Plant & Equipment and Intangible Assets	33	0.55	0.44
Operating Profit Before Working Capital Changes		307.54	244.99
Changes in Working Capital			
Loans to Employees	4,12	(0.07)	(0.04)
Security Deposits	4	(1.68)	(0.80)
Other Non-Current Assets		(0.02)	(0.03)
Trade Receivables		(69.80)	(15.45)
Other Financial Assets		0.24	(0.13)
Other Current Assets	14	(42.24)	(4.66)
Inventories	7	(23.72)	(4.37)
Trade Payables		49.30	4.22
Other Financial Liabilities		10.35	1.88
Provisions		4.26	3.15
Other Current Liabilities	24	0.17	10.10
Cash Generated from Operations		234.33	238.86
Tax Paid		(80.08)	(58.66)
Net Cash Flow from Operating Activities		154.25	180.20
Cash Flow from Investing Activities			
Purchase of Property, Plant & Equipment including Capital Work-in-Progress and Intangible Assets		(108.98)	(90.33)
Proceeds from Sale of Property, Plant and Equipment and Intangible Assets		0.28	0.29
Net Proceeds from Sale / Purchase of Current Investments	28	0.50	0.01
Interest Income Received		0.54	0.72
Investment in Bank Deposits held as Margin Money	5,11	(0.71)	(0.13)
Net Cash Flow (Used in) Investing Activities		(108.37)	(89.44)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

(₹ in Crores)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Cash Flow from Financing Activities			
Proceeds from Issuance of Equity Shares under "RFL Employee Stock Option Plan 2014"	15	0.02	0.01
Securities Premium received on exercise of Equity Shares issued under "RFL Employee Stock Option Plan 2014"	16	4.54	1.83
Repayment of Borrowings		(21.73)	(62.50)
Dividend and Dividend Distribution Tax Paid	16	(14.46)	(8.67)
Finance Costs Paid		(14.64)	(20.16)
Net Cash Flow (Used in) Financing Activities		(46.27)	(89.49)
Net Increase / (Decrease) in Cash and Cash Equivalents		(0.39)	1.27
Cash and Cash Equivalents at the beginning of the year	10	3.51	2.24
Exchange Fluctuation on Foreign Currency Bank Balances		0.00	-
Cash and Cash Equivalents at the end of the year	10	3.12	3.51
Components of Cash and Cash Equivalents (At end of the year)	10		
Balances with Banks on Current Accounts		2.43	2.88
Cash on Hand		0.69	0.63
		3.12	3.51

The accompanying notes are an Integral part of Financial Statements.

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7 on Statement of Cash Flows.

As per our report of even date

For B R Maheswari & Co LLP

Chartered Accountants

Firm's Registration No. 001035N/N500050

Sudhir Maheshwari

Partner

Membership No. 081075

Delhi, 11th May, 2018

For and on behalf of the Board of Directors

Ramesh Kumar Dua

Managing Director

DIN :00157872

Mukund Lal Dua

Whole Time Director

DIN :00157898

Sushil Batra

Chief Financial Officer

Vikas Kumar Tak

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018

Equity Share Capital (Refer Note 15)

(₹ in Crores)

Particulars	Number of Shares	Amount
As at 1st April, 2016	120039700	12.00
Equity Shares of face value of ₹ 1/- each issued under "RFL Employee Stock Option Plan 2014"	90550	0.01
As at 31st March, 2017	120130250	12.01
Equity Shares of face value of ₹ 1/- each issued under "RFL Employee Stock Option Plan 2014"	223370	0.02
As at 31st March, 2018	120353620	12.03

Other Equity (Refer Note 16)

(₹ in Crores)

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	Share Based Payment Reserve	General Reserve	Retained Earnings	
As at 1st April, 2016	0.84	2.80	464.76	9.24	477.64
Profit for the Year	-	-	-	119.95	119.95
Other Comprehensive Income - Remeasurement Gains / (Losses) on Defined Benefit Plan (Net of Tax)	-	-	-	2.29	2.29
Total Comprehensive Income for the Year	-	-	-	122.24	122.24
Transfer from Retained Earnings to General Reserve	-	-	110.00	(110.00)	-
Transactions with Owners in their capacity as Owners					
Share Based Payments under "RFL Employee Stock Option Plan 2014"	-	1.32	-	-	1.32
Transferred from Share Based Payment Reserve to Securities Premium Reserve on issuance of 90,550 Equity Shares of face value of ₹ 1/- each issued under "RFL Employee Stock Option Plan 2014"	0.96	(0.96)	-	-	-
Securities Premium received on exercise of 90,550 Equity Shares of face value of ₹ 1/- each issued under "RFL Employee Stock Option Plan 2014"	1.83	-	-	-	1.83
Dividend on Equity Shares	-	-	-	(7.20)	(7.20)
Dividend Distribution Tax	-	-	-	(1.47)	(1.47)
As at 31st March, 2017	3.63	3.16	574.76	12.81	594.36
Profit for the Year	-	-	-	161.07	161.07
Other Comprehensive Income - Remeasurement Gains / (Losses) on Defined Benefit Plan (Net of Tax)	-	-	-	(0.40)	(0.40)
Total Comprehensive Income for the Year	-	-	-	160.67	160.67
Transfer from Retained Earnings to General Reserve	-	-	125.00	(125.00)	-
Transactions with Owners in their capacity as Owners					
Share Based Payments under "RFL Employee Stock Option Plan 2014"	-	4.07	-	-	4.07
Transferred from Share Based Payment Reserve to Securities Premium Reserve on issuance of 2,23,370 Equity Shares of face value of ₹ 1/- each issued under "RFL Employee Stock Option Plan 2014"	2.37	(2.37)	-	-	-
Securities Premium received on exercise of 2,23,370 Equity Shares of face value of ₹ 1/- each issued under "RFL Employee Stock Option Plan 2014"	4.54	-	-	-	4.54

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

Other Equity (Refer Note 16)

(₹ In Crores)

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	Share Based Payment Reserve	General Reserve	Retained Earnings	
Transferred from Share Based Payment Reserve to General Reserve on cancellation of Vested Options Issued under "RFL Employee Stock Option Plan 2014"	-	(0.06)	0.06	-	-
Dividend on Equity Shares	-	-	-	(12.01)	(12.01)
Dividend Distribution Tax	-	-	-	(2.45)	(2.45)
As at 31st March, 2018	10.54	4.80	699.82	34.02	749.18

The accompanying notes are an integral part of Financial Statements

As per our report of even date

For B R Maheshwari & Co LLP

Chartered Accountants

Firm's Registration No. 001035N/NS000050

Sudhir Maheshwari

Partner

Membership No. 081075

Delhi, 11th May, 2018

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 1 Property, Plant and Equipment & Capital Work-in-Progress

(₹ in Crores)

Particulars	Gross Carrying Amount				Depreciation / Amortisation				Net Carrying Amount
	As at 1st April, 2017	Additions	Deletions / Adjustments	As at 31st March, 2018	As at 1st April, 2017	Depreciation	Deletions / Adjustments	As at 31st March, 2018	As at 31st March, 2018
Property, Plant and Equipment									
Land									
Freehold	33.61	-	-	33.61	-	-	-	-	33.61
Leasehold	52.20	-	-	52.20	0.53	0.53	-	1.06	51.14
Buildings	161.32	2.69	-	164.01	5.23	6.21	-	11.44	152.57
Leasehold Improvements	11.29	3.13	0.58	13.84	1.67	1.99	0.15	3.51	10.33
Plant and Machinery	171.17	9.69	0.25	180.61	15.72	15.81	0.05	31.48	149.13
Moulds	28.55	9.72	0.00	38.27	9.21	10.18	0.00	19.39	18.88
Computers	5.56	3.79	0.14	9.21	1.78	1.98	0.09	3.67	5.54
Motor Vehicles-Other	7.47	1.11	0.13	8.45	1.14	1.33	0.07	2.40	6.05
Motor Vehicles-Transport	1.88	0.38	0.04	2.22	0.40	0.39	0.02	0.77	1.45
Furniture and Fixtures	10.22	2.27	0.04	12.45	1.56	1.63	0.03	3.16	9.29
Electrical Fittings	13.67	1.05	0.01	14.71	2.16	2.27	0.00	4.43	10.28
Office Equipments	7.18	1.94	0.07	9.05	1.61	1.69	0.05	3.25	5.80
Wooden Structure	0.97	0.63	0.05	1.55	0.40	0.36	0.03	0.73	0.82
Wind Power Generation Plant	17.32	-	-	17.32	1.20	1.20	-	2.40	14.92
	522.41	36.40	1.31	557.50	42.61	45.57	0.49	87.69	469.81
Capital Work-in-Progress	61.91	76.25	1.72	136.44	-	-	-	-	136.44
	61.91	76.25	1.72	136.44	-	-	-	-	136.44

Borrowing Costs amounting to ₹ 5.58 Crores (Previous year ₹ 4.38 Crores) capitalised as part of Property, Plant and Equipment & Capital Work-in-Progress.

For Contractual Commitments towards Acquisition of Property, Plant and Equipment & Capital Work-in-Progress (Refer Note 37).

The Company has taken Loans from Banks which carry charge over certain Assets (Refer Note 17, Note 21 & Note 46).

Capital Work-in-Progress includes Pre-operative Expenses / Borrowing Costs of ₹ 9.32 Crores (Previous year ₹ 3.36 Crores).

Note 1 Property, Plant and Equipment & Capital Work-in-Progress (Contd.)

(₹ in Crores)

Particulars	Gross Carrying Amount				Depreciation / Amortisation				Net Carrying Amount	
	Deemed Cost as at 1st April, 2016 ^a	Additions	Deletions / Adjustments	As at 31st March, 2017	As at 1st April, 2016 ^a	Depreciation	Deletions / Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 1st April, 2016
Property, Plant and Equipment										
Land										
Freehold	33.61	-	-	33.61	-	-	-	-	33.61	33.61
Leasehold	52.20	-	-	52.20	-	0.53	-	0.53	51.67	52.20
Buildings	131.87	29.45	-	161.32	-	5.23	-	5.23	156.09	131.87
Leasehold Improvements	9.27	2.39	0.37	11.29	-	1.71	0.04	1.67	9.62	9.27
Plant and Machinery	165.23	6.04	0.10	171.17	-	15.73	0.01	15.72	155.45	165.23
Moulds	14.48	14.08	0.01	28.55	-	9.22	0.01	9.21	19.34	14.48
Computers	4.08	1.52	0.04	5.56	-	1.79	0.01	1.78	3.78	4.08
Motor Vehicles-Other	5.37	2.33	0.23	7.47	-	1.18	0.04	1.14	6.33	5.37
Motor Vehicles-Transport	1.88	-	0.00	1.88	-	0.40	0.00	0.40	1.48	1.88
Furniture and Fixtures	8.47	1.77	0.02	10.22	-	1.56	0.00	1.56	8.66	8.47
Electrical Fittings	11.36	2.31	0.00	13.67	-	2.16	0.00	2.16	11.51	11.36
Office Equipments	6.38	0.89	0.09	7.18	-	1.64	0.03	1.61	5.57	6.38
Wooden Structure	0.78	0.20	0.01	0.97	-	0.40	0.00	0.40	0.57	0.78
Wind Power Generation Plant	17.32	-	-	17.32	-	1.20	-	1.20	16.12	17.32
	462.30	60.98	0.87	522.41	-	42.75	0.14	42.61	479.80	462.30
Capital Work-in-Progress ^a	27.99	46.57	12.65	61.91	-	-	-	-	61.91	27.99
	27.99	46.57	12.65	61.91	-	-	-	-	61.91	27.99

^a The Company has availed Deemed Cost Exemption and used the IGAAP carrying amount of Property, Plant and Equipment & Capital Work-in-Progress as Deemed Cost (Refer Note 56).

^a Capital Work-in-Progress includes Goods in Transit Nil (1st April, 2016 ₹ 0.06 Crore).

Borrowing Costs amounting ₹ 4.38 Crores (1st April, 2016 ₹ 0.45 Crore) capitalised as part of Property, Plant and Equipment & Capital Work-in-Progress.

For Contractual Commitments towards Acquisition of Property, Plant and Equipment & Capital Work-in-Progress (Refer Note 37).

The Company has taken Loans from Banks which carry charge over certain Assets (Refer Note 17, Note 21 & Note 46).

Capital Work-in-Progress includes Pre-operative Expenses / Borrowing Costs of ₹ 3.36 Crores (1st April, 2016 ₹ 0.56 Crore).

Note 2 Intangible Assets & Intangible Assets under Development

(₹ in Crores)

Particulars	Gross Carrying Amount				Amortisation				Net Carrying Amount	
	As at 1st April, 2017	Additions	Deletions / Adjustments	As at 31st March, 2018	As at 1st April, 2017	Amortisation	Deletions / Adjustments	As at 31st March, 2018	As at 31st March, 2018	
Intangible Assets										
Computer Software and Licences	7.58	2.54	0.01	10.11	1.99	2.04	0.00	4.03	6.08	
Intellectual Property Rights	62.35	0.07	-	62.42	6.72	6.73	-	13.45	48.97	
	69.93	2.61	0.01	72.53	8.71	8.77	0.00	17.48	55.05	
Intangible Assets under Development	0.51	0.69	0.06	1.14	-	-	-	-	1.14	
	0.51	0.69	0.06	1.14	-	-	-	-	1.14	

Note 2 Intangible Assets & Intangible Assets under Development (Contd.)

(₹ in Crores)

Particulars	Gross Carrying Amount				Amortisation				Net Carrying Amount	
	Deemed Cost as at 1st April, 2016*	Additions	Deletions / Adjustments	As at 31st March, 2017	As at 1st April, 2016*	Amortisation	Deletions / Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 1st April, 2016
Intangible Assets										
Computer Software and Licences	5.66	1.92	-	7.58	-	1.99	-	1.99	5.59	5.66
Intellectual Property Rights	62.26	0.09	-	62.35	-	6.72	-	6.72	55.63	62.26
	67.92	2.01	-	69.93	-	8.71	-	8.71	61.22	67.92
Intangible Assets under Development	0.24	0.35	0.08	0.51	-	-	-	-	0.51	0.24
	0.24	0.35	0.08	0.51	-	-	-	-	0.51	0.24

* The Company has availed Deemed Cost Exemption and used the IGAAP carrying amount of Intangible Assets & Intangible Assets under Development as Deemed Cost (Refer Note 56).

