Quality Par Excellence

RELAXO FOOTWEARS LIMITED

Annual Report 2012-2013

RELAXO

Quality Par Excellence

Hawaii

मजबूती भी, स्टाइल भी!

Hi-Fashion 08
Blue Yellow
Size: 6-10, 2-5

Hi-Fashion 07
Yellow Green
Size: 6-10, 2-5

Hi-Fashion 11
Mauve
Size: 2-8

Hi-Fashion 12
Red
Size: 3-8

Salman is wearing Hi-Fashion 03

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
Umesh Nath Kapur	Independent Director
Kuruvila Kuriakose	Independent Director
Vivek Kumar	Independent Director
Pankaj Shrimali	Independent Director

COMPANY SECRETARY
Kapil Garg

CHIEF FINANCIAL OFFICER
Sushil Batra

AUDITORS
GUPTA & DUA
Chartered Accountants
9, Darya Ganj, Delhi-110 002

BANKERS
State Bank of India
HDFC Bank
Standard Chartered Bank
ING Vysya Bank
Yes Bank

SHARE TRANSFER AGENTS
M/s Karvy Comptershare Private Limited
17-24, Vittal Rao Nagar
Madhapur-Hyderabad
Andhra Pradesh-500 081

REGISTERED OFFICE
316-319, Allied House, Inderlok Chowk,
Old Rohtak Road, Delhi-110 035

CORPORATE OFFICE
Aggarwal City Square, Plot No. 10,
Mangalam Palace, District Centre, Sector -3,
Rohini, New Delhi-11 0085

WORKS
RFL-I
Plot No. 327, MIE, Bahadurgarh, Haryana

RFL-II
Plot No. 326, MIE, Bahadurgarh, Haryana

RFL-III
A-1130 & 1130 (A), RIICO Industrial Area,
Phase-III, Bhiwadi, Rajasthan

RFL-IV
30/3/2, Rakba Mooja Hasanpur
Tikri Border (Near Sales Tax Office)
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
Plot No. 328-329, MIE, Bahadurgarh, Haryana

RFL VIII
Plot No. 37, Sector 4B, Bahadurgarh, Haryana

Contents

From MD's Desk	2
Corporate Profile	4
Management Discussion & Analysis	9
Financial Highlights	12
Directors' Report	13
Corporate Governance Report	16
Independent Auditors' Report	26
Balance Sheet	30
Statement of Profit and Loss	31
Cash Flow Statement	32
Notes Forming Part of Financial Statements	33
Accounting Policies and Additional Notes on Accounts	41

Making growth a tradition

From the desk of
Ramesh Kumar Dua, Managing Director

Dear Stakeholders,

At Relaxo, we always welcome the spring season with open arms because, this is when nature reminds us to keep growing. Growth is vital, it is a biological process to make things move and likewise, a Company needs to grow by all means. Whether it is growth by size of manpower, by annual sales turnover, or by way of social responsibility, the growth of an organization is crucial in order to fulfill a bigger objective. At Relaxo, we take growth very seriously. While others pursue it, we have made it a tradition.

For us FY13 was another successful year for the Company during which we delivered further growth in underlying earnings. The Company also delivered good revenue growth and has improved cash flow performance. The Company has now entered the 1000 crore club, and herein starts another journey.

Relaxo has grown by 17% over previous years' revenue, which made the 1000 crores landmark possible. The net profit grew to ₹ 44.80 crores as compared to ₹ 39.90 crores in last year that resulted a growth of 12.30%. The Company sold 10.02 crores pairs as compared to 9.25 crores pairs of footwear last year. The Production capacity has increased from 3,77,000 pairs to 4,54,000 pairs per day. The Company has recommended highest ever dividend of 40% and the management of the Company feels proud announcing the same.

The net profit grew to ₹44.80 crores as compared to ₹39.90 crores in last year that resulted a growth of 12.30%. The company sold 10.02 crore pairs of footwear as compared to 9.25 crore. Production capacity has increased from 3,77,000 pairs per day to 4,54,000 pairs per day.

In the last financial year, the Company has taken couple of pro-active measures notably engaging brand ambassadors for our flagship brands & expanding the distributor network. Although the response to these high budget initiatives is moderate but the Company is confident that these initiatives will give desired results in the near future.

Today your Company is standing firm to serve the footwear needs of 1.2 billion people of our country with 8 manufacturing plants, a portfolio of 10 brands, a family of 9000+ employees and an extended family of over 50000 retailers and distributors. During the year, we added 19 new outlets to take our number of exclusive outlets to 168 and will continue to rationalise in near future at different geographical areas across the country.

What makes Relaxo a signature of substance, a force to reckon with and an engine of exponential growth is the way we react to new times and new trends, and rise up to challenges as a Company and a team, every time.

Innovation is another core aspect that has spearheaded the growth curve. We have responded to the fast-evolving tastes of our Pan-India customer base with powerful merchandizing mechanisms, retail expansion and advertising exercises that increase touch-point level engagement with our customers & maximize sales-gains and drive brand recall across age and social groups.

Our undeterred stance on continuous quality improvement puts us leaps ahead of the competition, as we keep applying higher benchmark of quality excellence in business process.

At Relaxo, it has always been our endeavour to focus on development of human resources by way of training to improve their skills, motivation levels so that they may give their best to the Company. It also helps to retain the best talent. The Company has also initiated Performance Management System to evaluate & reward the executives as per best global practices.

The Company's past has been glorious but we at Relaxo sincerely believe that the future will be more glorious still.

With best regards

Ramesh Kumar Dua
Managing Director

There is no substitute for hard work

Having achieved the benchmark of a ₹1000 crore Company, it is time to introspect and concentrate on our core values. At the same time, we realize the need to be more responsible, set new targets, make way for new trends and introduce new measures to improve customer relations. As the future is in sight, it is time to re-group, re-assess and re-energize our strengths to carve out a new growth path. While we say this, we also realize the importance of managing our brand promise & experience and take it to the next phase of evolution.

Every success story is a result of hard work. It starts with the seed of imagination. Then comes the nurturing part i.e. the "hard working" and Relaxo is no exception to the rule. The organization began with a purpose by introducing better comfort in the lives of people. Today, it leaves no stone unturned to be a role model for thriving entrepreneurs and businesses alike. Be it taking care of activities like management, manpower, information, customer care or developing relationships on a very personal mode, Relaxo has come a long way in the corporate world.

Over the years, Relaxo has evolved to be a fully grown matured tree, the fruits being clearly visible. The consistent effort has paid off and the Company has stood the test of time. On a volatile market scenario, one thing that kept us going is the ability to adapt to fast moving business situations and risk assessment. Keeping those situations in mind, we have also tried to bring about a positive change within the organization and its people and restructured the processes as and when required.

We believe that Relaxo as a brand is ready to interact with the customer on a new platform. The single reason being the growth of a strong and loyal customer base over the years. It is these people who have taught us to be more open-minded about innovations, technology and market behavior. Hence, the customer has an important role in our business & an integral part of the entire growth process. Nurturing them over time would be one of the key challenging aspects of the Company.

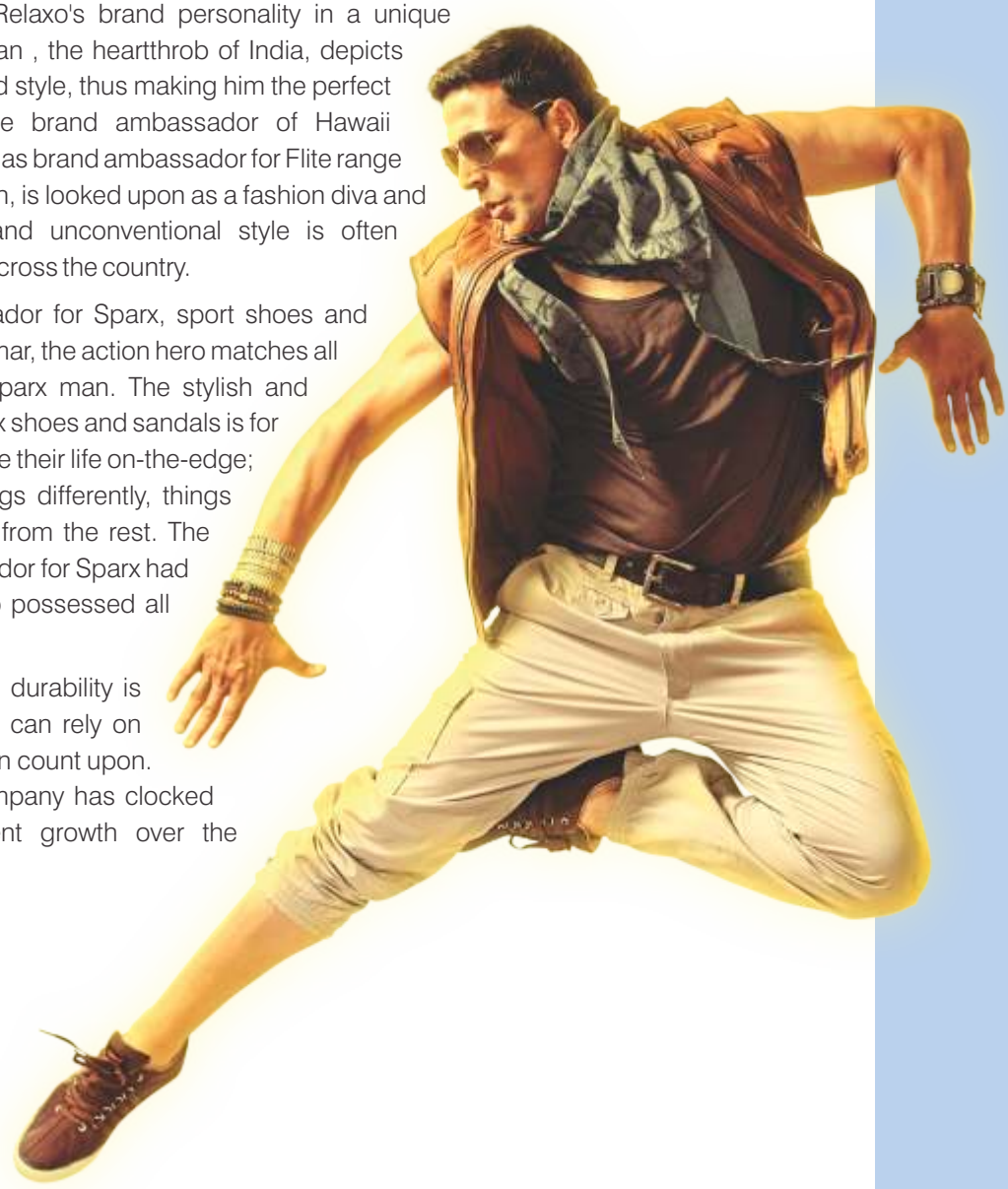
In step with tomorrow

In today's fast changing landscape, innovation is the key to survival. For Relaxo, innovation is a part and parcel of the whole growth process. It goes beyond technology and reaches the human domain. Innovation is applied in every facet of product designing, materials used and understanding market dynamics. It pushes us forward to achieve our objectives.