Note 3 Investments - Non Current

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investment in Unquoted Bonds carried at Amortised Cost			
Nil (Previous Year - 500, 1st April, 2016 - 500) 6% Non-Convertible Redeemable Taxable Bonds of face value of ₹ 10000/- each Fully Paid up, maturing on 31st January, 2019 of National Highways Authority of India	-	0.50	0.50
Investment in Unquoted Equity Instruments, carried at Fair Value through Other Comprehensive Income (FVTOCI)			
40 (Previous Year - 40, 1st April, 2016 - Nil) Equity Shares of face value of ₹ 50000/- each Fully Paid up of Bahadurgarh Footwear Development Services Private Limited	0.20	0.20	-
Aggregate amount of Unquoted Investments	0.20	0.70	0.50

Note 4 Loans - Non Current

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, Considered Good			
Loans to Employees	0.02	0.06	0.01
Security Deposits	16.18	14.50	13.70
	16.20	14.56	13.71

Note 5 Other Financial Assets - Non Current

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Measured at Amortised Cost			
Unsecured, Considered Good			
Share Application Money	-	-	0.20
Balances with Bank held as Margin Money *	0.13	0.13	0.00
Measured at Fair Value through Profit or Loss (FVTPL)			
Derivatives	0.48	0.77	5.53
	0.61	0.90	5.73

* Represents Margin Money against various Letters of Credit, Bank Guarantees and Other Commitments issued by Banks on behalf of the Company.

Note 6 Other Non Current Assets

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, Considered Good			
Capital Advances	6.25	1.64	3.25
Advances other than Capital Advances			
Prepaid Expenses	1.87	1.96	2.18
Balances with Statutory / Government Authorities	0.52	0.41	0.16
	8.64	4.01	5.59

Note 7 Inventories

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Valued at the lower of Cost and Net Realisable Value *			
Raw Materials (Includes in transit ₹ 11.35 Crores , Previous year ₹ 7.32 Crores, 1st April, 2016 ₹ 1.00 Crore)	71.93	63.91	55.47
Work-In-Progress (Includes in transit Nil, Previous year Nil, 1st April, 2016 ₹ 0.03 Crore)	43.48	42.27	39.68
Finished Goods	135.70	127.05	134.49
Stock-In-Trade (Includes in transit ₹ 2.81 Crores , Previous year ₹ 0.40 Crore, 1st April, 2016 Nil)	49.38	46.04	46.11
Stores and Spares (Includes in transit ₹ 0.05 Crore , Previous year Nil, 1st, April 2016 ₹ 0.08 Crore)	9.24	7.36	6.89
Packing Materials (Includes in transit Nil, Previous year Nil, 1st April, 2016 ₹ 0.08 Crore)	4.20	3.58	3.20
	313.93	290.21	285.84

* Inventories are hypothecated by way of first pari passu charge against working capital facilities. (Refer Note 21).

Note 8 Investments - Current

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investment in Unquoted Bonds carried at Amortised Cost			
SDD (Previous Year - Nil, 1st April, 2016 - Nil) 6% Non-Convertible Redeemable Taxable Bonds of face value of ₹ 10000/- each Fully Paid up, maturing on 31st January, 2019 of National Highways Authority of India	0.50	-	-
Aggregate amount of Unquoted Investments	0.50	-	-

Note 9 Trade Receivables

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured, Considered Good	-	-	0.46
Unsecured, Considered Good	192.35	123.18	108.23
Unsecured, Considered Doubtful	2.43	1.70	0.96
	194.78	124.88	109.65
Allowances for Doubtful Trade Receivables (Refer Note 43)	2.43	1.70	0.96
	192.35	123.18	108.69
Current	192.35	123.18	108.69
Non Current	-	-	-

Note 10 Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balances with Banks on Current Accounts	2.43	2.88	0.75
Cash on Hand	0.69	0.63	1.49
	3.12	3.51	2.24

Note 11 Other Bank Balances

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balances with Bank held as Margin Money *	0.76	0.05	0.05
Earmarked Balances - Unpaid Dividends (Refer Note 23)	0.12	0.09	0.08
	0.88	0.14	0.13

* Represents Margin Money against various Letters of Credit, Bank Guarantees and Other Commitments Issued by Banks on behalf of the Company.

Note 12 Loans - Current

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, Considered Good			
Loans to Employees	0.39	0.28	0.29
	0.39	0.28	0.29

Note 13 Other Financial Assets - Current

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Measured at Amortised Cost			
Unsecured, Considered Good			
Insurance Claims Receivable	0.11	0.35	0.22
Interest accrued on Deposits and Bonds	0.07	0.03	0.01
Measured at Fair Value through Profit or Loss (FVTPL)			
Derivatives	1.07	3.05	5.96
	1.25	3.43	6.19

Note 14 Other Current Assets

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, Considered Good			
Advances for Supply of Goods and rendering of Services	8.38	11.11	8.68
Prepaid Expenses	9.15	10.61	7.72
Balances with Statutory / Government Authorities	19.54	0.19	0.22
Input Tax Balance	29.23	1.34	2.17
Export Incentives Receivable	1.77	2.45	2.08
Duty Credit Scripts	0.15	0.28	0.45
	68.22	25.98	21.32

Note 15 Equity Share Capital

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised			
20,00,00,000 (Previous year - 20,00,00,000, 1st April, 2016 - 20,00,00,000) Equity Shares of ₹ 1/- each	20.00	20.00	20.00
Issued, Subscribed and Fully Paid up			
12,03,53,620 (Previous year - 12,01,30,250, 1st April, 2016 - 12,00,39,700) Equity Shares of ₹ 1/- each	12.03	12.01	12.00
	12.03	12.01	12.00

Reconciliation of Share Capital (Equity Shares of face value of ₹ 1/- each)

(₹ in Crores)

Particulars	Number of Shares	Amount
As at 1st April, 2016	120039700	12.00
Addition in Share Capital Issued under "RFL Employee Stock Option Plan 2014" (Refer Note 40)	90550	0.01
As at 31st March, 2017	120130250	12.01
Addition in Share Capital Issued under "RFL Employee Stock Option Plan 2014" (Refer Note 40)	223370	0.02
As at 31st March, 2018	120353620	12.03

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.

Equity Shares reserved under Employee Stock Option Plan

For details of Shares reserved under Employee Stock Option Plan (ESOP) refer Note 40.

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, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of Shares	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding
Ramesh Kumar Dua	31148150	25.88%	31473150	26.20%	31473150	26.22%
Mukand Lal Dua	26445700	21.97%	26770700	22.28%	26770700	22.30%
VLS Securities Limited	8150000	6.77%	8150000	6.78%	8150000	6.79%
VLS Finance Limited	6286791	5.22%	6286791	5.23%	8057760	6.71%

Aggregate number of Equity Shares issued as Bonus during the period of five years immediately preceding the reporting date

Board of Directors in their meeting held on 3rd July 2015 allotted 6,00,06,000 fully paid up Bonus Shares in the ratio of 1:1 (i.e. one Bonus Share of ₹ 1/- each to every shareholder holding one equity share of ₹ 1/- each).

Note 16 Other Equity

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Reserves and Surplus			
Securities Premium Reserve	10.54	3.63	0.84
Share Based Payment Reserve	4.80	3.16	2.80
General Reserve	699.82	574.76	464.76
Retained Earnings	34.02	12.81	9.24
	749.18	594.36	477.64

Reconciliation of Other Equity

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Securities Premium Reserve		
Opening Balance	3.63	0.84
Transferred from Share Based Payment Reserve on Issuance of Equity Shares issued under "RFL Employee Stock Option Plan 2014"	2.37	0.96
Securities Premium received on exercise of Equity Shares issued under "RFL Employee Stock Option Plan 2014"	4.54	1.83
Closing Balance	10.54	3.63
Share Based Payment Reserve		
Opening Balance	3.16	2.80
Share Based Payments under "RFL Employee Stock Option Plan 2014" (Refer Note 30)	4.07	1.32
Transferred to Securities Premium Reserve on Issuance of Equity Shares issued under "RFL Employee Stock Option Plan 2014"	(2.37)	(0.96)
Transferred to General Reserve on cancellation of Vested Options Issued under "RFL Employee Stock Option Plan 2014"	(0.06)	-
Closing Balance	4.80	3.16

Reconciliation of Other Equity (Contd.)

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
General Reserve		
Opening Balance	574.76	464.76
Transferred from Retained Earnings	125.00	110.00
Transferred from Share Based Payment Reserve on cancellation of Vested Options issued under "RFL Employee Stock Option Plan 2014"	0.06	-
Closing Balance	699.82	574.76
Retained Earnings		
Opening Balance	12.81	9.24
Profit for the Year	161.07	119.95
Other Comprehensive Income - Remeasurement Gains / (Losses) on Defined Benefit Plan (Net of Tax)	(0.40)	2.29
Dividend on Equity Shares (₹ 1.00 per share, previous year ₹ 0.60 per share)	(12.01)	(7.20)
Dividend Distribution Tax	(2.45)	(1.47)
Transferred to General Reserve	(125.00)	(110.00)
Closing Balance	34.02	12.81
	749.18	594.36

Nature and Purpose of Reserves

Securities Premium Reserve - Securities Premium Reserve represents the amount received in excess of par value of equity shares of the Company. The same, inter alia, may be utilized by the Company to issue fully paid-up bonus shares to its members and buying back the shares in accordance with the provisions of the Companies Act, 2013.

Share Based Payment Reserve - The company has Stock Option Plan under which Options to subscribe for the Company's Equity Shares have been granted to the Permanent Employees, existing and future including Whole-time Director (but excluding the Independent Directors and Promoter Directors) of the Company. This Reserve is used to recognise the value of Equity-settled Share-Based payments provided to Employees, including Key Management Personnel, as part of their Remuneration. Refer Note 40 for further details of this plan.

General Reserve - General Reserve represents the reserve created by apportionment of profit generated during the year or transfer from other reserves either voluntarily or pursuant to statutory requirements. The same is a free reserve and available for distribution.

Retained Earnings - Retained Earnings represents the undistributed profits of the Company.

Note 17 Borrowings - Non Current

(₹ in Crores)

Particulars	Maturity Date	Interest Rate	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured Term Loans from Banks					
Indian Rupee Loans	2021	8.25% - 9.10%	41.25	60.00	60.00
Foreign Currency Loans	2020	3m Libor+(2.10% - 3.00%)	26.02	57.55	100.54
			67.27	117.55	160.54
Current Maturities of Non Current Borrowings (Refer Note 23)			28.01	46.61	40.68
			39.26	70.94	119.86

Nature of Securities and Terms of Repayment

(₹ In Crores)

Particulars of Loans	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	Nature of Securities
Indian Rupee Loans				
Repayable in 16 quarterly installments with last payment due on 17th February, 2021 alongwith interest @ 8.25% - 9.10% per annum.	41.25	60.00	60.00	Exclusive Charge on Immovable & 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.
Foreign Currency Loans				
Repaid in 16 quarterly installments with last installment paid on 16th November, 2016 alongwith interest @ 3m Libor + 2.75% per annum.	-	-	5.27	Exclusive Charge on Immovable and Movable Assets at Plot No. 37, Sector 4B, Bahadurgarh, Haryana and Personal Guarantee of Managing Director and Whole Time Director.*
Repaid in 16 quarterly installments with last installment paid on 13th August, 2017 alongwith interest @ 3m Libor + 2.75% per annum.	-	2.43	7.59	
Repaid in 16 quarterly installments with last installment paid on 14th February, 2018 alongwith interest @ 3m Libor + 3.00% per annum.	-	16.21	33.72	Exclusive Charge on Immovable and Movable Assets at 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 25th February, 2020 alongwith interest @ 3m Libor + (2.10% - 2.40%) per annum. The Company has entered into Derivative Contract to hedge Principal and Interest Rates. Effective hedged Interest Rate is 9.36% - 9.66% per annum.	26.02	38.91	53.96	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.
	67.27	117.55	160.54	

*The charge created has been satisfied.

Note 18 Other Financial Liabilities - Non Current

(₹ In Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Retention Money	0.71	0.40	0.59
	0.71	0.40	0.59

Note 19 Provisions - Non Current

(₹ In Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Employee Benefit Provisions			
Gratuity [Refer Note 39(b)]	0.28	0.47	0.26
Unavailed Leaves	7.48	6.79	5.02
	7.76	7.26	5.28

Note 20 Deferred Tax Liabilities (Net)

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Tax Assets			
Borrowings	0.42	1.58	4.77
Expenses Allowable on Payment Basis	19.78	18.80	16.13
Allowances for Doubtful Trade Receivables	0.84	0.59	0.33
	21.04	20.97	21.23
Deferred Tax Liabilities			
Derivatives	0.53	0.94	3.81
Accumulated Depreciation/Amortisation on Property, Plant, Equipment and Intangible Assets	46.82	45.53	40.68
	47.35	46.47	44.49
Deferred Tax Liabilities (Net)	26.31	25.50	23.26

Deferred Tax Movement

(₹ in Crores)

Particulars	Year ended 31st March, 2018		Year ended 31st March, 2017	
	Profit and Loss	Other Comprehensive Income	Profit and Loss	Other Comprehensive Income
Borrowings	1.16	-	3.19	-
Expenses Allowable on Payment Basis	(0.77)	(0.21)	(3.89)	1.22
Allowances for Doubtful Trade Receivables	(0.25)	-	(0.26)	-
Derivatives	(0.41)	-	(2.87)	-
Accumulated Depreciation/Amortisation on Property, Plant, Equipment and Intangible Assets	1.29	-	4.85	-
Deferred Tax	1.02	(0.21)	1.02	1.22

Reconciliation of Deferred Tax Liabilities (Net)

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening Balance	25.50	23.26
Deferred Tax (Credit) / Charge recognised in		
Profit and Loss	1.02	1.02
Other Comprehensive Income	(0.21)	1.22
Closing Balance	26.31	25.50

Note 21 Borrowings - Current

(₹ in Crores)

Particulars	Maturity Date	Interest Rate	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured Working Capital facilities from Banks					
Loans Repayable on Demand	On Demand	5.45% - 11.75%	86.09	58.99	85.74
Buyer's Credit (Refer Note 42)	-	3m Libor+(0.80% - 0.85%)	-	1.90	3.87
			86.09	60.89	89.61

Nature of Securities

Secured by way of first Pari Passu charge on entire Current Assets, Movable Fixed Assets including Plant & Machinery, Immovable Property situated at Plot No.326, MIE, Bahadurgarh, Haryana and Personal Guarantee of Managing Director and Whole Time Director.

Note 22 Trade Payables

(₹ In Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Payables			
Micro and Small Enterprises (Refer Note 51)	13.75	7.09	5.39
Others	161.15	118.61	116.98
	174.90	125.70	122.37

Note 23 Other Financial Liabilities - Current

(₹ In Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Financial Liabilities measured at Amortised Cost			
Current Maturities of Non Current Borrowings (Refer Note 17)	28.01	46.61	40.68
Interest accrued on Borrowings	0.50	0.97	1.58
Security Deposits received from			
Customers	8.63	9.29	9.39
Others	0.38	0.37	0.25
Unpaid Dividends * (Refer Note 11)	0.12	0.09	0.08
Payable to Employees	24.50	19.44	18.24
Director's Commission Payable (Refer Note 47)	21.50	15.56	14.90
Retention Money	4.60	2.52	0.80
Payable for Capital Goods	4.39	2.56	3.23
Financial Liabilities measured at Fair Value through Profit or Loss (FVTPL)			
Derivatives	-	2.00	1.21
	92.63	99.41	90.36

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

Note 24 Other Current Liabilities

(₹ In Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advances from Customers	2.33	1.99	3.15
Statutory Liabilities			
Entry Tax	46.80	44.83	37.81
Others	6.84	8.10	8.04
Deferred Revenue	14.51	15.39	11.21
	70.48	70.31	60.21

Note 25 Provisions - Current

(₹ In Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Employee Benefit Provisions			
Gratuity [Refer Note 39(b)]	0.06	0.14	0.08
Unavailed Leaves	2.30	1.44	1.55
Other Provisions			
Sales Promotion Schemes	4.39	0.80	3.09
	6.75	2.38	4.72

Reconciliation of Provision for Sales Promotion Schemes

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening Balance	0.80	3.09
Addition during the year	4.02	0.80
Utilized during the year	0.43	3.09
Closing Balance	4.39	0.80

Note 26 Current Tax Liabilities (Net)

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Income Tax (Net of Advance Tax)	2.45	1.10	2.67
Interest on Income Tax	0.18	0.08	0.11
	2.63	1.18	2.78

Note 27 Revenue from Operations

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of Products Manufactured and Traded		
Footwear	1946.08	1632.80
Power	3.79	3.97
Others	5.26	6.48
	1955.13	1643.25
Other Operating Revenue		
Scrap Sale	5.89	4.76
Export Incentives	2.96	3.96
Others	0.46	-
	9.31	8.72
	1964.44	1651.97

Note 28 Other Income

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Income on Financial Assets measured at Amortised Cost		
Fixed Deposits, Security Deposits and Bonds	0.58	0.74
Other Non- Operating Income		
Net Gain on Sale of Current Investments carried at Fair Value through Profit or Loss (FVTPL)	0.50	0.01
Net Gain on Foreign Currency Transactions and Translations	3.08	11.01
Miscellaneous Income	0.30	1.85
	4.46	13.61

Note 29 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ In Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Inventories at the end of the year		
Finished Goods	135.70	127.05
Stock-in-Trade	49.38	46.04
Work-in-Progress	43.48	42.27
	228.56	215.36
Inventories at the beginning 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
Net (Increase) / Decrease		
Finished Goods	(8.65)	7.44
Stock-in-Trade	(3.34)	0.07
Work-in-Progress	(1.21)	(2.59)
	(13.20)	4.92
Increase/(Decrease) of Excise Duty	(0.42)	0.24
	(13.62)	5.16

Note 30 Employee Benefits Expense

(₹ In Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries, Wages and Other Benefits	183.06	152.56
Contribution to Provident and Other Funds [Refer Note 39(a)]	13.81	12.14
Gratuity Expenses [Refer Note 39(b)]	3.87	3.78
Staff Welfare Expenses	9.27	7.24
Share Based Payments (Refer Note 16)	4.07	1.32
	214.08	177.04

Note 31 Finance Costs

(₹ In Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest on Financial Liabilities measured at Amortised Cost *	8.43	14.55
Exchange Difference to the extent regarded as adjustment to Borrowing Cost	0.09	0.42
Other Borrowing Costs	0.07	0.06
	8.59	15.03

* Includes Interest on Income Tax ₹ 0.18 Crore (Previous year ₹ 0.08 Crore) and excludes ₹ 5.58 Crores (Previous year ₹ 4.38 Crores) capitalized during the year.

Note 32 Depreciation and Amortisation Expense

(₹ In Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation/Amortisation of Property, Plant and Equipment	45.57	42.75
Amortisation of Intangible Assets	8.77	8.71
	54.34	51.46

Note 33 Other Expenses

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Advertisement and Sales Promotion Expenses	86.21	69.48
Freight and Forwarding Charges	82.39	73.23
Power and Fuel	54.00	47.63
Stores Consumed	5.70	4.97
Processing Charges	148.48	126.77
Handling Charges	20.06	19.86
Repairs		
Building	1.41	0.94
Machinery (Including Spares)	10.70	10.70
Others	10.62	10.72
Rent (Refer Note 38)	47.10	44.48
Insurance	2.69	2.17
Rates and Taxes	0.62	0.46
Printing and Stationery	1.61	1.35
Travelling and Conveyance	17.12	14.91
Communication Expenses	3.75	4.40
Legal and Professional Expenses (Refer Note 50)	43.22	38.12
Security Expenses	8.45	8.61
Allowances for Doubtful Trade Receivables	0.73	0.74
Bad debts Written off	0.30	0.03
Net loss on Disposal / Write off of Property, Plant & Equipment and Intangible Assets	0.55	0.44
Fair Valuation loss on Derivatives	0.27	8.61
Contribution towards CSR (Refer Note 49)	2.78	-
Miscellaneous Expenses	8.98	8.75
	557.74	497.37

Note 34 Tax Expense

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Tax		
Current Tax	81.53	57.23
Tax for Earlier years (Net)	0.00	(0.17)
	81.53	57.06
Deferred Tax		
Relating to Origination and Reversal of Temporary Differences	1.02	1.02
	1.02	1.02
Tax Expense reported in Statement of Profit and Loss	82.55	58.08
Deferred Tax on Other Comprehensive Income		
Income Tax effect	(0.21)	1.22
	(0.21)	1.22

Reconciliation of Tax Expense and Profit

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit Before Tax	243.62	178.03
Income Tax @ 34.608%	84.31	61.61
Differences due to		
Deduction on Account of Tax Holiday Period	(1.01)	(4.43)
Temporary Differences on account of Property, Plant & Equipment	0.67	0.59
Others	(1.42)	0.48
Tax for Earlier years (Net)	0.00	(0.17)
Tax Expense as recognised in Statement of Profit and Loss	82.55	58.08

Company Information and Significant Accounting Policies

35. Company Information

Relaxo Footwears Limited ('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). For Company's principal shareholders refer Note 15.

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.

36. Significant Accounting Policies

a. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016.

For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements are the first financial statements of the Company under Ind AS. Refer Note 56 for an explanation of how the transition from previously applicable Indian GAAP (hereinafter referred to as 'IGAAP') to Ind AS has affected the financial position, financial performance and cash flows of the Company.

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount

- i) Certain financial assets and liabilities (including derivative instruments),
- ii) Defined benefit plans
- iii) Equity settled share based payments

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.

Deferred tax assets and liabilities are classified as non-current assets/liabilities.

b. Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with Ind AS requires the Company's Management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

The following are the critical judgements, estimations & assumptions that have been made by the Management in the process of applying the Company's accounting policies.

- Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed.
- Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the Management.
- When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted price in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.
- The Company makes allowances for doubtful trade receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.
- The determination of depreciation and amortisation charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation / amortisation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.
- Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.
- Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/ litigation against the company as it is not possible to predict the outcome of pending matters with accuracy.

c. Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost, net of accumulated depreciation/amortisation and impairment, if any. The cost 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. Trade discounts and rebates are deducted in arriving at the purchase price.

On transition to Ind AS, the Company has elected optional exemption under Ind AS 101 to continue with the carrying amount of all of its Property, Plant and Equipment (including Capital work-in-progress) recognised as at 1st April, 2016 measured under IGAAP as the deemed cost of the Property, Plant and Equipment.

Freehold land is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost of acquisition/bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of Property, Plant & Equipment is added to its carrying amount only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance

The Company identifies and determines cost of each component of the asset separately, if the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

The present value of the expected cost for decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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 Other Non-Current Assets. Expenses incurred related to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expense and disclosed under Capital Work-in-Progress.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

d. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation 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.

On transition to Ind AS, the Company has elected optional exemption under Ind AS 101 to continue with the carrying amount of Intangible Assets recognised as at 1st April, 2016 measured under IGAAP as the deemed cost of the Intangible Assets.

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 recognised 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 carrying amount 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 commercial feasibility has been established, in which case such expenditure is capitalised.

Intangible asset initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

e. Depreciation and Amortisation

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 (Years)
Plant and Machinery	30
Moulds	6
Wind Power Generation Plant	20
Mobiles	3

The useful lives of above assets have been assessed by the management considering the technical study, technological obsolescence, actual usage, historical data regarding breakdown, 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 within overall useful life of the parent asset.

Leasehold lands accounted under finance lease are amortised over the period of lease except where the lease is renewable.

Leasehold improvements are amortised on straight line basis over the period of lease or useful life whichever is lower.

Intellectual Property Rights are amortised over their useful life. Computer Software and Licences are being amortised over the period of five years on straight line basis.

f. Impairment of Non-Financial Assets

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal and external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

Impairment losses, are recognised in the Statement of Profit and Loss.

9. Financial Instruments

Classification:

The Company classifies its financial assets in the following measurement categories

i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss)

ii) Those measured at amortised cost

The classification depends the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent measurement

After initial recognition, financial assets are measured at

i) Fair value either through Other Comprehensive Income (FVTOCI) or through profit or loss (FVTPL) or,

ii) Amortised cost

Debt Instruments

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method.

Measured at fair value through Other Comprehensive Income (OCI)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income (FVTOCI). Fair value movements are recognised in the Other Comprehensive Income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain/ (loss) previously recognised in the Other Comprehensive Income (OCI) is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss

A financial asset not classified as either amortised cost or through Other Comprehensive Income (FVTOCI), is classified as fair value

through profit or loss (FVTPL). Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity Instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value through Profit or Loss (FVTPL). For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at Fair Value through other comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the Fair Value through Profit or Loss (FVTPL) category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

The Company derecognises a financial asset other than Fair Value through other comprehensive income (FVTOCI), when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of profit and loss.

Impairment

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss.

Reclassification

The Company determines classification of financial assets on initial recognition. After initial recognition, no reclassification is made for financial assets.

Financial Liabilities

Classification as Debt or Equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual

arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

De-recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

h. Fair Value Measurement

The Company measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- In the Principal market for asset or liability, or
- In the absence of a Principal market, in the most advantageous market for the asset or liability.

The Principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to fair value measurement as a whole) at the end of each reporting period.

i. Inventories

Raw Materials, Packing Materials, Stores and Spares are valued at lower of cost and net realisable 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.

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 moving weighted average basis.

Stock-in-Trade is valued at moving weighted average basis and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

Work-In-Progress and Finished Goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable 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.

j. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured. Revenue is measured at fair value of consideration received or receivable.

Revenue from sale of goods is recognised when ownership in the goods is transferred to the buyer for a price, when significant risks and rewards of ownership have been transferred to the buyer and no effective control, is retained by the Company. Sale of goods are stated net of trade discounts and volume rebates, and include excise duty wherever applicable.

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

Interest is recognised using the Effective Interest rate (EIR) method.

Dividend Income is recognised when the right to receive the payment is established.

Export Incentives are recognised in the Statement of Profit and Loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

k. Borrowing Costs

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings and charged to Statement of Profit and Loss on the basis of effective interest rate.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing cost 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.

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

l. Earnings Per Share

Basic earnings per share is computed by dividing the profit after tax 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 after tax 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.

m. Leases

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating lease. Payments made under operating leases (net of any incentives received from the lessor) are charged in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

n. Employee Share Based Payments

The fair value of options granted under Share Based Payment plan is recognised as an employee benefit expense with corresponding increase in equity in accordance with recognition and measurement principles as prescribed in Ind AS 102 Share Based Payments. The total expense is recognised over the vesting period.

o. Taxes

Current Tax

Income tax expense represents the sum of current and deferred tax (including MAT). Tax expense is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such case the tax expense is also recognised directly in equity or in other comprehensive income. Any subsequent change in income tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

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

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet approach.

Deferred tax liabilities are recognised for all taxable temporary difference and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax asset and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of section 115 JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and the same is reviewed at each balance sheet date.

p. Foreign Currency Transaction

Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Company's financial statements are presented in Indian rupee which is also the Company's functional and presentation currency.

Initial Recognition

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate between the functional & foreign currency prevailing at the date of transaction.

Subsequent Recognition

Monetary current assets and liabilities at the Balance Sheet date 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 recognised 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.

Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward contracts and interest rate swaps to hedge its foreign currency and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken to Statement of Profit and Loss.

q. Cash Flow Statement

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

Cash flows are reported using the indirect method as set out in Ind AS 7 "Statement of Cash Flows", whereby profit or (loss) 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.

x. Employee Benefits

Contribution towards provident fund and employee state insurance is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Plans 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.

The Company has a defined benefit gratuity plan. The Company funds the Plan through annual contributions to Life Insurance Corporation of India under its Employee Group Gratuity Scheme. Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year.

Re-measurements, comprising of actuarial gains and losses, the effect of asset ceiling, excluding amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

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.

s. Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation (legal or constructive) 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 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.

t. Corporate Social Responsibility (CSR)

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 1st April, 2015, Contribution towards CSR is recognised as an expense in the Statement of Profit and Loss in the period in which it is paid.

u. Dividend

The Company recognises a liability to make cash distribution to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v. Recent Accounting Pronouncements

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying following Ind AS

- Ind AS 115- Revenue from Contracts with Customers
- Amendments to Ind AS 21- The Effects of Foreign Exchange Rates.

The above are applicable to the Company from 1st April, 2018. The Company is evaluating the effects of the new Ind AS/amendments on its Financial Statements.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 37 Contingent Liabilities and Commitments

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Contingent Liabilities			
Claims against the Company not acknowledged as debts in respect of *			
Sales Tax Matters	1.47	0.60	0.38
Income Tax Matters	2.06	2.09	0.23
Central Excise Matters	-	-	0.32
	3.53	2.69	0.93
Others*			
Interest on Entry Tax, Haryana**	37.24	29.29	22.40
Interest on Entry Tax, Rajasthan	-	0.01	0.05
	37.24	29.30	22.45
Commitments			
Capital Commitments			
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advance)	35.92	32.43	42.75
Others			
Total Export Obligation against total duty saved of ₹ 16.15 Crores, (Previous year ₹ 14.12 Crores, 1st April 2016 ₹ 15.91 Crores)	124.73	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 potential undiscounted amount of total payments for taxes that the Company may be required to make if there was an adverse decision related to these disputed demands of regulators as of the date reporting period ends are as stated above.