Innovation has also been crucial in understanding human behavior to promote our wide range of products. A reason why some of the biggest celebrity names have endorsed Relaxo's products like Salman Khan, Katrina Kaif and Akshay Kumar. These Brand Ambassadors have taken forward our legacy and communicated our message to the mass market. Each of these celebrities reflects Relaxo's brand personality in a unique manner. Salman Khan , the heartthrob of India, depicts strength, attitude and style, thus making him the perfect blend for being the brand ambassador of Hawaii slippers. Katrina Kaif as brand ambassador for Flite range of slippers for women, is looked upon as a fashion diva and icon. Her vibrant and unconventional style is often imitated by women across the country.

The brand ambassador for Sparx, sport shoes and sandals, Akshay Kumar, the action hero matches all the qualities of a Sparx man. The stylish and sporty range of Sparx shoes and sandals is for people who like to live their life on-the-edge; people who do things differently, things that set them apart from the rest. The new brand ambassador for Sparx had to be someone who possessed all these qualities.

Relaxo-strength and durability is what our customers can rely on and our Investors can count upon. As a result, the Company has clocked rapid and consistent growth over the recent years.



A seamless network

FY13 results have generated tremendous momentum and enthusiasm in the entire team of Relaxo. With an extremely strong brand portfolio, the Company now has an opportunity to become a dominant player at Pan-India level through a combination of superior execution in the market place and the combined effort of our people and partners in growth.

The Company has initiated steps for strengthening Supply Chain Management by opening Four Regional Warehouses (RWH) across India. These initiatives would improve service levels to the distributors and would boost sales in the coming times.

Crossing frontiers

During FY14, the Company is planning to increase its presence across the globe with a primary focus on the African market and will also strive hard to increase foothold in the existing market. In the current year, the Company's export turnover was ₹ 30.03 crores, with the combined effort in existing and new markets, the Company is quite confident of surpassing to its last year's export turnover.

Our growth story is a proof that our products enjoy mass appeal and acceptance. At Relaxo, we stay close to our customers, no matter where they may be. After expanding and entrenching our sales on a Pan-India basis, our Company is all set to explore the world. Relaxo products are now available in more than 28 countries across Asia, Middle East, Africa, Europe, South America and Oceania, a number that is slated to grow.

Stepping ahead to the future

Part of the job while planning growth is predicting the future. Doing it right would be one of the key focus area of our business. We have achieved a milestone of a thousand, but what's more important right now is to strengthen this position and prepare for the next course of action. The immediate strategy is to enhance our presence across the nation on a Pan-India approach. At present the Company has 168 exclusive stores, 50000 distributors and retailers across the length and breadth of the country. The Company intends to continue rationalisation of its outlets across Pan-India

Increasing footfalls

At Relaxo, we pay a special emphasis on customer touch point areas such as our retail outlets and believe that we need to constantly refurbish these places because they adequately reflect our brand identity and create an impression. Henceforth, periodical monitoring will be a regular exercise to further improve store environment. We are putting strong emphasis on awareness programmes aimed at both our employees and the consumers during a new launch exercise. This would result in a better brand experience and culminate into a positive whole. The Company plans to introduce aggressive sales promotion schemes from time to time.

Product rationalisation

Relaxo also went ahead with a product rationalizing plan in order to cut costs and improve efficiency. This will help the Company to bounce back and re-capture some of the lost grounds in the market.

Customers liking towards the Company's new product "Flite- PU Fashion" launched last year has enabled us towards commissioning of new plant at Bahadurgarh Footwear Park adding to an increased capacity of 40000 of the same.

Strengthening manufacturing units

To capitalize on the huge potential in terms of domestic and export demand, we intend to strengthen the infrastructure by adding capacities, upgrading equipment and improving our internal processes of quality control and safety.

Going retail online

Online shopping is a significant segment that is fast emerging in terms of footwear sales. According to reports, it accounts for almost 8% of the overall industry and is likely to grow in the future. With new hopes and aspiration, the Company ventured into online shopping and started the new portal www.shopatrelaxo.com

Investing in Human Capital and IT infrastructure

People are the best assets of an organization and it is important to replenish this resource as much as possible. Hence, we at Relaxo are committed to a strong work culture that revolves around people. We try to ensure that an optimum work-life balance is maintained at all level. Be it perks, health benefits or an opportunity to grow and learn continuously, at Relaxo, work is its own reward.

The company took initiative in the recruitment of Management trainees from various IITs and IIMs across India. Lot of HR initiatives on organizational development and capability building have been initiated. Nearly 100 employees have enrolled theme selves in Technical /Professional courses.

Relaxo: The new Corporate Office

Out team is constantly growing and we strive for comfortable working conditions. The need of a bigger and modern office was necessary from the prospect of the new branding.

For a better coordination among employees and departments the company has moved to a modern and spacious single location 30,000 sq feet office based at Rohini. The new corporate office is fully equipped with all modern amenities and technology savvy conference and meeting rooms. The new corporate office gives employees all reasons to cherish and proud.

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Indian footwear Market

Market overview

India is the world's second largest footwear producing country, second to China and the third largest market. Even though the per capita footwear consumption in India has gone up from 1.4 pairs per year in 2004 to 2.5 pairs per year in 2012 & it is still much below the average per capita footwear consumption of five, in developed countries.

The size of Indian footwear market is around ₹ 26300 crores and expected to reach ₹ 38700 crores with a CAGR of 15% by 2015. At present, Men's contribute around 60% of footwear market against Women's share of 30%. Men's market is growing at a CAGR of 10% & Women's market is growing at a much faster CAGR of 20 %. India controls 15% of annual global footwear production.

Indian footwear retail is mainly an unorganized market with around 60% market share. The size of the organised sector which was around ₹ 7500 crores in 2010 increased to ₹ 10000 crores in 2011, growing at a CAGR of 30% every year since 2008. The market is expected to reach ₹ 17500 crores by 2015 growing at a CAGR of 19% p.a.

With the increased marketing efforts and experiments made by the company in FY 13, the company intends to grow at a better CAGR than the industry.

Business Overview

Major players and new entrants are opening more stores to capture the growing consumer market. Further, an increasing number of players are delving into Tier II and Tier III cities as well as the growing rural market to tap growing opportunities. According to media reports, the non-metro market accounts for nearly 55% of the overall footwear industry.

India produces more of gents' footwear while the world's major production is women's footwear. Style and colours vary from region to region. Bright colours may be in demand in northern India, while white and muted colours sell well in south India. Women in general are more concerned about the style and looks and do not mind buying from the local market. On the other hand, men are concerned about the quality and price of the product and prefer branded footwear.

DRIVERS FOR CONSUMPTION

Increasing disposable income of middle class

Growing fashion-consciousness

Increasing aspiration level

Increasing number of working women

Increasing penetration in tier II and Tier III cities

Online availability

₹ 26,300 Cr

Size of the Indian footwear market

₹ 38,700 Cr

expected size of the Indian footwear market by 2015

15%

Annual Growth rate

Nearly 90% of India's export of footwear goes to European Countries and the USA. Future growth of Indian footwear in India will continue to be market driven. The European countries and the USA are major consumers for the Indian footwear.

During FY13 the company is planning to increase its presence across the globe with a primary focus on the African market and will also strive hard to increase foothold in the existing market.

Online footwear shopping is a significant segment that is fast emerging in terms of footwear sales. According to reports, it accounts for almost 8% of the overall industry and is likely to grow in the future. To capture a chunk of the online market, the Company has also launched its online shopping portal to enhance its sales effort.

Indian footwear industry poised for growth

India has state-of-the-art footwear manufacturing plants. The footwear sector has matured from the level of the manual footwear manufacturing method to the automated systems. Relaxo operates on world class machines manned by highly skilled technicians. These incredible machines help turn ideas into reality. Support systems created for the sector have indeed served the footwear industry well. The future growth of the footwear industry in India will continue to be market-driven and oriented towards EU and US markets. With technology and quality of the footwear improving year after year, Indian Footwear industry is poised for a global revolution worldwide.

Financial Highlights:

- For the year FY13 the company reported an increase of 17% in the net sales and 12.30% in the Net profit.
- EPS increased from ₹ 33.25 in FY12 to ₹ 37.34 in FY13.
- The Company recommended highest ever dividend of 40%.

Opportunities:

- Improved efficiency of working capital management.
- Exploring of Export Opportunities.
- Improvement in cost structure would add to operating margins of the Company.

Risks & Threats:

- Changes in fashion trends and slow down in consumption pattern of the consumers may adversely affect the turnover of the Company.
- Increasing inflation is considered a threat which would increase overall input cost, as well as, conversion costs.
- Government Policy on relaxing the Foreign Direct Investment limits in the Retail Sector will allow many Multi-National Companies to enter into the Indian Retail Market, which might pose as a probable risk, since the Company will be competing with the International Players as well.

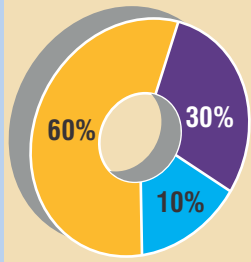
Internal Control System and its adequacy

The Company has an adequate system of internal controls in place. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

An in-house Internal Audit team reviews and reports to the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks. The scope and authority of the Internal Audit division is approved by the Audit Committee. Audit Committee of the Board of Directors, comprising independent directors, which regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards as well as reasons for changes in accounting policies and practices, if any.

Outlook

India is standing at the threshold of a retail revolution and witnessing fast changing retail scenario, with footwear market set to experience phenomenal growth in the coming years. The entry of numerous international players has also resulted in providing a significant boost to the Indian footwear market and the demand for Indian footwear will continue to grow in future as well. There are immense opportunities for increasing trend of online footwear retail market. The footwear manufacturers have gained a sudden upsurge in the retailing of footwear with the rise of e-commerce and the growing trend of online shopping.



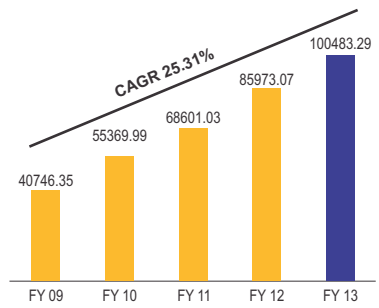
MARKET SEGMENTATION

- Men's wear
- Women's wear
- Kid's wear

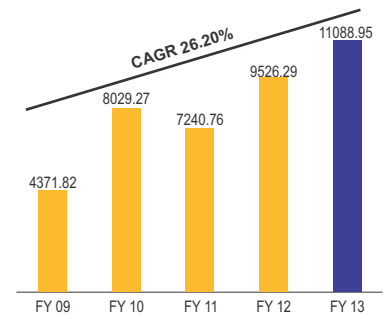
FINANCIAL HIGHLIGHTS

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
No of Pairs sold (in lacs)	1002.44	924.60	865.74	842.97	684.50
Sales	100483.29	85973.07	68601.03	55369.99	40746.35
Total Income	101090.97	86573.20	69213.20	55781.93	41004.86
EBIDTA	11088.95	9526.29	7240.76	8029.27	4371.82
Finance Cost	1770.29	1867.18	1590.85	1105.69	926.78
Depreciation	2549.82	2310.29	2095.48	1545.70	1047.01
Tax	2288.02	1358.32	883.12	1608.66	974.80
Net Profit	4480.82	3990.50	2671.31	3769.22	1423.23
Equity Share Capital	600.06	600.06	600.06	600.06	600.06
Net Worth	21443.56	17243.55	13462.27	10992.69	7396.46
Gross Fixed Assets(Tangible and Intangible)	48094.63	39977.61	35373.68	29222.05	21271.40
Net Fixed Assets(Tangible and Intangible)	35045.89	29260.64	26926.27	22841.06	15907.69
Capital Employed	46939.26	37376.56	34242.62	27525.64	19187.68
Capital Expenditure	8117.02	4569.52	6186.04	7950.65	5902.66
Growth in Sales(%)	16.88	25.32	23.90	35.89	33.31
EBIDTA to Sales(%)	11.04	11.08	10.55	14.50	10.73
EPS in ₹	37.34	33.25	22.26	31.41	11.86
Dividend (%)	40.00	30	30	30	15
Book Value per share (in ₹)	178.68	143.68	112.18	91.60	61.63
ROCE(%)	22.85	21.07	18.62	33.79	23.73

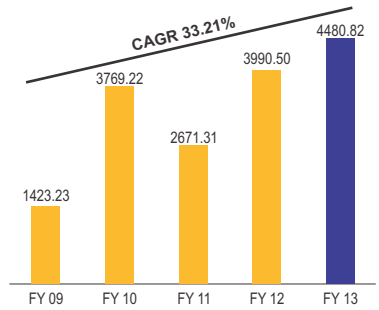
Sales (₹ in Lacs)



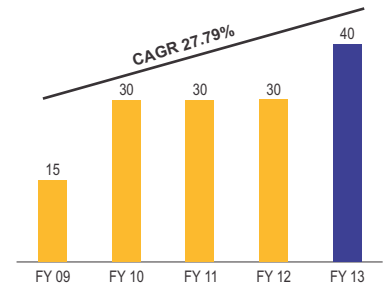
EBIDTA (₹ in Lacs)



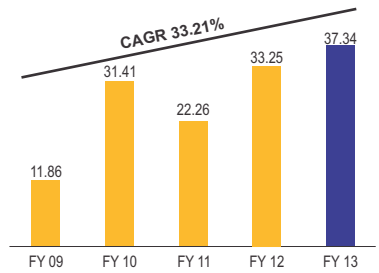
Net Profit (₹ in Lacs)



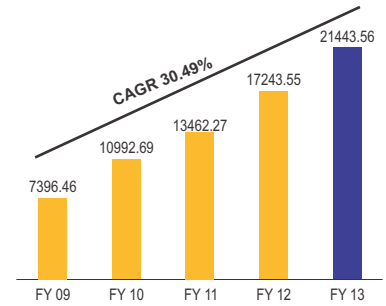
Dividend (%)



EPS (₹)



Net Worth (₹ in Lacs)



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 2012-13.

1. FINANCIAL RESULTS

(₹ in Lacs)

Particulars:	2012-13	2011-12
Sales & Other Income	**101090.97**	86573.20
Total Expenditure	**91772.31**	78910.26
Profit before Depreciation & Tax	**9318.66**	7662.94
Depreciation	**2549.82**	2310.29
Profit before Tax & Extra Ordinary items	**6768.84**	5352.65
Extra Ordinary items	**-**	(3.83)
Profit before Tax	**6768.84**	5348.82
Payment/Provision for Tax	**2288.02**	1358.32
Profit after Tax	**4480.82**	3990.50
Balance brought forward from Previous year	**610.45**	329.17
Amount available for Appropriation	**5091.27**	4319.67
Appropriation :		
Final Dividend	**240.02**	180.02
Tax on Final Dividend	**40.79**	29.20
Transfer to General Reserve	**4500.00**	3500.00
Balance carried to Balance Sheet	**310.46**	610.45
TOTAL	**5091.27**	4319.67
Basic and Diluted Earning per Share (in ₹)	**37.34**	33.25

2. BUSINESS PERFORMANCE

The total revenue of your Company increased to ₹101090.97 lacs as against ₹86573.20 lacs in the previous year which reflects growth of 16.77%. The EBIDTA rose by 16.40% to ₹11088.95 lacs as compared to ₹ 9526.29 lacs in previous year. The earning per share increased from ₹33.25 to ₹37.34 on equity share of ₹5 /- each.

The consistent performance over a long period of time despite growing complexities in the industry and economy indicates that company is a growth driven entity. During the year under review, the Synergy realised in financial term due to softening in raw material price gave an opportunity to spend more on initiatives as to futuristic growth.

The Retail business registered growth of 18.07% to ₹7225.33 lacs compared to ₹6119.42 lacs in previous year, During the year under review, the retail business continued its growth journey with new outlet launches realigning and consolidating small ones thus making 168 outlets at the end of FY13.The export business achieved turnover of ₹3003.70 lacs against ₹3052.82 lacs last year, which remained almost at par due to overall weak sentiments across the world.

3. DIVIDEND

Your Directors are pleased to recommend dividend of 40% on the equity shares of the Company for the financial year 2012-13.

4. AUDITORS

The Statutory Auditors of the Company M/s. Gupta & Dua, Chartered Accountants hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished the requisite certificate to the effect that their re-appointment, if effected, will be in accordance with Section 224(1B) of the Companies Act, 1956.

5. COST AUDITOR

During the financial year 2012-13, Ministry of Corporate Affairs has issued Orders under section 233B of the Companies Act and also issued some Circulars in this regard. As a result of which, Cost Audit become applicable on the Company for the financial year 2013-14. Hence, to conduct the Cost Audit, M/s. R.J. Goel & Co., Cost Accountants have been appointed as Cost Auditors by the Board of Directors of the Company. The Cost Audit Report for the financial year 2013-14 will be filed in due course.

6. AUDITORS' REPORT

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

7. DIRECTORS

In order to strengthen existing Board of Directors, Mr. Kuruvila Kuriakose and Mr. Umesh Nath Kapur were appointed as Additional Director of the Company with effect from 05.11.2012. Further, Mr. Deval Ganguly was appointed as Additional Director and subsequently appointed as Whole Time Director of the Company with effect from 5.11.2012.

Mr. S.K. Sapra, Director of the Company resigned w.e.f. 21.10.2012.

Mr. Vivek Kumar and Mr. Pankaj Shrimali , Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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

8. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report as required under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of this Report.

9. NEW PRODUCT DEVELOPMENT

During the year under review, the Company has given more emphasis upon New Product Development in order to keep its products ahead in fast changing fashionable and competitive market. The Company has adopted product engineering and rationalisation by focusing upon latest design and quality. To achieve the desired result, the Company carried out extensive market research on its product and also obtained feedback of customers thereon. This step has been leading towards increase in sales of products which are of latest designs and more in demand. Consequently, it resulted into brand recognition of the Company.

10. CREDIT RATING

The ICRA and CARE have assigned the rating A- for long term fund facility and A2+ for short term fund facility to your Company. These ratings represent adequate safety of credit facilities given to the Company.

11. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report as stipulated under Clause 49 of the Listing Agreement, forms part of this Report.

The requisite certificate from the Statutory Auditors of the Company, M/s. Gupta & Dua, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to Corporate Governance Report.

12. FIXED DEPOSITS

The Company has not invited or accepted any Fixed Deposits from Public during the year under review.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 with regard to Directors' Responsibility Statement, it is hereby confirmed:

1. That the applicable Accounting Standards have been followed in the preparation of the Annual Accounts and that there have been no material departures there from;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2012-13 and of the profit of the Company for year under review.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the Annual Accounts on a going concern basis.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO

The particulars as prescribed under section 217(1)(e) of the Companies Act, 1956 read with Companies [Disclosure of Particulars in the report of Board of Directors] Rules, 1988, are set out in Annexure forming part of the Directors' Report.

15. FINANCIAL RISK

The Company has policy to hedge payment of foreign currency in order to reduce risk of volatile international market of foreign exchange.

All properties, including building, plant, machinery, furniture, fixture and stock of the Company have been properly insured against all kind of risks.