** The matter was decided in favour of the Company and Department preferred appeal before Hon'ble Supreme Court of India. Supreme Court of India directed petitioner to file fresh Appeal in High Court. Matter is pending at High Court since 31st May, 2017.

Note 38 Disclosure on Operating Leases

The Company has entered into operating leases for Land and Building premises. These lease arrangements range for a period between 11 months to 20 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.

(₹ in Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
The future minimum lease payment under non-cancellable operating leases			
Not later than one year	0.01	0.77	2.08
Later than one year but not later than five years	-	0.00	0.55
Later than five years	-	-	-
	0.01	0.77	2.63

Lease Rentals charged to Statement of Profit and Loss ₹ 47.10 Crores (Previous year ₹ 44.48 Crores) (Refer Note 33)

Note 39 Disclosure on Employee Benefits

Disclosure is hereby given in pursuant to Ind AS19 - "Employee Benefits"

(a) Defined Contribution Plan

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss (Refer Note 30)

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Employer's Contribution to Provident and Other Fund	10.94	9.86
Employer's Contribution to ESIC Scheme	2.87	2.28
	13.81	12.14

(b) 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. Under the Gratuity Plan, every employee who has completed atleast five years of service gets Gratuity at the time of separation or retirement, whichever is earlier @ 15 days of last drawn salary for each completed year of service. The Present value of obligation is determined based on Actuarial Valuation using the Projected Unit Credit Method.

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Reconciliation of opening and closing balances of Defined Benefit Obligation		
Present Value of Defined Benefit Obligation at the beginning of the year	18.60	18.10
Current Service Cost	3.82	3.75
Interest Cost	1.38	1.40
Benefit Paid	(1.11)	(1.11)
Remeasurement (Gains)/Losses		
Actuarial (Gains)/Losses arising from changes in Demographic Assumptions	(2.08)	-
Actuarial (Gains)/Losses arising from changes in Financial Assumptions	0.24	(2.90)
Actuarial (Gains)/Losses arising from Experience Adjustments	2.56	(0.64)
Present Value of Defined Benefit Obligation at the end of the year	23.41	18.60
Reconciliation of opening and closing balances of the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	17.99	17.76
Interest Income	1.33	1.37
Remeasurement Gains/(Losses)		
Return on Plan Assets (Excluding amounts included in net interest expense)	0.11	(0.03)
Contribution by the Company	4.75	-
Benefits Paid	(1.11)	(1.11)
Fair Value of Plan Assets at the end of the year	23.07	17.99
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	23.41	18.60
Fair Value of the Plan Assets	23.07	17.99
Amount Recognised in Balance Sheet as Liability	0.34	0.61
Amount Recognised as Liability under		
Non Current (Refer Note 19)	0.28	0.47
Current (Refer Note 25)	0.06	0.14
	0.34	0.61
Expenses Recognised in the Statement of Profit and Loss (Refer Note 30)		
Current Service Cost	3.82	3.75
Interest Cost	0.05	0.03
	3.87	3.78
Expenses Recognised in Statement of Other Comprehensive Income		
Actuarial (Gains)/Losses arising from changes in Demographic Assumptions	(2.08)	-
Actuarial (Gains)/Losses arising from changes in Financial Assumptions	0.24	(2.90)
Actuarial (Gains)/Losses arising from experience Adjustments	2.56	(0.64)
Return on Plan Assets (Gains)/Losses (Excluding amounts included in Net Interest Expense)	(0.11)	0.03
	0.61	(3.51)
Expected Contribution to the Fund in next year		
Gratuity	3.90	4.28
Actuarial Assumptions		
Interest Rate for discounting (Per Annum) (%)	7.30	7.40
Withdrawal Rate (All Ages) (Per Annum) (%)	12.00	8.00
Retirement Age :		
For Employees of Group A (In Years)	58	60
For Employees of Group B (In Years)	70	70
Rate of Escalation in Salary (per annum) (%)	10.00	10.00
Method of Computation	Projected Unit Credit Method IALM (2006-2008)	
Demographic Assumption: Life Expectancy		

Quantitative sensitivity analysis for significant assumptions is as shown below

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Defined Benefit Obligation Base	23.41	18.60
Change in Discount Rate		
Increase by 1%	(1.51)	(1.71)
Decrease by 1%	1.71	2.02
Change in Salary Escalation		
Increase by 1%	1.65	1.95
Decrease by 1%	(1.49)	(1.69)

Changes in Defined Benefit Obligation due to 1% Increase / Decrease in Mortality Rate is negligible.

The above Sensitivity Analysis have been determined based on a method that extrapolates the Impact on Defined Benefit Obligation as a result of reasonable changes in significant assumptions occurring at the end of the reporting period if all other assumptions remain constant.

Maturity Profile of Defined Benefit Obligation

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Weighted Average Duration of the Defined Benefit Obligation (in Years)	11	17
Expected Payment in future years		
Within next 12 months	2.49	0.96
Between 1 and 5 years	8.13	4.57
More than 5 years	12.79	13.07
	23.41	18.60

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 (Refer Note 47).

Risk Exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows

Investment Risk - The Present value of the Defined Benefit Plan Liability is calculated using a discount rate determined by reference to Government Bonds yield. If Plan liability is funded and return on Plan Assets is below this rate, It will create a plan deficit.

Interest Risk (Discount Rate Risk) - A decrease in the bond interest rate (discount rate) will increase the Plan liability.

Mortality Risk - The Present value of the Defined Benefit Plan liability is calculated by reference to the best estimate of the mortality of Plan participants. For this report, Indian Assured Lives Mortality (2006-08) Ultimate table has been used. A change in mortality rate will have a bearing on the Plan's liability.

Salary Risk - The Present value of the Defined Benefit Plan Liability is calculated with the assumption of salary increase rate of Plan participants in future. Deviation in the rate of increase of salary in future for Plan participants from the rate of increase in salary used to determine the Present value of obligation will have a bearing on the Plan's liability.

Note 40 Employee Stock Option Plan

RFL Employee Stock Option Plan 2014 (hereinafter referred to as the "ESOP 2014" / "The Plan"), was approved by the Shareholders through Postal Ballot on 5th August, 2014. The Plan entitles the permanent employees, existing and future, including the Whole-Time Director (but excluding the Independent Directors and Promoter 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 payment plan	Fair Value
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 November 2016, 5th August 2017, 4th November 2017
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

Particulars	Options granted on 4th November, 2017	Options granted on 5th August, 2017
Vesting Schedule	10%, 15%, 25% and 50% at each year	10%, 15%, 25% and 50% at each year
Exercise Period (In Years)	4	4
Exercise Price (In ₹)	593.95	456.95
Market price on the date of grant (In ₹)	593.95	456.95

The Details of activity under the scheme are summarized below

Particulars	Year ended 31st March, 2018		Year ended 31st March, 2017	
	No. of Options	WAEP (In ₹)	No. of Options	WAEP (In ₹)
Outstanding at the beginning of the year	333800	245.46	420440	218.53
Granted during the year	494200	464.68	54400	469.71
Vested during the year	280790	333.66	105440	213.78
Forfeited during the year	62540	406.28	50490	339.32
Exercised during the year (Refer Note 15)	223370	204.20	90550	202.82
Outstanding at the end of the year	542090	443.61	333800	245.46
Exercisable at the end of the year	86690	333.66	29950	223.51

The weighted average remaining contractual life for the stock options outstanding as at 31st March, 2018 is 5.95 years (Previous Year 4.05 years). The weighted average exercise price for options outstanding as at 31st March, 2018 is ₹ 443.77 (Previous Year ₹ 245.46).

The weighted average Fair Value of stock options granted during the year ended on 31st March, 2018 is ₹ 327.05 per option (Previous Year ₹ 168.98 per option).

The Black Scholes valuation model has been used for computing weighted average Fair Value considering the following inputs

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Stock Price (In ₹)	464.68	469.71
Volatility (%)	85.40	40.79
Risk Free Rate (%)	6.50	6.89
Exercise Price (In ₹)	464.68	469.71
Time to Maturity (In years)	5.15	3.12
Dividend Yield (%)	0.22	0.13

Note 41 Disclosure on Earnings Per Share

As per requirement of Ind AS 33 - "Earnings Per Share", following is the disclosure

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Profit for the Year	161.07	119.95
Weighted average number of Equity Shares in calculating Basic EPS	120220822	120076168
Dilutive Impact for number of ESOPs	146592	148537
Weighted average number of Equity Shares in calculating Diluted EPS	120367414	120224705
Earnings Per Equity Share of ₹ 1/- each (In ₹)		
Basic	13.40	9.99
Diluted	13.38	9.98

Note 42 Foreign Currency Exposure

The details of Foreign Currency Exposure are given below

(Amount in Crores)

Nature	UoM	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		Amount		Amount		Amount	
		FCY	₹	FCY	₹	FCY	₹
Unhedged Foreign Currency Exposure							
Import Payables	USD	0.08	5.19	0.06	3.97	0.15	10.23
Import Payables	EURO	0.00	0.06	0.00	0.01	0.00	0.03
Import Payables	AED	0.00	0.07	-	-	-	-
Export Receivables	USD	0.27	17.59	0.19	12.15	0.12	7.88
Export Receivables	GBP	-	-	-	-	0.01	0.56
Bank Balance	AED	0.00	0.05	-	-	-	-
Hedged Foreign Currency Exposure							
Currency Rate Swaps	USD	0.40	26.02	0.89	57.55	1.49	100.54
Interest Rate Swaps	USD	0.00	0.10	0.00	0.27	0.01	0.46
Number of buy contracts	Nos	70		59		58	
Forward Contracts - Import Payables	USD	0.28	18.44	0.25	16.01	0.33	21.76
Forward Contracts - Import Orders	USD	0.74	48.22	0.69	44.88	0.53	34.83
Forward Contracts - Import Orders	EURO	0.21	17.02	-	-	-	-
Forward Contracts - Buyer's Credit*	USD	-	-	0.03	1.90	0.06	3.87
Number of sell contracts	Nos	Nil		Nil		1	
Forward Contracts - Export Receivables	USD	-	-	-	-	0.02	1.33

* Refer Note 21

Note 43 Financial Risk Management

The Company's principal financial liabilities other than derivatives comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes trade and other receivables, security deposits, Cash and cash equivalents and loans that derive directly from its operations. The Company also hold investments carried at fair value through other Comprehensive Income (FVTOCI)/ Amortised cost. The Company is exposed to credit risk, liquidity risk and market risk that are summarised as under.

Nature	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash Equivalents, Trade Receivables, and other Financial Assets	Ageing analysis	Trade Receivables are reviewed and assessed for impairment losses at every reporting period, fixing of Credit Limits and dealing with high credit rating Banks.
Liquidity Risk	Borrowings, Trade Payables and other Financial Liabilities	Annual Projected Cash Flow with periodic review	Availability of committed credit lines and borrowing facilities
Market Risk			
Foreign Exchange Risk	Recognised Financial Assets and Liabilities not denominated in Indian rupees (₹)	Sensitivity analysis	Risk coverage through Forward exchange contracts/Currency swaps
Interest Rate Risk	Term Loan & Working Capital Facilities from Bank	Sensitivity analysis	Foreign Currency interest rate swaps
Price Risk	Investments in Equity Securities	Sensitivity analysis	Portfolio diversification

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (Primarily trade receivables).

Management of Credit Risk

Concentration of credit risk with respect to trade receivables are limited, due to the customer base being large across all regions. All trade receivables are reviewed and assessed at every reporting period.

Historical experience of collecting receivables of the Company is supported by low level of past defaults and hence the credit risk is perceived to be low.

The Credit risk on cash and bank balances and derivatives is negligible because the counterparties are Banks.

Exposure to Credit Risk

(₹ In Crores)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Financial Assets for which Allowance are measured using 12 Months expected credit loss				
Non Current				
Investments	3	0.20	0.70	0.50
Loans	4	16.20	14.56	13.71
Other Financial Assets	5	0.61	0.90	5.73
		17.01	16.16	19.94
Current Assets				
Investments	8	0.50	-	-
Cash and Cash Equivalents	10	3.12	3.51	2.24
Other Bank Balances	11	0.88	0.14	0.13
Loans	12	0.39	0.28	0.29
Other Financial Assets	13	1.25	3.43	6.19
		6.14	7.36	8.85
Financial Assets for which Allowance are measured using life time expected credit loss				
Current Assets				
Trade Receivables	9	192.35	123.18	108.69

Ageing Analysis of Trade Receivables

(₹ In Crores)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Up to 30 days past due	157.96	103.81	93.50
31 to 90 days past due	23.87	14.51	11.57
91 to 180 days past due	6.96	2.44	1.45
181 to 365 days past due	2.63	1.87	1.54
More than 365 days past due	0.93	0.55	0.63
	192.35	123.18	108.69

Reconciliation of Allowances for Doubtful Trade Receivables

(₹ In Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening Balance	1.70	0.96
Addition during the year	0.73	0.74
Reversed during the year	-	-
Closing Balance	2.43	1.70

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's main source of liquidity is cash and cash equivalents and the Cash flows that is generated from operations. The Company's approach to manage liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast with actual cash flows and matching the maturity profiles of the financial assets and liabilities.

The table below provides the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. (₹ in Crores)

Particulars	Note No.	Carrying Amount	Maturity Profile of Financial Liabilities			
			Within 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March, 2018						
Non-Current Liabilities						
Financial Liabilities						
Borrowings	17	39.26	-	39.26	-	39.26
Other Financial Liabilities	18	0.71	-	0.71	-	0.71
Current Liabilities						
Financial Liabilities						
Borrowings	21	86.09	86.09	-	-	86.09
Trade Payables	22	174.90	174.90	-	-	174.90
Other Financial Liabilities*	23	92.63	92.63	-	-	92.63
		393.59	353.62	39.97	-	393.59
As at 31st March, 2017						
Non-Current Liabilities						
Financial Liabilities						
Borrowings	17	70.94	-	70.94	-	70.94
Other Financial Liabilities	18	0.40	-	0.40	-	0.40
Current Liabilities						
Financial Liabilities						
Borrowings	21	60.89	60.89	-	-	60.89
Trade Payables	22	125.70	125.70	-	-	125.70
Other Financial Liabilities*	23	99.41	99.41	-	-	99.41
		357.34	286.00	71.34	-	357.34
As at 1st April, 2016						
Non-Current Liabilities						
Financial Liabilities						
Borrowings	17	119.86	-	119.86	-	119.86
Other Financial Liabilities	18	0.59	-	0.59	-	0.59
Current Liabilities						
Financial Liabilities						
Borrowings	21	89.61	89.61	-	-	89.61
Trade Payables	22	122.37	122.37	-	-	122.37
Other Financial Liabilities*	23	90.36	90.36	-	-	90.36
		422.79	302.34	120.45	-	422.79

* Security Deposit received from customers are repayable on termination of agreement.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange risk, interest rate risk and other price risk, such as equity price risk and commodity price risk. Financial instruments affected by market risk include Indian rupee loans, foreign currency loans and buyer's credit.