Further, the Company has obtained a separate insurance policy to cover any peril which may arise on account of incoming and outgoing movement of raw material/ finished goods across its manufacturing units and the places of distributors respectively.

16. HUMAN RESOURCE MANAGEMENT & INDUSTRIAL RELATIONS

Manpower management is an integral part of the process of the management of a business. At Relaxo, Human Resource Managers interpret the progressive needs of the organization and direct individual potential towards a common goal.

The Company took initiatives to organize sales and retail trainings at very frequent intervals. To enhance the capability of existing manpower, the Company has tied up with the educational institutions like FDDI, CFTI, MG University. The Company has facilitated the educational enhancement of around 100 employees in the previous year. As a part of talent building initiative the company has recruited talents from various IIT and IIM Institutes across India. The Company has been continuously hiring

professionals in all facets from Manufacturing to Sales for building a strong talent pool of future Managers and Leaders.

17. CEO AND CFO CERTIFICATION

Pursuant to the requirement of Clause 49 of the Listing Agreement, the CEO and CFO certification is attached herewith the Annual Report. The Managing Director & CEO and the Chief Financial Officer also provide quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

18. PARTICULARS OF EMPLOYEES

The Statement of Particulars pursuant to section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2002 forms part of this report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Reports and Accounts are being sent to all shareholders excluding the above statement. The statement is available for inspection at the Registered Office during working hours up to the date of the Annual General Meeting or may write to the Company Secretary for a copy.

19. ACKNOWLEDGEMENT

Your Directors express their gratitude to the Company's shareholders, business partners and suppliers for their understanding and support. Your Directors record their appreciation and gratitude to the banks for their continued and timely assistance in meeting the Company's resource requirement. 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	**MUKAND LAL DUA**
Managing Director	Whole Time Director

Place: Delhi
Date: July 27, 2013

Annexure to the Directors' Report

A. CONSERVATION OF ENERGY

Energy conservation is an ongoing process in the Company by investing 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.

The energy conservation measure indicated above has helped the Company to restrict the impact of increase in the cost of energy thereby reducing the cost of production of goods to that extent.

B. TECHNOLOGY ABSORPTION

I. RESEARCH AND DEVELOPMENT

a) Specific areas in which R & D carried out by the Company:

- Material Development
- Product/process development
- Energy Saving by modification of process
- Moulds Development and design modification
- Waste recycling

b) Benefits derived as a result of R & D

- Improvement in quality and rejection control
- Increase in production efficiency

c) Expenditure on R & D

- Recurring: ₹ 60.96 lacs charged out as expenses through respective heads of accounts

II. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

a) Efforts made towards technology

- Introduction of improved grades of polymer in footwear
- Introduction of newly developed additives
- Introduction of improved screen printing material
- Installation of Effluent Treatment Plant

b) Benefit derived as a result of the above efforts

- Better market acceptance through improvement in overall aesthetics
- Improvement in quality
- Reduction in process cycle time
- Reduction in overall cost of production
- Improvement in General Environment

c) Technology imported during last 5 years : Nil

III. 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, Africa, Europe, South America & Oceania and these markets will increase overall export of Company in coming years.

b) Total Foreign Currency used and earned
Used: ₹ 10015.14 lacs
Earned: ₹ 2899.79 lacs

CORPORATE GOVERNANCE REPORT

AT THE HEART OF THE CORPORATE

Corporate Governance is about our commitment to human values in business and translates into ethical corporate conduct. It is story, a Company chooses to manage itself. 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, and indeed go beyond, all of them, We 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 the letter - but 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. PHILOSPHY 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 Clause 49 of the Listing Agreement, the Board should have an optimum combination of Executive and Non-Executive Directors and at least 50% of the Board should comprise of Non-Executive Directors. Further at least one-third of the Board members should comprise of Independent Directors, if the Chairman is Non-Executive and at least half of the Board should be of independent Directors in case of an Executive Chairman.

Composition of the Board of Directors

The composition of the present Board of Directors of the Company, at present, is in line with Clause 49 of the Listing Agreement. It has one Managing Director, three Whole Time Directors and four Non-Executive Independent Directors.

Category	Name of Directors
Promoters and Executive Directors	Mr. Ramesh Kumar Dua, Managing Director Mr. Mukand Lal Dua, Whole Time Director Mr. Nikhil Dua, Whole Time Director *Mr. Deval Ganguly, Whole Time Director
Independent and Non-Executive Directors	Mr. Vivek Kumar Mr. Pankaj Shrimali **Mr. Kuruvila Kuriakose **Mr. Umesh Nath Kapur

- *Mr. Deval Ganguly was appointed Additional Director and subsequently appointed as Whole Time Director of the Company w.e.f. 05.11.2012
- **Mr. Kuruvila Kuriakose and Mr. Umesh Nath Kapur were appointed as Additional Director of the Company w.e.f. 05.11.2012
- Mr. S.K. Sapra, Independent and Non Executive Director of the Company resigned with effect from 21.10.2012.

Details of Board Meetings

During the Financial year 2012-13, the Board of Directors met five times.

The maximum gap between any two Board meetings was less than 4 months, as given below:

Date of Meeting	No. of Directors present	Total Strength of the Board
12.05.2012	5	6
04.08.2012	6	6
05.11.2012	8	8
02.02.2013	8	8
23.03.2013	7	8

Attendance records of the Directors at Board Meetings and at the Annual General Meeting (AGM) during the Financial year 2012 - 13 is as under :

Name of Directors	No. of Board Meetings attended	Attendance in AGM held on 17.09.2012	Number of other Companies in which Directorship held
Mr. Ramesh Kumar Dua	5	Present	2
Mr. Mukand Lal Dua	4	Present	2
Mr. Nikhil Dua	5	Present	-
Mr. S.K. Sapra	1	Present	-
Mr. Vivek Kumar	5	Present	1
Mr. Pankaj Shrimali	5	Present	2
Mr. Umesh Nath Kapur	3	Not Applicable	1
Mr. Kuruvila Kuriakose	3	Not Applicable	6
Mr. Deval Ganguly	3	Not Applicable	-

3. COMMITTEES OF THE BOARD OF DIRECTORS AS ON 31.03.2013

I. Audit Committee

II. Shareholders'/Investors' Grievances and Share Transfer Committee

III. Remuneration Committee

I. AUDIT COMMITTEE

The Company constituted the Audit Committee in line with the requirement of Section 292 - A of Companies Act, 1956, read with Clause 49 of the Listing Agreement.

TERMS OF REFERENCE:

a) Overseeing Company's financial reporting processes and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Reviewing with the Management, the annual financial statements before submission to the Board for approval.

c) Discussion and review of periodic audit reports.

d) Discussion with External Auditors about the scope of audit including the observations of the Auditors.

e) Approving internal audit plans and internal control function and reviewing the efficacy of the functions.

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 three Directors, namely, Mr. Pankaj Shrimali, Independent Director and Chairman of the Committee, Mr. Kuruvila Kuriakose, 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 2012-13 are given below:

Name of Members	No. of Meetings held	No. of Meetings attended
Mr. Pankaj Shrimali	4	4
Mr. S.K. Sapra*	4	1
Mr. Nikhil Dua	4	4
Mr. Kuruvila Kuriakose**	4	2

* Mr. S.K. Sapra resigned as member of Audit Committee w.e.f. 21.10.2012

** Mr. Kuruvila Kuriakose was appointed as member of Audit Committee w.e.f. 05.11.2012

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. SHAREHOLDERS'/INVESTORS' GRIEVANCE AND SHARE TRANSFER COMMITTEE

The Company has constituted Shareholders'/ Investors' Grievance and Share Transfer Committee to specifically look into the redressal of Shareholders and Investors complaints.

TERMS OF REFERENCE:

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 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, Whole Time Director.

Mr. S.K. Sapra, Non Executive Independent Director and Chairman of the Committee resigned w.e.f. 21.10.2012 and Mr. Vivek Kumar, Non Executive Director was appointed as Chairman of the Committee w.e.f. 5.11.2012.

During the financial year 2012-13, eight 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. S.K. Sapra	8	6
Mr. Vivek Kumar	8	2
Mr. Ramesh Kumar Dua	8	8
Mr. Mukand Lal Dua	8	8

All complaints, suggestions and grievances are promptly dealt with and resolved within 15 days unless there is some dispute and/or other legal constraint.

Mr. Kapil Garg, Company Secretary is the Compliance Officer of the Company.

III. REMUNERATION COMMITTEE

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

TERMS OF REFERENCE

The remuneration policy of the Company is directed towards rewarding performance, based on periodic review of performance and achievements and is primarily based on the following criteria:

- Performance of the Company, its divisions and units.
- Track record, potential, personal attitude & performance of individual Manager and external competitive environment.

The remuneration policy of the Company is in line with Industry's practice. The objective of the remuneration committee is to motivate employees to excel in their performance, recognize their contribution and to retain talent in the organization.

Composition and Attendance

The Committee comprised three Non-Executive cum Independent Directors, Mr. Pankaj Shrimali, Chairman of the Committee, Mr. Umesh Nath Kapur and Mr. Vivek Kumar, members of the Committee. During the financial year 2012-13, no meeting of the Committee was held.

Mr. S.K. Sapra, Non Executive Independent Director and a member of the Committee resigned w.e.f. 21.10.2012 and Mr. Umesh Nath Kapur, Non Executive Independent Director was appointed as a Member of Committee w.e.f. 5.11.2012.

4. DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2012-13

i. The Managing Director and Whole-Time Directors are paid remuneration as per the terms approved by the Board of Directors of the Company and confirmed by the Shareholders of the Company and subject to such other statutory approvals as may be necessary. Details of remuneration paid to the Executive Directors for the financial year 2012-13 are as follows:

(Amount in ₹)

Name of Directors	Designation	Salary	Commission	Total
Mr. Ramesh Kumar Dua	Managing Director	42,00,000	3,04,49,161	3,46,49,161
Mr. Mukand Lal Dua	Whole Time Director	42,00,000	3,04,49,161	3,46,49,161
Mr. Nikhil Dua	Whole Time Director	38,56,996	–	38,56,996
Mr. Deval Ganguly	Whole Time Director	24,78,617	–	24,78,617

Mr. Ramesh Kumar Dua, Managing Director and Mr. Mukand Lal Dua, Whole-time Director of the Company were appointed with effect from 01.04.2009 for a period of five years. Mr. Nikhil Dua, Whole-time Director was appointed with effect from 01.10.2010 for a period of three years.

Mr. Deval Ganguly, Whole-time Director was appointed with effect from 05.11.2012 for a period of three years.

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

ii) **Non Executive Directors:** - The sitting fees paid to Non-Executive Directors for the financial year 2012-13 was ₹ 105000/ to Mr. Pankaj Shrimali, ₹ 85000/-to Mr. Vivek Kumar and ₹18500/- to Mr. S.K. Sapra (up to 21.10.2012) ₹ 80000/- to Mr. Kuruvila Kuriakose, ₹60000/- to Mr. Umesh Nath Kapur for attending the meetings

5. VENUE & TIME OF ANNUAL GENERAL MEETINGS

Year	Venue	No. of Special Resolution	Day and Date	Time
2011-12	Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi-110 003	_	Monday, 17th September, 2012	10.30 a.m
2010-11	-- do --	–	Tuesday, 20th September. 2011	10.30 a.m.
2009-10	-- do --	5	Friday, 24th September. 2010	10.30 a.m.

6. POSTAL BALLOT

There is no resolution at the ensuing Annual General Meeting of the Company which is 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. All related party transactions have been reported and forms part of the Notes to Accounts of the Balance Sheet.

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 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 Clause 49 of Listing Agreement

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.

E. Non-mandatory requirement

The Company, at present, has adopted the non-mandatory requirement with regard to constitution of Remuneration Committee, which has been constituted to determine the remuneration package of Whole-time Director and Senior Management Personnel.

F. Policy for Prevention of Insider Trading

With a view to preventing 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 in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. Under the Policy, insiders are prohibited to deal in the Company's shares while in possession of unpublished price sensitive information.

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 www.relaxofootwear.com. All Board Members and Senior Management personnel have affirmed compliance with Code of Conduct. A declaration signed by the Chief Executive Officer 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 in the Financial Year ended on 31st March, 2013.

Place : Delhi **RAMESH KUMAR DUA**
Dated : July 27, 2013 CEO & Managing Director

10. MEANS OF COMMUNICATION

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

As per the Listing Agreement with Bombay Stock Exchange Limited and National Stock Exchange of India Limited, Quarterly, Half-yearly, Nine Months and Annual Financial Statements of the Company are generally published in Financial Express/Economic Times (in English Language) and in Jansatta/ 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, Profit and Loss Account, Directors' Report and Auditors' Report, Cash Flow Statement and Quarterly Financial Statements.
- Shareholding Pattern.

11. GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting

Date : 19.09.2013

Time : 10.30 a.m.

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

2. Financial Year

For the financial year 2013-14, the results will be announced (tentatively)

Last week of July, 2013	For First Quarter ended on 30th June, 2013
Last week of October, 2013	For Half year ended on 30th September, 2013
Last week of January, 2014	For Third Quarter ended on 31st December, 2013
Last week of May 2014	For Fourth Quarter & Year end as on 31st March 2014

3. Book Closure Date:

Friday, 13.09.2013 to Thursday, 19.09.2013 (both days inclusive)

4. Dividend Payment Date:

On or before 18th October, 2013, (Subject to the approval of the Shareholders in AGM)

5. Registered Office:

316 - 319, Allied House, Inderlok Chowk, Old Rohtak Road, Delhi- 110 035

Tel.: 23128534, 46800700, Fax: 91-11-46800692

6. 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 has been paid to NSE upto year 2013-14).

Bombay Stock Exchange Limited,
Phirozee Jeejeebhoy Towers, Dalal Street,
Mumbai-400 001.
Stock Code : BSE-530517.
(The annual listing fee has been paid to BSE upto year 2013-14)
The Company has also paid annual custody fee for the year 2013-14 to National Securities Depository Limited (NSDL), and Central Depository Services (India) Limited (CDSL)

7. Market Price Data

Table showing monthly price movement on BSE during the Financial Year 2012-13

Month & Year	High (in ₹)	Low (in ₹)	Close (in ₹)	Market Capitalisation (₹ in Lacs)
April, 2012	350.00	303.10	325.00	39003.90
May, 2012	465.00	314.70	433.30	52001.20
June, 2012	530.00	375.00	514.75	61776.18
July, 2012	559.00	494.10	550.40	66054.60
August, 2012	640.00	494.00	624.05	74893.49
September, 2012	806.10	625.00	725.65	87086.71
October, 2012	840.00	682.00	819.95	98403.84
November, 2012	908.00	729.00	805.50	96669.67
December, 2012	850.00	740.25	803.75	96459.65
January, 2013	916.95	781.10	816.50	97989.80
February, 2013	821.00	590.15	635.80	76303.63
March, 2013	697.70	497.50	586.60	70399.04

Table showing monthly price movement on NSE during the Financial Year 2012-13

Month & Year	High (in ₹)	Low (in ₹)	Close (in ₹)	Market Capitalisation (₹ in Lacs)
April, 2012	370.00	312.00	314.20	37707.77
May, 2012	449.00	420.00	429.15	51503.15
June, 2012	519.70	502.25	510.70	61290.13
July, 2012	545.00	515.35	542.65	65124.51
August, 2012	642.50	600.00	632.15	75865.59
September, 2012	735.00	716.25	726.25	87158.72
October, 2012	840.00	785.00	818.20	98193.82
November, 2012	826.20	788.00	811.15	97347.73
December, 2012	815.00	780.00	803.25	96399.64
January, 2013	829.00	802.05	822.00	98649.86
February, 2013	659.90	622.50	650.95	78121.81
March, 2013	604.40	566.00	588.65	70645.06

8. Registrar and Transfer Agents: Securities 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
17-24, Vittal Rao Nagar
Madhapur-Hyderabad, Andhra Pradesh - 500 081, India
Email : mahender.singh@karvy.com

9. 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 certificate 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 Clause 47(c) of the Listing Agreement with the Stock Exchanges, Certificate on half yearly basis confirming due compliance with Share Transfer formalities by the Company and Certificate for timely dematerialization of shares as per SEBI (Depositories and Participants) Regulations, 1996, have been submitted to stock exchange.

10. Distribution Pattern as on 31st March, 2013

i) Shareholding pattern (in form of size):

Sr. No.	No. of Equity Shares held	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
1	1 - 5000	3340	98.58	469860	3.92
2	5001 - 10000	16	0.47	109325	0.91
3	10001 - 20000	8	0.24	118747	0.99
4	20001 - 30000	5	0.15	133691	1.12
5	30001 - 40000	2	0.06	76017	0.63
6	40001 - 50000	1	0.03	40001	0.33
7	50001 - 100000	2	0.06	123500	1.03
8	100001 and above	14	0.41	10930059	91.07
TOTAL		**3388**	**100.00**	**12001200**	**100.00**

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

Sr. No.	Category	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
1	Promoters	12	0.35	9000900	75.00
2	Bodies corporate	142	4.19	1930718	16.09
3	Resident individuals	3097	91.41	868429	7.23
4	H U F	50	1.48	23589	0.20
5	Clearing Members	22	0.65	3673	0.03
6	Non-resident Indians	63	1.86	29550	0.25
7	Foreign Institutional Investors	1	0.03	144241	1.20
8	Others	1	0.03	100	0.00
Total		**3388**	**100.00**	**12001200**	**100.00**

11. 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:-

DEMATERALISATION OF SHARES AS ON 31.3.2013

Particulars	No. of Shares	% of Paid up Capital	No. of Shareholders
1. National Securities Depository Limited	11677932	97.30	2140
2. Central Depository Services (India) Limited	158243	1.32	806
SHARES IN DEMAT FORM	11836175	98.62	2946
SHARES IN PHYSICAL FORM	165025	1.38	442
Total	**12001200**	**100.00**	**3388**

12. Investors Correspondence:

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

CS Kapil Garg, Company Secretary & Compliance Officer,
Relaxo Footwears Limited
316-319, Allied House, Inderlok Chowk, Old Rohtak Road, Delhi-110 035
E-mail: kapilgarg@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 36 investors' complaints were received and resolved.

13. Corporate Identity Number (CIN): L74899DL1984PLC019097

14. Per Share Data

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Net Earning (₹ in Lacs)	4480.82	3990.50	2671.31	3769.22	1423.23	1052.41	611.95
Cash Earning (₹ in Lacs)	7030.64	7662.94	5649.91	6924.80	3485.36	2608.26	1902.72
EPS (in ₹)	37.34	33.25	22.26	31.41	11.86	8.77	5.10
CEPS (in ₹)	58.58	63.85	47.08	57.70	29.04	21.74	15.86
Dividend (including Interim Dividend per share) (in ₹)	2.00	1.50	1.50	1.50	0.75	0.75	0.75
Dividend Pay out (%)	5.36	4.51	6.74	4.78	6.32	8.55	14.70
Book Value Per Share (in ₹)	178.68	143.68	112.18	91.60	61.63	50.64	42.76
Face value Per Share (in ₹)	5.00	5.00	5.00	5.00	5.00	5.00	5.00

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

16. Transfer of unclaimed amount to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 205-A of the Companies Act, 1956, 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 under section 205 C of the Companies Act, 1956 read with the Investors Education and Protection Fund (Awareness and Protection of Investors) Rule, 2001.

During the year under review, the Company has deposited a sum of Rs. 1315/- to the Investor Education and Protection Fund in respect of unpaid dividend of year ended on 31.03.2005.

17. Other useful information for the shareholders:

i) 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.

ii) 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.

iii) In case of loss/misplacement of shares, a compliant 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.

iv) 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 divided 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 109A of Companies Act, 1956 extends nomination facility to individuals holding shares in physical from in Companies. Members, in particulars 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

Place : Delhi
Date : July 27, 2013

RAMESH KUMAR DUA
Managing Director

MUKAND LAL DUA
Whole Time Director

CEO/CFO CERTIFICATION

To
The Board of Directors
Relaxo Footwears Limited

SUB: CEO/CFO Certification

We Ramesh Kumar Dua, Chief Executive Officer and 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, 2013.