Foreign Exchange Risk

Foreign Exchange risk is the risk that the Fair Value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (When revenue or expense is denominated in a foreign currency). The Company uses forward exchange contracts to mitigate foreign exchange related risk exposures. The Company's exposure to unhedged foreign currency risk as at 31st March 2018, 31st March 2017 and 1st April 2016 has been disclosed (Refer Note 42). Currency risks related to the principal amounts of the Company's US dollar bank loans, have been hedged using currency swaps that mature when due for repayment.

Foreign Currency Risk Sensitivity

The following table demonstrate the sensitivity analysis on Profit before tax due to change in USD exchange rate, with all other variables held constant. The impact on the Company's Profit Before Tax is due to changes in the Fair Value of monetary assets and liabilities.

USD Sensitivity Analysis

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Impact on Profit Before Tax due to change in USD rate		
Increase by 2%	0.25	0.16
Decrease by 2%	(0.25)	(0.16)

The Company's unhedged foreign currency exposure denominated in Euro & AED are insignificant, hence sensitivity analysis has not been disclosed.

Interest Rate Risk

Interest rate risk is the risk that the Fair Value or future cash flows of a Financial Instrument will fluctuate because of changes in market interest rates. The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings.

Exposure to Interest Rate Risk

As at 31st March, 2018, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹127.34 Crores (Previous year ₹118.99 Crores, 1st April 2016 ₹145.74 Crores)

Interest Rate Risk Sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in interest rate with all other variables held constant. The impact on the Company's Profit Before Tax is due to changes in the interest rates on variable rate portion of loans & borrowings.

Interest Rate Sensitivity Analysis

(₹ in Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Impact on Profit Before Tax due to change in Interest Rate		
Increase by 0.50 bps	(0.25)	(0.28)
Decrease by 0.50 bps	0.25	0.28

Price Risk

Equity Price Risk

The Company's Unquoted Equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment. The investment in Unquoted Equity instruments is not significant.

Commodity Price Risk

The key raw materials used in the manufacturing of footwear are Natural Rubber, Synthetic Rubber, EVA and PU Material. Price volatility of these commodities depend mainly on the international market conditions and fluctuation in the price of crude oil and its derivatives. To mitigate the risk, the Company has been constantly monitoring the price trend in domestic and international market.

Note 44 Capital Management

Capital includes Equity Share Capital and Other Equity attributable to the Equity holders of the Company. The Primary objective of the Company's Capital Management is to ensure that it maintains an Efficient Capital Structure and maximise the Shareholder's Value.

The Company manages its Capital Structure and makes adjustments in light of changes in economic conditions and all the requirements of the financial covenants. To maintain or adjust the Capital Structure, the Company may adjust the dividend payment to Shareholders, return Capital to Shareholders or issue new shares.

Debt to Equity Ratio

(₹ in Crores)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Equity Share Capital	15	12.03	12.01	12.00
Other Equity	16	749.18	594.36	477.64
Total Equity		761.21	606.37	489.64
Non Current- Borrowing	17	39.26	70.94	119.86
Debt to Equity Ratio		0.05	0.12	0.24

No Changes were made in the objectives, policies or processes for managing Capital during the year ended 31st March, 2018.

Note 45 Events Occurring after the Balance Sheet Date

The Board of Directors has recommended dividend at the rate of ₹ 1.50 per share of face value of ₹ 1/- each aggregating to ₹ 21.76 Crores (including Dividend distribution tax of ₹ 3.71 Crores) for the year ended 31st March, 2018.

Note 46 Collaterals

The Company has hypothecated/mortgaged its Current assets, Property Plant & Equipment as collateral against its borrowing. (Refer Note 17 & 21)

Note 47 Related Party Transactions

In pursuant to Ind AS 24 "Related Party Disclosures" are as under

(i) Names of Related Parties and Related Party Relationship

(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 47 (i) (a) and 47 (i) (b) above Exercise Significant Influence.

Name of Entities

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
 Shri Mool Chand Dua Memorial Society

(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

(e) Independent Directors**Name**

Mr. Pankaj Shrimall

Mr. Kuruvila Kuriakose

Mr. Vivek Kumar

Ms. Deepa Verma

(f) Employee Group Gratuity Scheme**Name of trust**

Trustees Relaxo Footwears Limited Employee Group Gratuity Scheme

ii) Related Party Transactions

(₹ In Crores)

Particulars	Entities where KMP and Individuals exercise Significant Influence	Individuals having Significant Influence over the Company and KMP	KMP	Relatives of Individuals and KMP	Independent Directors	Trustees Relaxo Footwears Limited Employee Group Gratuity Scheme	Total
Sale	0.01 -	- -	- -	- -	- -	- -	0.01 -
Rent	7.31 (7.17)	1.01 (0.98)	0.73 (0.72)	2.84 (2.79)	- -	- -	11.89 (11.66)
Dividend	0.03 (0.01)	5.82 (3.50)	0.45 (0.27)	2.70 (1.62)	- -	- -	9.00 (5.40)
Short-term employee benefits- Salary	- -	2.41 (2.41)	2.71 (1.72)	3.28 (3.00)	- -	- -	8.40 (7.13)
Post-employment benefits- Provident Fund and Gratuity	- -	0.29 (0.29)	0.17 (0.15)	0.23 (0.40)	- -	- -	0.69 (0.84)
Long-term employee benefits- Leave Encashment	- -	- -	0.03 (0.04)	- -	- -	- -	0.03 (0.04)
Contribution to Post Employment Benefit Plan	- -	- -	- -	- -	- -	4.75 -	4.75 -
Commission	- -	21.50 (15.56)	- -	- -	- -	- -	21.50 (15.56)
Sitting Fees	- -	- -	- -	- -	0.14 (0.11)	- -	0.14 (0.11)
Contribution towards CSR	2.78 -	- -	- -	- -	- -	- -	2.78 -
Issue of Shares under "RFL Employee Stock Option Plan 2014" (In Number)	- -	- -	24480 -	- -	- -	- -	24480 -
Guarantees and Collaterals taken*	- -	304.61 (425.04)	- -	- -	- -	- -	304.61 (425.04)

Previous Year figures are given in brackets

* Off Balance Sheet item

Note 48 Fair Value Measurements

The Fair Value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The following methods, assumptions and valuation technique were used to estimate the Fair values

- The Carrying amounts of Cash and cash equivalents, Other bank balances, Trade receivables, Trade payables, Borrowings and Other financial assets and liabilities are considered same as their fair value due to their short term nature.
- Financial Assets and Liabilities with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty.
- The Management assessed that fair values of above financial assets and liabilities approximate their carrying value due to amortised cost being calculated based on the Effective Interest Rates.
- The fair value of cross currency interest rate swaps is determined as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward exchange contracts and currency swaps is determined using forward exchange rates at the Balance Sheet date.

Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value & amortised cost for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed as per Ind AS 113- "Fair Value Measurement".

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The below table provides comparison by class of Carrying amount and Fair Value of the Company's Financial Instruments along with Fair Value Hierarchy. (₹ in Crores)

Particulars	Note No.	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
		Carrying Amount	Fair Value	Fair Value Hierarchy	Carrying Amount	Fair Value	Fair Value Hierarchy	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial Assets carried at Amortised Cost										
Non-Current Assets										
Investments	3									
Unquoted Bonds		-	-		0.50	0.50	Level 3	0.50	0.50	Level 3
Loans	4									
Loans to Employees		0.02	0.02	Level 3	0.06	0.06	Level 3	0.01	0.01	Level 3
Security Deposits		16.18	16.18	Level 3	14.50	14.50	Level 3	13.70	13.70	Level 3
Other Financial Assets	5									
Share Application Money		-	-		-	-		0.20	0.20	Level 3
Balances with Bank held as Margin Money		0.13	0.13	Level 2	0.13	0.13	Level 2	0.00	0.00	Level 2
Current Assets										
Investments	8	0.50	0.50	Level 3	-	-		-	-	
Trade Receivables	9	192.35	192.35	Level 3	123.18	123.18	Level 3	108.69	108.69	Level 3
Cash and Cash Equivalents	10	3.12	3.12	Level 3	3.51	3.51	Level 3	2.24	2.24	Level 3
Other Bank Balances	11	0.88	0.88	Level 2	0.14	0.14	Level 2	0.13	0.13	Level 2
Loans	12									
Loans to Employees		0.39	0.39	Level 3	0.28	0.28	Level 3	0.29	0.29	Level 3
Other Financial Assets	13									
Insurance Claims Receivable		0.11	0.11	Level 3	0.35	0.35	Level 3	0.22	0.22	Level 3
Interest accrued on Deposits and Bonds		0.07	0.07	Level 3	0.03	0.03	Level 3	0.01	0.01	Level 3
		213.75	213.75		142.68	142.68		125.99	125.99	

Particulars	Note No.	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
		Carrying Amount	Fair Value	Fair Value Hierarchy	Carrying Amount	Fair Value	Fair Value Hierarchy	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial Assets carried at Fair Value through Profit or Loss										
Non-Current Assets										
Other Financial Assets	5									
Derivatives		0.48	0.48	Level 2	0.77	0.77	Level 2	5.53	5.53	Level 2
Current Assets										
Other Financial Assets	13									
Derivatives		1.07	1.07	Level 2	3.05	3.05	Level 2	5.96	5.96	Level 2
		1.55	1.55		3.82	3.82		11.49	11.49	
Financial Assets carried at Fair Value through Other Comprehensive Income										
Non-Current Assets										
Investments	3									
Unquoted Equity Instruments		0.20	0.20	Level 3	0.20	0.20	Level 3	-	-	
Financial Liabilities carried at Amortised Cost										
Non-Current Liabilities										
Borrowings	17	39.26	39.26	Level 2	70.94	70.94	Level 2	119.86	119.86	Level 2
Other Financial Liabilities	18									
Retention Money		0.71	0.71	Level 3	0.40	0.40	Level 3	0.59	0.59	Level 3
Current Liabilities										
Borrowings	21	86.09	86.09	Level 2	60.89	60.89	Level 2	89.61	89.61	Level 2
Trade Payables	22	174.90	174.90	Level 3	125.70	125.70	Level 3	122.37	122.37	Level 3
Other Financial Liabilities	23									
Current Maturities of Non Current Borrowings		28.01	28.01	Level 2	46.61	46.61	Level 2	40.68	40.68	Level 2
Interest accrued on Borrowings		0.50	0.50	Level 3	0.97	0.97	Level 3	1.58	1.58	Level 3
Security Deposits received from Customers		8.63	8.63	Level 3	9.29	9.29	Level 3	9.39	9.39	Level 3
Others		0.38	0.38	Level 3	0.37	0.37	Level 3	0.25	0.25	Level 3
Unpaid Dividend		0.12	0.12	Level 3	0.09	0.09	Level 3	0.08	0.08	Level 3
Payable to Employees		24.50	24.50	Level 3	19.44	19.44	Level 3	18.24	18.24	Level 3
Director's Commission Payable		21.50	21.50	Level 3	15.56	15.56	Level 3	14.90	14.90	Level 3
Retention Money		4.60	4.60	Level 3	2.52	2.52	Level 3	0.80	0.80	Level 3
Payable for Capital Goods		4.39	4.39	Level 3	2.56	2.56	Level 3	3.23	3.23	Level 3
		393.59	393.59		355.34	355.34		421.58	421.58	
Financial Liabilities carried at Fair Value through Profit or Loss										
Current Liabilities										
Other Financial Liabilities	23									
Derivatives		-	-		2.00	2.00	Level 2	1.21	1.21	Level 2

There were no transfers between any levels during the year.

The sensitivity analysis of inputs to Fair Valuation of Investment carried at Fair Value through Other Comprehensive Income, is not significant, hence no disclosure is made.

Note 49 Corporate Social Responsibility

Company implements its CSR activities through a registered society, namely Relaxo Foundation which focuses on bringing change in the lives of underprivileged communities surrounding Relaxo Plants. The thrust area of the Relaxo Foundation is 'Education & Skill Development', and 'Health & Hygiene' with particular focus on women, children and youth.

Company has formed a CSR committee under Section 135 of the Companies Act 2013 for implementation of CSR policy.

(₹ In Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Amount required to be spent by the Company in accordance with Section 135 of Companies Act, 2013	3.34	2.78
Amount spent during the year (On purpose other than construction/acquisition of assets controlled by the Company) (Refer Note 33)	2.78	-

Note 50 Payment to Auditors*

(₹ In Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
As Auditor		
Statutory Audit Fees	0.11	0.09
Tax Audit Fees	-	0.04
In Other Capacity		
Limited Review and Other Services	0.07	0.08
	0.18	0.21

* Included in Legal & Professional Expenses (Refer Note 33)

Note 51 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 (Refer Note 22). 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 52 Segment Reporting**Operating Segment**

Based on guiding principles given in Ind AS 108 on "Operating Segments", the Company's business activity falls within a Single Operating Segment namely, "Footwear and Related Products", hence, the disclosure requirements relating to "Operating Segments" of Ind AS 108 are not applicable.

Geographical Segment

(₹ In Crores)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Revenue from		
Within India	1915.87	1601.89
Outside India	48.57	50.08
	1964.44	1651.97

There is no Customer having revenue amounting to 10% or more of Company's total Revenue.

Note 53 Authorisation for issue of Financial Statements

The Financial Statements were authorised for issue by the Board of Directors at their meeting held on 11th May, 2018.

Note 54 Rounding off

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 55 Regrouped, Recast and Reclassified

Previous year figures have been regrouped wherever necessary.

Note 56 Transition to Ind AS

These are the first financial statements of the Company prepared in accordance with Ind AS.

The accounting policies set out in Note 36 have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS Balance Sheet as at 1st April, 2016 (the date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP) and other relevant provisions of the act.

Exemptions

Ind AS 101 allows first-time adopters exemptions of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost for Property, Plant and Equipment, Capital work-in-progress and Intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment & capital work-in-progress as recognised in the financial statements as at the date of transition to Ind AS, measured as per IGAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for Intangible Assets & Intangible Assets under Development covered by Ind AS 38. Accordingly, the Company has elected to measure the above mentioned assets at IGAAP carrying value.