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.

RAMESH KUMAR DUA
Chief Executive Officer and
Managing Director

SUSHIL BATRA
Chief Financial Officer

Place : Delhi
Date : July 27, 2013

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of
Relaxo Footwears Limited

We have examined the compliance of conditions of Corporate Governance by RELAXO FOOTWEARS LIMITED for the year ended on 31 March, 2013, as stipulated in Clause 49 of the listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by Shareholders'/Investors' Grievance and Share Transfer Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or the effectiveness with which the Management has conducted the affairs of the Company.

For GUPTA & DUA
Chartered Accountants
(Registration No. 003849N)

C.A.MUKESH DUA
Partner
M.No. 085323

Place : Delhi
Date : July, 27, 2013

INDEPENDENT AUDITORS' REPORT

To The Members of
Relaxo Footwears Limited

We have audited the accompanying financial statements of RELAXO FOOTWEARS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the significant accounting policies and additional notes thereon given in NOTE 27, give the information required by the act, in the manner so required and present a true and fair view, in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the Statement of Profit and Loss , of the profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure hereto, a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For GUPTA & DUA
Chartered Accountants
(Registration No. 003849N)

CA. MUKESH DUA
Partner
M.No. : 085323

Place : Delhi
Date : May 11, 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

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

1) In respect of its fixed assets :

   a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

   b) As explained to us, the fixed assets have been physically verified by the management in 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 have been noticed on such verification.

   c) In our opinion, the company has not disposed off any substantial / major part of its fixed assets during the year and the going concern status of the company is not affected.

2) In respect of its inventories :

   a) As explained to us, inventories were physically verified by the management at reasonable intervals during the year.

   b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.

3) In respect of loans, secured or unsecured, granted or taken by the Company to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 :

   a) The Company has taken unsecured loan from a party. In respect of the said loan, the maximum amount outstanding at any time during the year was ₹ 972.60 lacs and the year end balance is ₹ 972.60 lacs.

   b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions, are not prima facie prejudicial to the interest of the company.

   c) The Company is regular in paying the principal amounts as stipulated and have been regular in payment of interest in respect of loans referred to in (a) above.

   d) There is no overdue amount of loans taken as referred to in (a) above.

   e) The company has not granted any loan, to companies, firms or other parties covered in the register maintained under section 301 of the Company Act, 1956.

4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control.

5) In respect of contracts or arrangements that need to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956:

   a) To the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements, as the case may be, that need to be entered into the register have been so entered.

   b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements, as the case may be, exceeding the value of ₹ five lacs in respect of each party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time and as per information available with the Company.

6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 58 A and Section 58AA of the Companies Act, 1956.

7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

8) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect

of manufacture of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

9) In respect of statutory dues :-

a) According to the information and explanations given to us and on the basis of our examination of the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, Investor Education and Protection Fund and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.

b) According to information and explanations given to us, the following disputed statutory dues aggregating ₹1931.69 lacs that have not been deposited on account of matters pending before appropriate authorities are as under :-

S.No.	Name of the Statute	Nature of dues and period to which amount relates	Forum where dispute is pending	Amount (₹ in lacs)
1.	Haryana General Sales Tax Act, 1973	Purchase Tax 2001-02 2002-03	Jt. Excise & Taxation Commissioner Jt. Excise & Taxation Commissioner	19.92 14.73
2.	Delhi Value Added Tax, 2005	Input Tax 2005-06	Appellate Tribunal, Delhi	3.45
3.	U.P. Sales Tax Act, 1940	Sales Tax 2006-07	Deputy Commissioner of Commercial Tax, Ghaziabad, UP	0.72
4.	Rajasthan Entry Tax	Entry Tax From 2007-08 To 2012 -13	High court , Jodhpur	7.32
5.	Haryana Local Area Dev. Tax and Entry tax*	Entry Tax From 2006-07 To 2012-13	Supreme court of India	1861.31
6.	Income Tax Act,1961	Regular demand : 2009-10 2010-11 TDS: From 2007-08 To 2011-12	Income tax Appellate Tribunal & Assessing Officer Commissioner of Income Tax (Appeals) Commissioner of Income Tax (Appeals)	15.51 2.33 6.40
	Total			**1931.69**

*The matter has been decided in favour of the Company, although the department has preferred appeal at higher levels.

10) The Company has no accumulated losses at the end of financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

11) Based on the audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to any financial institution and banks.

12) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and others securities.

13) In our opinion, the company is not a chit fund / a nidhi / mutual benefit fund / society. Therefore, clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order 2003 (as amended) is not applicable to the Company.

14) The company is not dealing or trading in shares, securities, debentures and other investments; therefore requirement of maintenance of proper records of such transaction and contracts does not arise.

15) According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.

16) In our opinion the term loans have been utilized for the purposes for which the same was raised.

17) According to the cash flow statement and other records examined by us and according to the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment.

18) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

19) The company has not issued debentures and therefore the question of securities or charge to be created in respect of debenture does not arise.

20) The Company has not raised any money by way of public issue during the year.

21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year that causes the financial statements to be materially misstated.

For GUPTA & DUA
Chartered Accountants
(Registration No. 003849N)

CA. MUKESH DUA
Partner
M.No. : 085323

Place : Delhi
Date : May 11, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in lacs)

Particulars	Note No.	As At 31.03.2013	As At 31.03.2012
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	1	600.06	600.06
Reserves and Surplus	2	20843.50	16643.49
NON CURRENT LIABILITIES			
Long-Term Borrowings	3	15024.36	9254.27
Deferred Tax Liabilities (Net)	4	2412.69	2200.77
Long-Term Provisions	5	337.68	316.04
Other Long Term Liabilities	6	565.26	401.05
		18339.99	**12172.13**
CURRENT LIABILITIES			
Short-Term Borrowings	7	5466.21	5297.48
Trade Payables	8	4514.30	4207.64
Other Current Liabilities	9	8401.67	7124.66
Short-Term Provisions	10	2438.20	1424.51
		20820.38	**18054.29**
TOTAL		**60603.93**	**47469.97**
ASSETS			
NON CURRENT ASSETS			
FIXED ASSETS	11		
Tangible Assets		32151.56	26795.97
Intangible Assets		520.14	338.16
Capital Work-in-Progress		2336.78	2102.45
Intangible Assets under development		37.41	24.06
		35045.89	**29260.64**
Non Current Investments	12	6.01	6.01
Long-Term Loans and Advances	13	1469.08	1161.20
Other Non-Current Assets	14	77.27	114.37
		1552.36	**1281.58**
CURRENT ASSETS			
Inventories	15	15943.94	12849.69
Trade Receivables	16	3596.42	2295.95
Cash and Bank Balances	17	297.14	105.33
Short-Term Loans and Advances	18	3894.08	1455.85
Other Current Assets	19	274.10	220.93
		24005.68	**16927.75**
TOTAL		**60603.93**	**47469.97**
Significant Accounting Policies and Additional Notes on Accounts	27		

Notes referred to above form an integral part of the Financial Statements

As per our report of even date
FOR GUPTA & DUA
Chartered Accountants

CA. MUKESH DUA
Partner
M.No. 085323

RAMESH KUMAR DUA
Managing Director

Place : Delhi
Dated: May 11, 2013

SUSHIL BATRA
Chief Financial Officer

KAPIL GARG
Company Secretary

MUKAND LAL DUA
Whole Time Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in lacs)

Particulars	Note No.	2012-13	2011-12
REVENUE			
Revenue from Operations (Gross)	20	101658.08	86537.64
Less: Excise Duty		675.35	70.23
Revenue from Operations (Net)		100982.73	86467.41
Other Income	21	108.24	105.79
TOTAL		**101090.97**	**86573.20**
EXPENDITURE			
Cost of Materials Consumed		43495.25	38714.08
Purchases of Stock-in-Trade		6800.91	8059.11
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	22	(3354.08)	(851.49)
Employee Benefits Expenses	23	11334.38	8234.18
Selling and Distribution Expenses	24	14387.97	10658.38
Finance Costs	25	1770.29	1867.18
Depreciation and Amortization Expenses		2549.82	2310.29
Other Expenses	26	17337.59	12228.82
TOTAL		**94322.13**	**81220.55**
Profit before Exceptional and Extraordinary items and Tax		6768.84	5352.65
Exceptional Items		-	-
Profit before Extraordinary Items and Tax		6768.84	5352.65
Extra Ordinary Items [refer Note 27-B(14)]		-	(3.83)
Profit before Tax		**6768.84**	**5348.82**
Tax Expense:			
Current tax		1955.93	1077.17
Add / (Less) : MAT Credit		120.30	312.83
Net Current Tax		2076.23	1390.00
Deferred Tax		211.92	(28.14)
Tax for Earlier Years (Net)		(0.13)	(3.54)
Profit after Tax for the Year		**4480.82**	**3990.50**
Basic & Diluted Earnings Per Equity Share of ₹ 5 each [refer Note 27-B(9)]		37.34	33.25
Significant Accounting Policies and Additional Notes on Accounts	27		

Notes referred to above form an integral part of the Financial Statements

As per our report of even date
FOR GUPTA & DUA
Chartered Accountants

CA. MUKESH DUA
Partner
M.No. 085323

RAMESH KUMAR DUA
Managing Director

Place : Delhi
Dated: May 11, 2013

SUSHIL BATRA
Chief Financial Officer

KAPIL GARG
Company Secretary

MUKAND LAL DUA
Whole Time Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in lacs)