Exceptions

Estimates

On assessment of estimates made under the IGAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under IGAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

Classification and measurement of financial assets

The Company has classified and measured the financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of entity's choosing provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

An explanation of how the transition from IGAAP to Ind AS has affected the Company's financial position and financial performance is set out in the following tables and notes.

Reconciliation between IGAAP and Ind AS

Ind AS 101 requires an entity to reconcile Equity, Total Comprehensive Income and Cash Flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

a) Reconciliation of Equity

(₹ in Crores)

Particulars	Notes to First Time Adoption	As at 31st March, 2017			As at 1st April, 2016		
		IGAAP*	Adjustments	IND AS	IGAAP*	Adjustments	IND AS
ASSETS							
Non-Current Assets							
Property, Plant and Equipment	a	480.08	(0.28)	479.80	462.61	(0.31)	462.30
Capital Work-in-Progress		61.91	-	61.91	27.99	-	27.99
Intangible Assets		61.22	-	61.22	67.92	-	67.92
Intangible Assets under Development		0.51	-	0.51	0.24	-	0.24
Financial Assets							
Investments		0.70	-	0.70	0.50	-	0.50
Loans		14.56	-	14.56	13.71	-	13.71
Other Financial Assets	b	0.13	0.77	0.90	0.21	5.52	5.73
Other Non-Current Assets	a	3.75	0.26	4.01	5.30	0.29	5.59
		622.86	0.75	623.61	578.48	5.50	583.98
Current Assets							
Inventories		290.21	-	290.21	285.84	-	285.84
Financial Assets							
Trade Receivables	c	123.71	(0.53)	123.18	108.69	-	108.69
Cash and Cash Equivalents		3.51	-	3.51	2.24	-	2.24
Other Bank Balances		0.14	-	0.14	0.13	-	0.13
Loans		0.28	-	0.28	0.29	-	0.29
Other Financial Assets	b	0.38	3.05	3.43	0.23	5.96	6.19
Other Current Assets	a,b	26.05	(0.07)	25.98	21.49	(0.17)	21.32
		444.28	2.45	446.73	418.91	5.79	424.70
Total Assets		1067.14	3.20	1070.34	997.39	11.29	1008.68
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital		12.01	-	12.01	12.00	-	12.00
Other Equity	e,k	592.78	1.58	594.36	467.98	9.66	477.64
Total Equity		604.79	1.58	606.37	479.98	9.66	489.64
Liabilities							
Non-Current Liabilities							
Financial Liabilities							
Borrowings	b	69.81	1.13	70.94	112.99	6.87	119.86
Other Financial Liabilities		0.40	-	0.40	0.59	-	0.59
Provisions		7.26	-	7.26	5.28	-	5.28
Deferred Tax Liabilities (Net)	d	28.34	(2.84)	25.50	27.01	(3.75)	23.26
		105.81	(1.71)	104.10	145.87	3.12	148.99
Current Liabilities							
Financial Liabilities							
Borrowings		60.89	-	60.89	89.61	-	89.61
Trade Payables		125.70	-	125.70	122.37	-	122.37
Other Financial Liabilities	b	94.97	4.44	99.41	82.51	7.85	90.36
Other Current Liabilities	f	54.92	15.39	70.31	49.00	11.21	60.21
Provisions	b,e,f	18.88	(16.50)	2.38	25.27	(20.55)	4.72
Current Tax Liabilities (Net)		1.18	-	1.18	2.78	-	2.78
		356.54	3.33	359.87	371.54	(1.49)	370.05
Total Liabilities		462.35	1.62	463.97	517.41	1.63	519.04
Total Equity and Liabilities		1067.14	3.20	1070.34	997.39	11.29	1008.68

* IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

b) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

(₹ in Crores)

Particulars	Notes to First Time Adoption	IGAAP*	Adjustments	Ind AS
INCOME				
Revenue from Operations	g	1739.84	(87.87)	1651.97
Other Income	b	3.54	10.07	13.61
Total Income		1743.38	(77.80)	1665.58
EXPENSES				
Cost of Materials Consumed		580.13	-	580.13
Purchases of Stock-in-Trade		140.54	-	140.54
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		5.16	-	5.16
Excise Duty on Sale of Goods	g	-	20.82	20.82
Employee Benefits Expense	h,i	172.21	4.83	177.04
Finance Costs	b	15.18	(0.15)	15.03
Depreciation and Amortization Expense	a	51.48	(0.02)	51.46
Other Expenses	a,b,c,g	597.32	(99.95)	497.37
Total Expenses		1562.02	(74.47)	1487.55
Profit Before Tax		181.36	(3.33)	178.03
Tax Expense				
Current Tax		57.23	-	57.23
Deferred Tax (Credit) / Charge	d	1.33	(0.31)	1.02
Tax for Earlier years (Net)		(0.17)	-	(0.17)
		58.39	(0.31)	58.08
Profit for the Year		122.97	(3.02)	119.95
Other Comprehensive Income	j			
Items that will not be reclassified to Profit or Loss				
Remeasurement Gains / (Losses) on Defined Benefit Plan	h	-	3.51	3.51
Income Tax effect	d	-	(1.22)	(1.22)
		-	2.29	2.29
Total Comprehensive Income for the Year (Comprising Profit and Other Comprehensive Income for the year)		122.97	(0.73)	122.24

* IGAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of Equity

(₹ in Crores)

Particulars	Notes to First Time Adoption	As at 31st March, 2017	As at 1st April, 2016
Equity as per IGAAP		604.79	479.98
Adjustments			
Fair Valuation of Derivatives	b	(0.73)	(2.76)
Allowances for Doubtful Trade Receivables	c	(0.53)	-
Proposed Dividend (including Dividend Distribution Tax)	e	-	8.67
Deferred Tax Impact	d	2.84	3.75
		1.58	9.66
Equity as per Ind AS		606.37	489.64

Reconciliation of Total Comprehensive Income

(₹ in Crores)

Particulars	Notes to First Time Adoption	Year ended 31st March, 2017
Profit after Tax as per IGAAP		122.97
Adjustments		
Fair Valuation Gain on Derivatives	b	2.03
Allowances for Doubtful Trade Receivables	c	(0.53)
Remeasurement of Defined Benefit Plan	h	(3.51)
Share Based Payments	i	(1.32)
Deferred Tax Impact	d	0.31
		(3.02)
Profit for the Year as per Ind AS		119.95
Other Comprehensive Income (Net of Taxes)	g,h,j	2.29
Total Comprehensive Income as per Ind AS		122.24

Footnotes to the first time adoption of Ind AS

a) Property, Plant and Equipment

Under IGAAP, leasehold land pertaining to windmill was shown under this head. The same is accounted for as an operating lease under Ind AS. Therefore, the net carrying amount of such leasehold land as at 31st March, 2017 amounting to ₹ 0.28 crore (1st April, 2016 ₹ 0.31 crore) has been classified under other non current and current assets. Other non current and current assets as at 31st March, 2017 have increased by ₹ 0.26 crore (1st April, 2016 ₹ 0.29 crore) and ₹ 0.02 crore (1st April 2016 ₹ 0.02 crore) respectively. Further, depreciation on such leasehold land amounting to ₹ 0.02 crore was reclassified from depreciation and amortisation expense to other expenses. There is no impact on equity or profit and loss.

b) Derivatives

Under IGAAP, the premium on forward contracts was amortised as expense over the tenure of the contract. Further, the net mark to market losses on derivative financial instruments, as at the date of balance sheet, were recognised in the statement of profit and loss and the net gains, if any, were ignored. Under Ind AS, such derivative financial instruments are to be recognised at fair value and the changes are recognised in the statement of profit and loss. Therefore, unamortised premium on forward contracts as at 31st March, 2017 amounting to ₹ 0.10 crore (1st April, 2016 ₹ 0.19 crore) under other current assets has been de-recognised and provision for mark to market loss on outstanding derivative instruments with firm commitments as at 31st March, 2017 amounting to ₹ 1.10 crores (1st April, 2016 ₹ 0.68 crore) classified under short term provisions has been de-recognised.

Under Ind AS, non current derivative assets as at 31st March, 2017 amounting to ₹ 0.77 crore (1st April, 2016 ₹ 5.52 crores), current derivative assets as at 31st March, 2017 amounting to ₹ 3.05 crores (1st April 2016 ₹ 5.96 crores) and current derivative liabilities as at 31st March, 2017 amounting to ₹ 2.00 crores (1st April, 2016 ₹ 1.21 crores) have been recorded.

Further, the associated non current borrowings as at 31st March, 2017 have increased by ₹ 1.13 crores (1st April, 2016 ₹ 6.87 crores) and other financial liabilities- current borrowings as at 31st March, 2017 have increased by ₹ 3.43 crores (1st April, 2016 ₹ 6.89 crores).

As a result of the above adjustments, profit for the year ended 31st March, 2017 increased by ₹ 2.03 crores and total equity as at 31st March, 2017 decreased by ₹ 0.73 crore (1st April, 2016 ₹ 2.76 crores).

c) Expected Credit Loss on Trade Receivables

Under IGAAP, the Company created provision for doubtful debts when loss event indicators are visible. Under Ind AS, allowances for doubtful trade receivables has been determined based on Life time Expected Credit Loss Model (ECL). As a result, trade receivables as at 31st March, 2017 decreased by ₹ 0.53 crore (1st April, 2016 Nil). Consequently, total equity as at 31st March, 2017 decreased by ₹ 0.53 crore (1st April, 2016 Nil) and profit for the year ended 31st March, 2017 decreased by ₹ 0.53 crore.

d) Deferred Tax

Under IGAAP, deferred tax was recognized using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred tax using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in various transitional adjustments which lead to temporary differences which were not required under IGAAP. The impact on deferred tax liabilities (net) as at 31st March, 2017 is a decrease of ₹ 2.84 crores (1st April, 2016 ₹ 3.75 crores). The deferred tax for the year ended 31st March, 2017 reduced by ₹ 0.31 crore and the impact of deferred tax on other comprehensive income (OCI) is ₹ 1.22 crores.

e) Proposed Dividend

Under IGAAP, proposed dividend is recorded as a liability in the period to which it relates irrespective of when it is declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company. Therefore, the proposed dividend, including the dividend distribution tax on such dividend as at 1st April, 2016 amounting to ₹ 8.67 crores has been de-recognised. Consequently, the total equity as at 1st April, 2016 has increased by an equivalent amount.

f) Deferred Revenue

Under IGAAP, the Company created a provision toward its liability for gift schemes. Under Ind AS, the consideration received is allocated between the products sold and gift schemes. The fair value of gift schemes is deferred and recognized as revenue (along with cost of gift schemes) when the obligation is actually redeemed by the customer or at the expiry of time period of the scheme. Therefore, provision for sales promotion schemes as at 31st March, 2017 amounting to ₹ 15.39 crores (1st April, 2016 ₹ 11.21 crores) has decreased with a corresponding increase in other current liabilities.

g) Revenue from Operations

Under IGAAP, certain discounts and incentives to customers were disclosed as an expense in the statement of Profit and Loss. Under Ind AS, such expenses have been netted off from revenue. Further, under IGAAP, sale of goods was presented net of excise duty. However, under Ind AS, sale of goods includes excise duty and excise duty on sale of goods is separately presented on the face of statement of Profit and Loss. As a result, revenue for the year ended 31st March, 2017 is lower by ₹ 87.87 crores, other expenses have decreased by ₹ 108.69 crores and excise duty on sale of goods amounting to ₹ 20.82 crores is separately disclosed. There is no impact on total equity or Profit and Loss.

h) Remeasurement of Defined Benefit Plan

Both under IGAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to Profit and Loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in employee benefits expense with a corresponding debit or credit to retained earnings through other comprehensive income (OCI). Thus, the employee benefits expense increased by ₹ 3.51 crores for the year ended 31st March, 2017 and remeasurement gains on defined benefit plan of ₹ 2.29 crores (net of tax) has been recognized in other comprehensive income (OCI). There is no impact on total equity as at 31st March 2017.

i) Share Based Payments

Under IGAAP, the cost of equity settled employee share based payment plan was recognised using the intrinsic value method wherein the difference between market price and exercise price was nil. Under Ind AS, the cost of equity settled employee share based payment plan is recognised based on fair valuation method using an appropriate pricing model over the vesting period. Accordingly, employee benefits expense for the year ended 31st March, 2017 increased by ₹ 1.32 crores. There is no impact on total equity since the amount i.e. ₹ 3.16 crores as at 31st March, 2017 (1st April, 2016 ₹ 2.80 crores) has been recognised within equity.

j) Other Comprehensive Income

Under IGAAP, the Company has not presented other comprehensive income (OCI) separately. Items of income and expense that are recognised in "other comprehensive income" includes remeasurement of defined benefit plan. Further, IGAAP Profit is reconciled to total comprehensive income as per Ind AS.

k) Retained Earnings

Retained Earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

l) Statement of Cash Flows

The transition from IGAAP to Ind AS has not had a material impact on the Statement of Cash Flows.

As per our report of even date

For B R Maheswari & Co LLP

Chartered Accountants

Firm's Registration No. 001035N/N500050

Sudhir Maheshwari

Partner

Membership No. 081075

Delhi, 11th May, 2018

For and on behalf of the Board of Directors

Ramesh Kumar Dua

Managing Director

DIN : 00157872

Mukund Lal Dua

Whole Time Director

DIN : 00157898

Sushil Batra

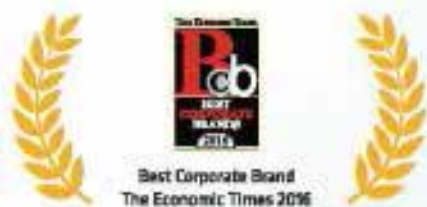
Chief Financial Officer

Vikas Kumar Tak

Company Secretary

WINNING ACCOLADES





Route Map of AGM Venue



A Sri 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: rfl@relaxofootwear.com, Website: www.relaxofootwear.com

**Form No. MGT-11
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 FOURTH ANNUAL GENERAL MEETING of the Company, to be held on Thursday, the 27th September, 2018 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	To consider, approve and adopt the Audited Financial Statements of the Company for the year ended 31.03.2018, which includes Balance Sheet as at 31st March, 2018 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 @ 150% equivalent to ₹1.50/- on each equity share of Face Value of ₹ 1/- each for the Financial Year, 2017-18.
3	To appoint a Director in place of Mr. Ramesh Kumar Dua (DIN - 00157872) who retires by rotation and being eligible offers himself for reappointment.
4	To appoint a Director in place of Mr. Mukand Lal Dua (DIN - 00157898) who retires by rotation and being eligible offers himself for reappointment.
Special Business	
5	Reappointment of Mr. Ramesh Kumar Dua (DIN - 00157872) as Managing Director of the Company and fix his remuneration.
6	Reappointment of Mr. Mukand Lal Dua (DIN - 00157898) as Whole Time Director of the Company and fix his remuneration.
7	Reappointment of Mr. Deval Ganguly (DIN - 00152585) as Whole Time Director of the Company and fix his remuneration.
8	Reappointment of Mr. Vivek Kumar (DIN - 00206819) as Independent Director of the Company.
9	Reappointment of Mr. Pankaj Shrimali (DIN - 00013142) as Independent Director of the Company.
10	Reappointment of Mr. Kuruwila Kuriakose (DIN - 00881039) as Independent Director of the Company.
11	Approval for payment of Commission to Non-Executive Directors.