S.No.	Particulars	2012-13	2011-12
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS	**6768.84**	**5352.65**
	ADJUSTMENTS FOR		
	Depreciation	2549.82	2310.29
	Finance costs	1770.29	1867.18
	Other Non-operating Income	(26.56)	(5.54)
	(Profit)/Loss on sale of Assets	3.38	61.14
	Operating Profit before extra-ordinary items	**11065.77**	**9585.72**
	Extraordinary Items	-	(3.83)
	Operating Profit before working capital changes	**11065.77**	**9581.89**
	ADJUSTMENTS FOR		
	Trade receivables and other assets	(3185.11)	(243.58)
	Inventories	(3094.25)	(1190.78)
	Trade Payables and other liabilities	2811.59	16.95
	Income Tax	(2089.33)	(893.18)
	Net cash flow from operating activities	**5508.67**	**7271.30**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of Fixed Assets	(8442.44)	(4882.82)
	Fixed Assets sold / discarded	103.99	177.02
	Other Non-operating Income	26.56	5.54
	Net Cash used in investing activities	**(8311.89)**	**(4700.26)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings (Net of repayments)	4974.64	(673.65)
	Dividend paid	(209.32)	(138.83)
	Finance costs	(1770.29)	(1867.18)
	Net cash from Financing activities	**2995.03**	**(2679.66)**
	Net increase / (decrease) in cash & cash equivalents	191.81	(108.62)
	Cash & cash equivalents at the beginning of the year	105.33	213.95
	Cash & cash equivalents at the end of the year	**297.14**	**105.33**

As per our report of even date
FOR GUPTA & DUA
Chartered Accountants

CA. MUKESH DUA
Partner
M.No. 085323

RAMESH KUMAR DUA
Managing Director

Place : Delhi
Dated: May 11, 2013

SUSHIL BATRA
Chief Financial Officer

KAPIL GARG
Company Secretary

MUKAND LAL DUA
Whole Time Director

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE 1 SHARE CAPITAL

(₹ in lacs)

Particulars	As At 31.03.2013	As At 31.03.2012
AUTHORISED CAPITAL		
2,00,00, 000 Equity Shares of ₹ 5/- each	1000.00	1000.00
ISSUED, SUBSCRIBED AND PAID UP		
1,20,01,200 Equity Shares of ₹ 5/- each fully Paid	600.06	600.06

- There is no change in the Shares Outstanding at the beginning and at the end of the Year.
- The number of Shares held by each shareholder holding more than 5% shares are given below :

	As at 31.03.2013		As at 31.03.2012	
Name of Shareholder	Number of Shares held & %		Number of Shares held & %	
Ramesh Kumar Dua	3147315	26.23%	3147315	26.23%
Mukand Lal Dua	2677070	22.31%	2677070	22.31%
VLS Finance Limited	905776	7.55%	905776	7.55%
VLS Securities Limited	815000	6.79%	815000	6.79%

The company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity share 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 liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company in proportion to their number of equity shares after distribution of all preferential amounts.

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.

NOTE 2 RESERVES & SURPLUS

Capital Reserve		
As per Last Balance Sheet	45.36	45.36
Share Premium Account		
As per Last Balance Sheet	73.94	73.94
General Reserve		
Opening Balance	15913.74	12413.74
Transfer from Surplus balance in Statement of Profit & Loss	4500.00	3500.00
Closing Balance	**20413.74**	**15913.74**
Surplus balance in the Statement of Profit and Loss		
Opening Balance	610.45	329.17
Transfer from Statement of Profit and Loss	4480.82	3990.50
Less :		
Transfer to General Reserve	4500.00	3500.00
Proposed Final Dividend on Equity Shares	240.02	180.02
Tax on Proposed Final Dividend	40.79	29.20
Closing Balance	**310.46**	**610.45**
TOTAL	**20843.50**	**16643.49**

NOTE 3 LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	Non Current Portion		Current Portion	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
A. Secured Loans				
Term Loans from Banks				
1 State Bank of India *				
a) Foreign Currency Loan				
- Repaid last monthly instalment in Feb 2013	-	-	-	843.09
- Repaid last monthly instalment in Dec 2012	-	-	-	436.96
b) Rupee Term Loan				
- Repaid last monthly instalment in Dec 2012	-	-	-	241.11
	-	**-**	**-**	**1521.16**
2 HDFC Bank**				
a) Foreign Currency Loan				
- Repayable on quarterly basis with last instalment due in Nov 2014	328.58	700.24	440.59	401.11
b) Rupee Term Loan				
- Repayable on quarterly basis with last instalment due in Aug 2015	375.00	625.00	250.00	250.00
	703.58	**1325.24**	**690.59**	**651.11**
3 Standard Chartered Bank ***				
Foreign Currency Loan				
- Repayable on quarterly basis with last instalment due in Oct 2015	949.71	1534.15	584.44	584.44
- Repayable on quarterly basis with last instalment due in Aug 2017	2932.78	2052.66	772.87	212.34
- Repayable on quarterly basis with last instalment due in Feb 2018	5484.00	-	-	-
	9366.49	**3586.81**	**1357.31**	**796.78**
TOTAL (A)	**10070.07**	**4912.05**	**2047.90**	**2969.05**
B. Unsecured Loans				
Related Parties ******	4911.85	4303.60	-	-
Others ********	42.44	38.62	-	-
TOTAL (B)	**4954.29**	**4342.22**	**-**	**-**
TOTAL (A+B)	**15024.36**	**9254.27**	**2047.90**	**2969.05**

Details of Securities for Term Loans

*** State Bank of India**

1st Pari Passu charge over entire Fixed Assets both present & future & equitable mortgage of factory Land & Building at Plot No.326 MIE Bahadurgarh,Plot No.327 MIE Bahadurgarh,Plot No.A-1130/1130A Industrial Area-III, Bhiwadi,Plot No.83-92 Sector 5 IIE SIDCUL,Ranipur,Distt Haridwar,Plot No.342-343,Sector 17,Footwear Park,Bahadurgarh & Wind Mills in Distt Jodhpur. Personal Guarantees of Managing Director & Whole Time Directors.

**** HDFC Bank**

Exclusive Ist charge on movable & immovable property at Plot No. 328 MIE Bahadurgarh, Haryana & Freehold Industrial Plot No. 7, Block No. F, MCIE, Udyog Nagar, Delhi of a firm in which directors are partners. Personal Guarantees of Managing Director & Whole Time Director.

***** Standard Chartered Bank**

Exclusive 1st charge on Land & Building at Plot No. 30 Mooja Hasanpur, Tikri Border, Bahadurgarh, Haryana in the name of relatives of Directors and Exclusive Ist charge on movable & immovable assets at Plot No. 37,Sector 4B, Industrial Estate, Bahadurgarh, Haryana. Personal Guarantees of Managing Director & Whole Time Director.

****** Related Parties/Others**

The Unsecured Loans from promoters and/or their relatives shall be repaid only with the prior approval of lending banks. These are long term borrowings & have been inducted for future capital expansion and are always subordinate to the loans of banks.

NOTE 4 DEFERRED TAX LIABILITY (Net)

The Principal components of Net Deferred tax liability are as follows :

(₹ in lacs)

Particulars		As At 31.03.2013	As At 31.03.2012
A.	**Deferred Tax liability arising on account of**		
	Depreciation	3226.18	2852.26
B.	**Deferred Tax Assets arising on account of**		
	Entry tax	635.15	466.13
	Unavailed leaves	138.90	123.16
	Others	39.44	62.20
	Deferred Tax Assets	**813.49**	**651.49**
	Deferred Tax Liability (Net)	**2412.69**	**2200.77**

NOTE 5 LONG TERM PROVISIONS

Provision for employee benefits		
- Unavailed Leaves	337.68	316.04

NOTE 6 OTHER LONG TERM LIABILITIES

Retention money	25.38	44.71
Security deposits	539.88	356.34
TOTAL	**565.26**	**401.05**

NOTE 7 SHORT TERM BORROWINGS

Secured Loans		
- Loans Repayable on Demand from Banks	5466.21	5297.48

The Short term borrowings have been availed from State Bank of India, Standard Chartered Bank, HDFC Bank Limited, ING Vysya Bank Limited & Yes Bank Limited.

Details of Securities for Short Term Borrowings

- 1st Pari Passu Charge - Hypothecation charge over entire stocks & book debts / receivables.
- Personal Guarantees of Managing Director and Whole Time Directors.
- Additional exclusive 1st charge of property situated at Plot no. 7, Block no. F, Udyog Nagar, Delhi to HDFC Bank Limited. The property belongs to the firm where the Directors are partners.
- Additional exclusive 1st charge of the property situated at Plot no.47, MIE Bahadurgarh to Standard Chartered Bank.The Property belongs to Directors and their relatives.

NOTE 8 TRADE PAYABLES

Trade payables *	4514.30	4207.64

* The company has not received intimation from vendors regarding their status under the Micro, Small & medium enterprises Development Act 2006, hence disclosures relating to amounts unpaid as at the year end together with interest paid/payable under the Act have not been given.

NOTE 9 OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As At 31.03.2013	As At 31.03.2012
Current Maturities of Term Loans from banks (refer Note 3)	2047.90	2969.05
Interest Accrued and due on borrowings	12.92	55.95
Interest accrued but not due on borrowings	211.88	141.85
Advances from customers	173.72	449.17
Payable to Employees	1111.79	798.94
Directors' Commission payable	608.98	483.79
Expenses payable	1099.86	402.71
Retention money	52.42	36.22
Creditors for Fixed Assets supplies	756.31	33.97
Entry tax	1868.63	1436.67
Other taxes and statutory dues	452.95	311.93
Investor Education and Protection Fund shall be credited by the following amounts as and when due, namely : Unpaid Dividend (refer Note 17)	4.31	4.41
TOTAL	**8401.67**	**7124.66**

NOTE 10 SHORT TERM PROVISIONS

Taxation	1960.00	1081.57
Dividend	240.02	180.02
Dividend Distribution Tax	40.79	29.20
Unavailed Leaves	70.98	63.57
Old Inventory	93.81	37.72
Interest on Income tax	0.53	14.65
Provision for Excise duty	32.07	17.78
TOTAL	**2438.20**	**1424.51**