Signed this _____ day of _____ 2018

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 FOURTH ANNUAL GENERAL MEETING of the Company.



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: rfl@relaxof footwear.com, Website: www.relaxof footwear.com

ATTENDANCE SLIP

34th Annual General Meeting - Thursday, 27th September, 2018 at 10.30 a.m.

Name and Registered Address of the sole/ first member:

--

Name(s) of the Joint Member(s) if any :

Registered Follo 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 34th Annual General Meeting of the Company at Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi-110003 on Thursday, the 27th September, 2018 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

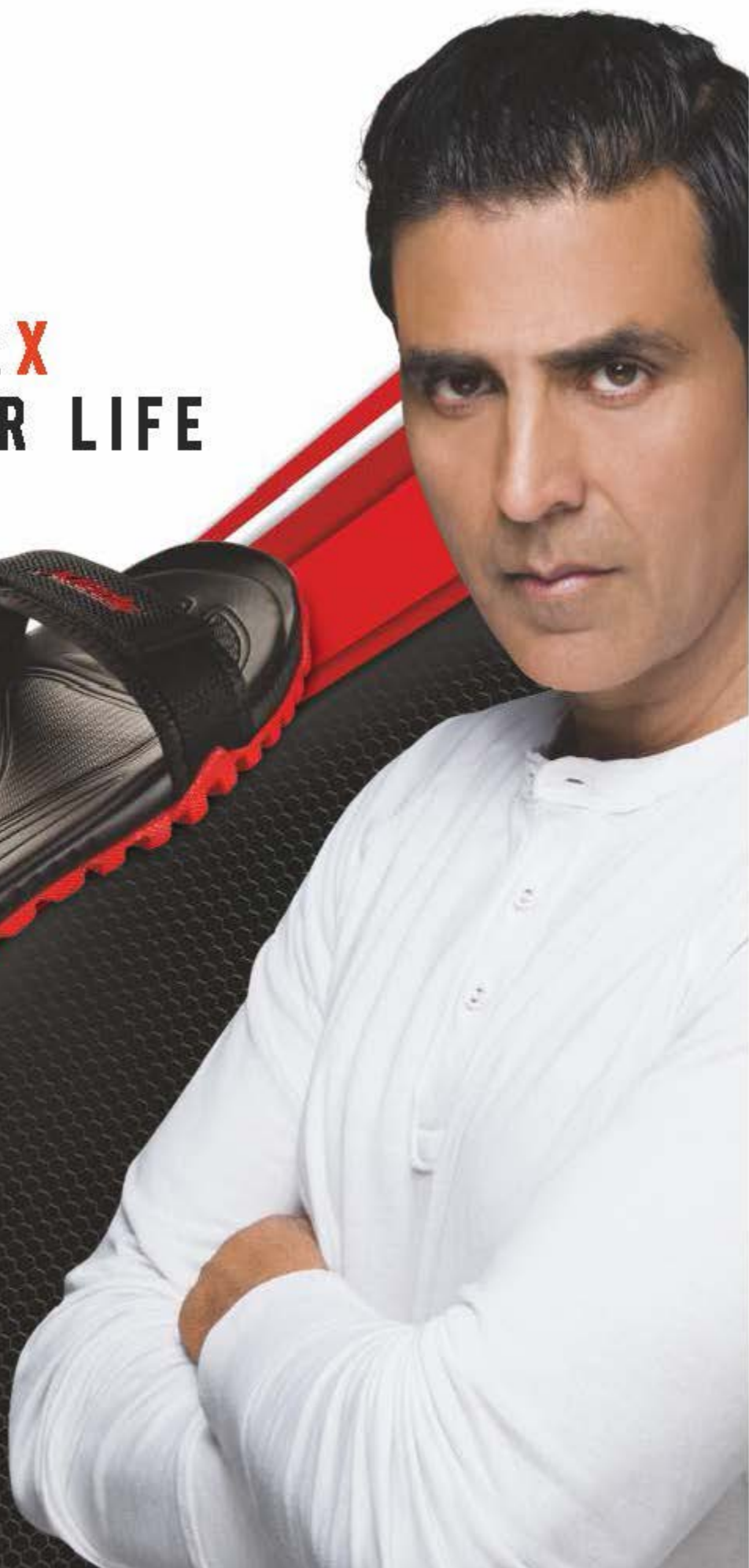
NOTES:-

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.**



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RELAXO

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

e-mail: rfl@relaxofootwear.com, www.relaxofootwear.com, CIN-L74899DL1984PLC019057

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 / [relaxofootwears](https://www.facebook.com/relaxofootwears) |  @relaxofootwears |  / [relaxoindia](https://www.youtube.com/relaxoindia)

NOTICE

NOTICE is hereby given that 34th 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 - 110003 on Thursday, the 27th day of September, 2018 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 31.03.2018, which includes Balance Sheet as at 31st March, 2018 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 @ 150% equivalent to ₹1.50/- on each equity share of Face Value of ₹1/- each for the Financial Year 2017-18.
3. To appoint a Director in place of Mr. Ramesh Kumar Dua (DIN - 00157872) who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Mukand Lal Dua (DIN - 00157898) who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS

5. REAPPOINTMENT OF MR. RAMESH KUMAR DUA, AS MANAGING 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. Ramesh Kumar Dua (DIN - 00157872) as Managing Director, (liable to retire by rotation), for a period of five years with effect from 1st day of April, 2019 on a Monthly Remuneration of ₹15,00,000/- and such other allowances, perquisites, benefits and amenities as set out in Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions/or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT in the absence or inadequacy of the profits in any year, Mr. Ramesh Kumar 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. MUKAND LAL 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. Mukand Lal Dua, (DIN - 00157898) as Whole Time Director, (liable to retire by rotation), for a period of five years with effect from 1st day of April, 2019 on a Monthly Remuneration of ₹15,00,000/- and such other allowances, perquisites, benefits and amenities as set out in Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions/or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT in the absence or inadequacy of the profits in any year, Mr. Mukand Lal 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."

7. REAPPOINTMENT OF MR. DEVAL GANGULY, 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. Deval Ganguly, (DIN - 00152585) as Whole time Director, (liable to retire by rotation), for a period of three years with effect from 5th day of November, 2018 on a Monthly Remuneration and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade and on the terms and conditions including remuneration as set out in Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions/or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT in the absence or inadequacy of the profits in any year, Mr. Deval Ganguly, shall be entitled to receive and be paid the same remuneration 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."

8. REAPPOINTMENT OF MR. VIVEK KUMAR, AS AN INDEPENDENT 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, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (LODR) Regulations, 2015, Mr. Vivek Kumar (DIN - 00206819), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years for a term from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation on such terms and conditions as set out in Explanatory Statement annexed to the Notice convening this Meeting."

9. REAPPOINTMENT OF MR. PANKAJ SHRIMALI, AS AN INDEPENDENT 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, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (LODR) Regulations, 2015, Mr. Pankaj Shrimali (DIN - 00013142), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years for a term from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation on such terms and conditions as set out in Explanatory Statement annexed to the Notice convening this Meeting."

10. REAPPOINTMENT OF MR. KURUVILA KURIAKOSE, AS AN INDEPENDENT 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, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (LODR) Regulations, 2015, Mr. Kuruvila Kuriakose (DIN - 00881039), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years for a term from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation on such terms and conditions as set out in Explanatory Statement annexed to the Notice convening this Meeting."

11. APPROVAL FOR PAYMENT OF COMMISSION ON NET PROFITS TO NON EXECUTIVE DIRECTORS OF THE COMPANY.

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

"RESOLVED THAT pursuant to Section 197, 198, and all other applicable provisions of the Companies Act, 2013, provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable laws (with or without modifications), in addition to the sitting fees being paid/payable for attending the meetings of the Board of Directors of the Company and its Committees thereof, the

Company be and is hereby authorised to pay to its Non-Executive Directors (other than the Managing Director and Whole-time Directors of the Company) such commission as the Board of Directors may from time to time determine (to be divided amongst them in such proportion as may be determined by the Board of Directors from time to time) so that such commission shall not exceed 1% of the net profits of the Company in any financial year (computed in the manner provided in Section 198 of the Companies Act, 2013)."

**By Order of the Board
For Relaxo Footwears Limited**

**Vikas Kumar Tak
Company Secretary**

Delhi, 11th May, 2018

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 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad, Telangana - 500032, 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 21st September, 2018 to 26th September, 2018 (both days inclusive) in connection with the AGM and for the purpose of Dividend.
7. Dividend @ 150% i.e. ₹ 1.50/- per equity share for the year ended 31st March, 2018 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 20th September, 2018.
8. Members holding shares in physical form are advised to notify 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 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.relaxof footwear.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 email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- ii. Enter the login credentials (i.e. User ID and password as mentioned in email). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change menu wherein you are required to mandatorily change your 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, email 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 "EVENT" 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, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total

number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), 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 resolution(s).
- xii. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "RELAXO_Event No."

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:

- i. E-Voting Event Number - XXXX (EVEN), User ID and Password as provided on the cover page of notice.
- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

Other Instructions

- a) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. G Ramesh Desai, (Unit: xyz) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad Telangana - 500 032 or at evoting@karvy.com or phone no. 040 - 6716 2222 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c) In case any person becomes member of the Company after dispatch of Notice of AGM and holds shares as on the cut-off date for e-voting i.e., 20th September, 2018, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If mobile number of the member is registered against shares held in demat form, the member may send SMS: MYEPWD<space> DP ID Client ID to 9212993399
Example for NSDL: MYEPWD <SPACE> IN12345612345678
Example for CDSL: MYEPWD <SPACE> 1402345612345678
 - ii. If the mobile number of the member is registered against shares held in physical form the member may send SMS: MYEPWD<space> Event no. + Folio no. to 9212993399.

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

- iii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iv. Member may call Karvy's toll free number 1800-3454-001.
- v. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavor to send User ID and Password to those new Members whose email ids are available.
- d) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to modify it subsequently. The Company shall also provide facility for voting through polling at the Meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to

vote at the AGM. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

- e) The Members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- f) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being 20th September, 2018. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
- g) The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company and Karvy's website (<https://evoting.karvy.com>).

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 to Claim	Due date of transfer to IEPF	Amount of Unclaimed Dividend as on 31.03.2018 (₹)
2010-11	20.09.11	26.10.11	25.10.18	24.11.18	64947.00
2011-12	17.09.12	23.10.12	22.10.19	21.11.19	94778.00*
2012-13	19.09.13	25.10.13	24.10.20	23.11.20	138262.00
2013-14	18.09.14	24.10.14	23.10.21	22.11.21	164314.00
2014-15	24.09.15	30.10.15	29.10.22	28.11.22	185188.00
2015-16	15.09.16	21.10.16	20.10.23	19.11.23	239965.80
2016-17	21.09.17	27.10.17	26.10.24	25.11.24	392448.00

* 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. Ramesh Kumar Dua (Item No-3 & 5)	Mr. Mukand Lal Dua (Item No-4 & 6)	Mr. Deval Ganguly (Item No-7)	Mr. Vivek Kumar (Item No-8)	Mr. Pankaj Shrivastava (Item No-9)	Mr. Kuruvilla Kuriakose (Item No-10)
Brief Resume of the Director & Qualifications	He has over 42 years of experience in sales and marketing, production and new product development in Footwear Industry. Additionally, he is a director in Marvel Polymers Private Limited, Relaxo Rubber Private Limited and Confederation of Indian Footwear Industries. He is a Commerce Graduate & Rubber Technologist (LPRI, London).	He has over 45 years of experience in new product development and quality control in Footwear Industry. Additionally, he is a director at Marvel Polymers Private Limited and Relaxo Rubber Private Limited. He is a Science Graduate.	He has Over 37 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 05.11.2012. He is B.Tech from IIT Kanpur.	He has over 21 years of experience as Operational Head in leading Indian Companies and is also a Management Consultant to many Corporates in the areas of quality, productivity, environment and safety. He is MBA from Faculty of Management Studies, Delhi University and Electrical Engineer from the University of Roorkee (now IIT Roorkee)	He has over 34 years of experience in areas of Finance, Accounts, Secretarial, Corporate Management, legal and corporate consultancy services, strategic management and investment banking. He is Fellow member of ICAI, ICSI, and Institute of Cost Accountants of India.	He has over 32 years of experience in area of Finance in Footwear Industry. He is B.Sc (Special) in Maths from Kerala University and member of the Institute of Chartered Accountants of India.
Age	64 years	69 years	59 years	62 years	55 years	67 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 New Product development and quality control in Footwear Industry.	Experience in the field of Manufacturing, Project and Plant Management.	Experience in areas of quality, productivity, environment and safety standards.	Experience in areas of Finance, Secretarial, accounts functions, Corporate Management, legal and corporate consultancy services, strategic management and investment banking.	Experience in area of Finance in Footwear Industry.
Disclosure of relationship between Directors inter-se	Related to Mr. Mukand Lal Dua, Whole Time Director	Related to Mr. Ramesh Kumar Dua, Managing Director & Mr. Nikhil Dua, Whole Time Director	None	None	None	None

Name of Director	Mr. Ramesh Kumar Dua (Item No-3 & 5)	Mr. Mukand Lal Dua (Item No-4 & 6)	Mr. Deval Ganguly (Item No.-7)	Mr. Vivek Kumar (Item No.-8)	Ms. Pankaj Shrivastava (Item No.-9)	Mr. Kuruvilla Kuriaakose (Item No.-10)
Date of First Appointment on the Board	13.09.1984	13.09.1984	05.11.2012	30.01.2007	29.05.2010	05.11.2012
Name of entities in which persons held Directorship of the Board	Marvel Polymers Pvt. Ltd. Relaxo Rubber Pvt. Ltd. Confederation of Indian Footwear Industries	Marvel Polymers Pvt. Ltd. Relaxo Rubber Pvt. Ltd.	NIL	Sagar Quality Management Service Pvt. Ltd.	Network India Ltd	Neo Land Project Pvt. Ltd. Microfin Securities Pvt. Ltd. Millard Logistics Pvt. Ltd. Naamah Retreats Pvt. Ltd. Stellar Recreations Pvt. Ltd. Four Seasons Buildcon Pvt. Ltd. Stellar Hotels Pvt. Ltd.
Shareholding of Directors	31148150	26445700	9360	NIL	22000	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 ₹ 1209.80 Lacs per annum in FY18)	Details given in explanatory statement for item no 6 (last salary drawn ₹ 1209.80 Lacs per annum in FY18)	Details given in explanatory statement for item no 7 (last salary drawn ₹ 185.94 Lacs per annum in FY18)	Reappointment as Independent Directors of the Company (not liable to retire by rotation)	Reappointment as Independent Directors of the Company (not liable to retire by rotation)	Reappointment as Independent Directors of the Company (not liable to retire by rotation)
Number of Meeting of the Board attended during the Year (01.04.2017 to 31.03.2018)	5	5	5	5	5	4
Chairman / Members in committees of Board of Directors of Indian Companies	NIL	NIL	NIL	NIL	NIL	NIL
Committee details in Relaxo Footwears Limited	Chairman in CSR Committee and Member in Stakeholder Relationship Committee.	Members in CSR and Stakeholder Relationship Committee.	None	Chairman in Stakeholder Relationship Committee and Member in Audit and Nomination & Remuneration Committee.	Chairman in Audit and Nomination & Remuneration Committee. Member in CSR Committee.	Member in Audit Committee

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 5 & 6

Mr. Ramesh Kumar Dua was re-appointed as Managing Director and Mr. Mukand Lal Dua was re-appointed as Whole Time Director w.e.f. 1st April, 2014 in the Annual General Meeting held on 19th day of September, 2013. The term of appointment shall expire on 31st day of March, 2019.

In view of large contribution in the growth of the Company and the background and experience of Mr. Ramesh Kumar Dua & Mr. Mukand Lal Dua, the Board of Directors at its meeting held on May 11, 2018, based on the recommendation of Nomination and Remuneration Committee and subject to the approval of shareholders at the ensuing Annual General Meeting has re-appointed Mr. Ramesh Kumar Dua as Managing Director and Mr. Mukand Lal as Whole Time Director of the Company for five years on the terms and conditions given below :-

1. **PERIOD** : Five years commencing from 1st day of April 2019.

2. **REMUNERATION** :

1. SALARY

Name and Designation	Salary per month effective from 1st day of April, 2019
Mr. Ramesh Kumar Dua	₹ 15,00,000/-
Mr. Mukand Lal Dua	₹ 15,00,000/-

II. COMMISSION

In addition to the salary, Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua, shall be entitled to receive Commission on the net profits as decided by the Board of Directors each year subject to the provisions of Section 198 and other relevant sections and rules of the Companies Act, 2013, so that the total remuneration by way of salary, dearness allowance, perquisites, commission and other allowances shall not exceed 5% of its net profits for such single managerial person, the total remuneration paid to all such managerial persons shall not exceed 10% of the net profits.

In addition to the above remuneration, Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua shall be entitled for following perquisites :-

- Contribution to Provident fund, Superannuation fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Other Perquisites also include use of Company's Car with driver, Club Membership Fee subject to maximum two clubs, Medical Insurance, Group Personal Accidental coverage as applicable to all employees of the Company from time to time and reimbursement of entertainment and all other expenses incurred by him for business of Company as per the Company Rules.

Overall Remuneration

The total remuneration payable to Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua by way of salary perquisites, allowances, benefits and amenities as approved by the Board shall not exceed the limits laid down in Section 197, 198 and other relevant provisions of Companies Act, 2013 or any statutory modifications or re-enactments thereof.

Minimum Remuneration:

In the absence of or inadequacy of profits in any year, Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits in that year, subject to the ceiling specified under Schedule V of the Companies Act, 2013 (including any statutory modifications and re-enactment thereof).

Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua shall not be paid any sitting fees for attending meetings of the Board of Directors and Committees from the date of their re-appointment.

Mr. Mukand Lal Dua Whole Time Director of the Company is related to Mr. Nikhil Dua.

Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua are interested in resolution no. 5. Mr. Mukand Lal Dua, Mr. Ramesh Kumar Dua and Mr. Nikhil Dua, Directors are interested in resolution no. 6.

None of the other Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in the resolutions no. 5 & 6.

Mr. Ramesh Kumar Dua holds experience of 42 years in Management, sales and marketing, production and new product development in Footwear Industry. He is a Commerce Graduate & Rubber Technologist (LPRI, London). He is one of the Promoters of the Company. He along with Mr. Mukand Lal Dua is instrumental in making Relaxo, a largest manufacturing company in India. Under his stern leadership the Company is achieving new heights every year. He is one of the key member who has created leadership team, helped Relaxo to become one of the best corporate governance and professional Company.

Mr. Mukand Lal Dua has 45 years of experience in management, new product development and quality control in footwear industry. Mr. Mukand Lal Dua is a Science Graduate and one of the Promoters of the Company. Mr. Mukand Lal Dua is going to attain age of 70 years during the proposed tenure, however considering his experience and fitness it is considered that he will be able to steer the Company to new heights and will be a guiding force to the senior management team.

During the last 5 years under the leadership of Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua the Company has grown exponentially as per following details:

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Net Earning (₹ in Crores)	161.07	119.95	120.28	103.05	65.64
Cash Earning (₹ in Crores)	215.41	171.41	167.40	142.95	96.80
EPS-Basic (in ₹)	13.40	9.99	10.02	17.17	10.94
Dividend (Including Interim Dividend per share) (in ₹)	1.50	1.00	0.60	1.00*	0.50
Dividend Pay out (%)	11.19	10.01	5.99	5.82	4.57
Book Value Per Share (in ₹)	63.25	50.48	39.99	61.30	46.09
Face value Per Share (in ₹)	1.00	1.00	1.00	1.00	1.00
Market cap (₹ in Crores)	7727.91	5992.10	4369.45	3876.39	1768.38

The Board recommends the resolutions as item no 5 & 6 for approval of members as special resolution.

Item No. 7

Mr. Deval Ganguly was re-appointed as Whole Time Director w.e.f. 5th November, 2015 for a tenure of 3 years and subsequently remuneration increase was approved by the Shareholders in their meeting held on 24th September, 2015 for the remaining tenure which is going to expire on 4th November, 2018.

In view of contribution in the manufacturing, project and plant management of the Company and the background & experience of Mr. Deval Ganguly the Board of Directors at its meeting held on May 11, 2018, based on the recommendation of Nomination and Remuneration Committee and subject to the approval of shareholders at the ensuing Annual General Meeting has re-appointed Mr. Deval Ganguly as Whole Time Director of the Company for three years on the terms and conditions given below:-

- Term:** Three years commencing from 5th November, 2018 to 4th November, 2021.
- Nature of Duties:** Mr. Deval Ganguly 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.
- Basic Salary:** In the range of ₹ 3.00 lacs to ₹ 4.50 lacs per month (with such annual/special increments within the aforesaid

range as may be decided by the Board or any Committee thereof, in the absolute discretion from time to time).

- House rent Allowance:** 50% of Basic Salary.
- Performance Incentive:** As may be determined by the Nomination and Remuneration Committee from time to time.
- Special Allowance:** In the range of ₹ 2.00 lacs to ₹ 4.00 lacs per month (as may be determined by the Board or Nomination and Remuneration Committee thereof in each year).
- Transport Allowance:** ₹ 1,600 per month
- Education Allowance:** ₹ 200 per month
- Medical Allowance:** ₹ 1,250 per month
- Other benefits:**

Leave Travel Concession & ESOP in accordance with the Rules of the Company.

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.

In addition to the remuneration as detailed herein above Mr. Deval Ganguly shall also be eligible for the following perquisites:

- Contribution to provident fund, superannuation fund, annuity fund or pension fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Gratuity payable at a rate not exceeding half month's salary for

each completed year of service, and

- c) Encashment of leave as per Rules of the Company.
- d) Other Perquisites also include use of Company's Car with driver, Medical Insurance, Group Personal Accidental coverage as applicable to all employees of the Company from time to time and reimbursement of entertainment and all other expenses incurred by him for business of Company as per the Company Rules.

No Sitting fee for attending the meetings of Board of Directors Committee thereof shall be paid to Mr. Deval Ganguly till the time he is functioning as a Whole Time Director.

Overall Remuneration

The total remuneration payable to Mr. Deval Ganguly by way of salary perquisites, allowances, benefits and amenities as approved by the Board shall not exceed the limits laid down in Section 197, 198 and other relevant provisions of Companies Act, 2013 or any statutory modifications or re-enactments thereof.

Minimum Remuneration:

In the absence of or inadequacy of profits in any year, Mr. Deval Ganguly shall be entitled to receive and be paid the above remuneration as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits in that year, subject however to the ceiling specified under Schedule V of the Companies Act, 2013 (including any statutory modifications and re-enactment thereof).

Mr. Deval Ganguly, a B. Tech from IIT Kanpur, holds 37 years of experience in areas of manufacturing, project and plant management in various reputed organisations. He joined the Company in 2011 as President, Manufacturing and was elevated to Board w.e.f. 05.11.2012. He has been instrumental for various initiatives in the manufacturing plants which has not only increased the efficiency but also been able to rationalize the cost of manufacturing.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. Deval Ganguly is in any way, concerned or interested in the resolution no 7.

The Board recommends the resolution as item no 7 for approval of members as special resolution

Item No. 8-10

The Shareholders of the Company approved appointment of Mr. Vivek Kumar, Mr. Pankaj Shrivastava and Mr. Kuruvila Kuriakose as Independent Directors whose term is going to expire on 31st March, 2019.

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

Mr. Vivek Kumar, Mr. Pankaj Shrivastava and Mr. Kuruvila Kuriakose being eligible, have offered themselves for reappointment as Independent Directors of the Company.

Mr. Pankaj Shrivastava holds 22000 equity shares of the Company whereas Mr. Vivek Kumar and Mr. Kuruvila Kuriakose does not hold any equity shares of the Company.

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance and evaluation of all the three Independent Directors Mr. Vivek Kumar, Mr. Pankaj Shrivastava and Mr. Kuruvila Kuriakose, It is proposed to re-appoint them for the second term as an Independent Director on the Board of the Company for a period of five years upto 31st March, 2024 on following terms:

1. **Term** : Five years commencing from 1st April, 2019 to 31st March, 2024.
2. **Nature of Duties** : Mr. Vivek Kumar, Mr. Pankaj Shrivastava and Mr. Kuruvila Kuriakose, shall act as Independent Directors of the Company and will comply with all the duties and responsibilities

assigned to Independent Directors as per the relevant provisions of Schedule IV of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

3. **Remuneration** : Mr. Vivek Kumar, Mr. Pankaj Shrivastava and Mr. Kuruvila Kuriakose, shall be entitled to receive Sitting Fees for the Board and Committee Meetings attended during the tenure as decided by the Board of Directors of the Company.

4. **Commission** : In addition to the sitting fee Mr. Vivek Kumar, Mr. Pankaj Shrivastava and Mr. Kuruvila Kuriakose, shall be entitled to receive Commission on the net profits as may be decided by the Board of Directors of the Company from time to time, subject to the overall limit of 1% of net profits prescribed by the provisions of Section 197 and 198 and other relevant rules and provision of Companies Act, 2013.

In the opinion of the Board, Mr. Vivek Kumar, Mr. Pankaj Shrivastava and Mr. Kuruvila Kuriakose fulfills the conditions specified in the Act. Except for the above mentioned shareholding held by Mr. Pankaj Shrivastava, all the three directors are independent of the management. Copy of the draft letter for appointment of Mr. Vivek Kumar, Mr. Pankaj Shrivastava and Mr. Kuruvila Kuriakose as an Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Mr. Vivek Kumar is a MBA from Faculty of Management Studies, Delhi University and Electrical Engineer from the University of Roorkee (now IIT Roorkee). He has over 21 years of experience as Operational Head in leading Indian companies. He has rich experience in manufacturing operations, quality, productivity, environment and safety and also a management consultant to many reputed corporates in the areas of quality, productivity, environment and safety.

Mr. Pankaj Shrivastava is a Fellow member of Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI), and Institute of Cost Accountants of India. He has 34 years of experience in areas of finance, accounts, secretarial, corporate management, legal & corporate consultancy services, strategic management and investment banking for reputed corporate houses. He is alumni of Shri Ram College of Commerce and has been a rank holder in graduation and professional exams.

Mr. Kuruvila Kuriakose is a member of Institute of Chartered Accountants of India. He has over 32 years of experience in area of Finance in Footwear Industry. He has been on the Board of Company for more than 5 years and had given valued inputs about the improvement and functioning of Company in various areas.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Vivek Kumar, Mr. Pankaj Shrivastava and Mr. Kuruvila Kuriakose as an Independent Directors. Accordingly, the Board recommends passing of the Resolution at Item No. 8-10 of the Notice as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors of the Company for their respective appointment, are concerned or interested in these Special Resolutions set out at Item No. 8-10 for approval of the Members.

Item No. 11

It is proposed to pass Special Resolution under Section 197 of the Act, enabling the payment of commission to Directors (other than Managing Director and/ or Whole Time Director/s) for each financial year.

Considering the rich experience and expertise brought to the Board by the Non-Executive Directors, it is proposed that remuneration not exceeding 1% of the net profits of the Company, calculated in accordance with Section 198 of the Act, be continued to be paid and distributed amongst the Non-Executive Directors of the Company in accordance with the recommendations of the Nomination and Remuneration Committee of

the Board and approval by the Board of Directors of the Company, for each financial year.

The payment of commission would be in addition to the sitting fees payable for attending the Meetings of the Board and Committees thereof.

All the Independent Directors of the Company namely, Mr. Vivek Kumar, Mr. Pankaj Shrimali, Mr. Kuruvila Kurlakose and Ms. Deepa

Verma are concerned or interested in the Resolution mentioned at Item No.11 of the accompanying Notice to the extent of commission that may be received by them.

None of the other Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested in the Resolution at Item No.11 of the Notice.

**By Order of the Board
For Relaxo Footwear Limited**

**Vikas Kumar Tak
Company Secretary**

Delhi, 11th May, 2018

RELAXO

RELAXO FOOTWEARS LIMITED

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