NOTE 11 FIXED ASSETS

(₹ in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.2012	Additions	Deletions/ Adjustments	Total As at 31.03.2013	As at 1.4.2012	For the Year	Deletions/ Adjustments	Total As at 31.03.2013	As at 31.03.2013	As at 31.3.2012
TANGIBLE ASSETS										
Land Free Hold	3073.33	40.37	-	3113.70	-	-	-	-	3113.70	3073.33
Land Leasehold	560.61	-	-	560.61	7.20	2.40	-	9.60	551.01	553.41
Buildings	7985.45	3866.85	-	11852.30	1031.63	291.04	-	1322.67	10529.63	6953.82
Plant & Machinery	14257.00	2491.03	248.25	16499.78	5071.71	1021.86	186.30	5907.27	10592.51	9185.29
Moulds	3649.54	685.35	0.85	4334.04	2261.95	409.21	0.12	2671.04	1663.00	1387.59
Computers	654.29	130.42	3.47	781.24	360.82	82.09	0.82	442.09	339.15	293.47
Motor Vehicles-Other	689.76	45.59	32.88	702.47	212.77	63.85	18.44	258.18	444.29	476.99
Motor Vehicles-Transport	263.49	74.17	4.29	333.37	117.39	30.07	3.75	143.71	189.66	146.10
Furniture & Fittings	761.17	112.82	21.08	852.91	152.67	50.04	6.94	195.77	657.14	608.50
Electrical Fittings	1067.86	250.31	6.97	1311.20	236.17	56.13	-	292.30	1018.90	831.69
Office Equipments	708.16	178.13	7.63	878.66	108.61	41.01	1.68	147.94	730.72	599.55
Wooden Structure	91.85	-	-	91.85	91.85	-	-	91.85	-	-
Wind Mills	3523.93	-	-	3523.93	837.70	364.38	-	1202.08	2321.85	2686.23
TOTAL (A)	**37286.44**	**7875.04**	**325.42**	**44836.06**	**10490.47**	**2412.08**	**218.05**	**12684.50**	**32151.56**	**26795.97**
INTANGIBLE ASSETS										
Computer Software	514.77	313.42	-	828.19	210.79	132.79	-	343.58	484.61	303.98
Technical Know How	7.53	-	-	7.53	7.53	-	-	7.53	-	-
Trade Marks	42.36	6.30	-	48.66	8.18	4.95	-	13.13	35.53	34.18
TOTAL (B)	**564.66**	**319.72**	**-**	**884.38**	**226.50**	**137.74**	**-**	**364.24**	**520.14**	**338.16**
TANGIBLE CWIP										
Capital Work In Progress	2102.45	2336.78	2102.45	2336.78	-	-	-	-	2336.78	2102.45
TOTAL (C)	**2102.45**	**2336.78**	**2102.45**	**2336.78**	**-**	**-**	**-**	**-**	**2336.78**	**2102.45**
INTANGIBLE CWIP										
Intangible Assets Under Development	24.06	24.60	11.25	37.41	-	-	-	-	37.41	24.06
TOTAL (D)	**24.06**	**24.60**	**11.25**	**37.41**	**-**	**-**	**-**	**-**	**37.41**	**24.06**
TOTAL (A+B+C+D)	**39977.61**	**10556.14**	**2439.12**	**48094.63**	**10716.97**	**2549.82**	**218.05**	**13048.74**	**35045.89**	**29260.64**
PREVIOUS YEAR	**-**	**4942.85**	**338.92**	**39977.61**	**-**	**2310.29**	**40.73**	**10716.97**	**29260.64**	**-**

NOTE 12 NON CURRENT INVESTMENTS

(₹ in lacs)

Particulars	As At 31.03.2013	As At 31.03.2012
Equity Shares (Unquoted) (Trade) (at cost) 6040 Equity Shares of ₹ 100/- each fully paid of Relaxo Rubber Private Limited an associate company (includes 30 bonus shares)	6.01	6.01
TOTAL	**6.01**	**6.01**

NOTE 13 LONG TERM LOANS AND ADVANCES

Unsecured, considered Good		
Capital Advances	233.29	297.69
Loans and Advances to employees	1.52	3.34
Security Deposits	1044.50	736.37
MAT Credit	-	120.30
Prepaid Expenses	189.77	3.50
TOTAL	**1469.08**	**1161.20**

NOTE 14 OTHER NON CURRENT ASSETS

Balances with Bank held as Margin money on Letter of Credit, Bank Guarantees and other Commitments	2.27	1.87
Grants receivable	75.00	112.50
TOTAL	**77.27**	**114.37**

NOTE 15 INVENTORIES * (at lower of cost or net realisable value)

Raw Materials	3341.67	3723.66
Packing Materials	181.31	166.18
Stock in process	2731.28	2276.27
Finished goods	6969.97	4696.94
Stock in Trade	2311.80	1671.47
Fuel	68.70	52.27
Store, Spare and Tools	339.21	262.90
TOTAL	**15943.94**	**12849.69**

* Includes Goods in transit of ₹ 255.69 lacs (previous year -₹ 66.00 lacs) in raw material, ₹ 5.17 lacs (previous year - ₹0.40 lacs) in Packing material, ₹ Nil (previous year - ₹ 12.14 lacs) in stock in trade, ₹ 1.91 lacs (previous year - ₹1.87 lacs) in Fuel and ₹ 2.57 lacs (previous year - ₹ 1.83 lacs) in Store, Spare and Tools.

NOTE 16 TRADE RECEIVABLES

(₹ in lacs)

Particulars	As At 31.03.2013	As At 31.03.2012
Debt outstanding for a period exceeding six months from the date they are due for payment (Unsecured)		
- Considered good	2.59	-
- Doubtful	57.75	40.29
	60.34	**40.29**
Less: Provision for Doubtful Debts	57.75	40.29
	2.59	**-**
Other Debts		
- Secured, considered good	156.44	92.71
- Unsecured, considered good *	3437.39	2203.24
TOTAL	**3596.42**	**2295.95**

* Includes ₹ Nil (Previous year ₹ 0.96 lacs) from the firms in which Directors are interested.

NOTE 17 CASH & BANK BALANCES

Cash and Cash Equivalents		
- Balances with Banks	44.45	13.01
- Cash on Hand	121.35	55.52
Other Bank Balances		
- Balances with Bank held as Margin money on Letter of Credit, Bank Guarantees and other Commitments	127.03	32.39
- Earmarked Balances with Banks (Unpaid Dividend Accounts) (refer Note 9)	4.31	4.41
TOTAL	**297.14**	**105.33**

NOTE 18 SHORT TERM LOANS AND ADVANCES

Unsecured, considered good		
- Loans & Advances to employees	27.73	10.67
- Advance to suppliers	209.31	421.78
Others		
- Advance Income Tax and withholding tax	1902.34	904.50
- Prepaid Expenses	1445.36	67.45
- Deposits with Government departments and others	309.34	51.45
TOTAL	**3894.08**	**1455.85**

NOTE 19 OTHER CURRENT ASSETS

Interest accrued on deposits	4.86	1.48
Export Incentive receivables	165.10	134.75
Grants receivable	37.50	37.50
Unamortised Premium on forward contracts	65.58	47.12
Insurance Claim Receivable	1.06	0.08
TOTAL	**274.10**	**220.93**

NOTE 20 REVENUE FROM OPERATIONS (Gross)

(₹ in lacs)

Particulars	2012-13	2011-12
Sale of Products		
- Footwear	100388.34	85316.89
- Power	447.84	489.53
- Others	322.46	236.88
Sale of Services	14.98	67.20
Total (A)	**101173.62**	**86110.50**
Other Operating Revenues		
Scrap Sale	251.52	193.77
Export Incentive	232.94	233.37
Total (B)	**484.46**	**427.14**
TOTAL (A + B)	**101658.08**	**86537.64**

NOTE 21 OTHER INCOME

Interest Income	13.02	5.54
Foreign Exchange Gain (Net)	62.52	52.78
Provisions no longer required written back	-	20.71
Miscellaneous Income	32.70	26.76
TOTAL	**108.24**	**105.79**

NOTE 22 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND STOCK IN PROCESS

CLOSING STOCK		
Finished Goods	6969.97	4696.94
Stock in Trade	2311.80	1671.47
Stock in Process	2731.28	2276.27
	12013.05	**8644.68**
OPENING STOCK		
Finished Goods	4696.94	3703.53
Stock in Trade	1671.47	1792.90
Stock in Process	2276.27	2296.71
	8644.68	**7793.14**
(Increase)/ Decrease	(3368.37)	(851.54)
Change in Excise Duty on Stocks	14.29	0.05
TOTAL	**(3354.08)**	**(851.49)**

NOTE 23 EMPLOYEE BENEFIT EXPENSES

Salaries, Wages, Bonus and Allowances	9946.67	7088.93
Contribution to Provident Fund and other funds	941.35	683.22
Staff Welfare Expenses	446.36	462.03
TOTAL	**11334.38**	**8234.18**

NOTE 24 SELLING AND DISTRIBUTION EXPENSES

Advertisement & Publicity	5507.62	2961.77
Sales Promotion & Incentives	2234.25	2707.26
Cash Discount	2879.91	1993.85
Freight & handling charges	3766.19	2995.50
TOTAL	**14387.97**	**10658.38**

NOTE 25 FINANCE COSTS

(₹ in lacs)

Particulars	2012-13	2011-12
Interest Expense	1655.13	1645.30
Other Borrowing Costs	24.15	31.42
Amortised Premium on Foreign Currency Borrowings	91.01	190.46
TOTAL	**1770.29**	**1867.18**

NOTE 26 OTHER EXPENSES

Power & Fuel	3881.64	3104.95
Rent	2326.53	1747.32
Repairs- Building	27.29	44.82
Repairs- Machinery	210.15	222.25
Stores and Spares Consumed	328.42	256.56
Handling and Others Charges	5436.02	3718.55
Insurance	108.63	117.13
Travelling & Conveyance	1083.01	790.06
Provision for doubtful debts	17.46	3.28
Bad debts written off	-	20.38
Rates & Taxes	59.72	44.62
Printing & Stationery	104.54	84.24
Communication Expenses	314.05	201.11
Security Expenses	388.24	308.50
Legal & Professional Expenses	1578.26	281.77
Loss on Sale of Assets (Net)	3.38	61.14
Miscellaneous Expenses	1470.25	1222.14
TOTAL	**17337.59**	**12228.82**

NOTE 27 Accounting Policies and Additional Notes on Accounts

A. SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF OPERATION

The company is primarily engaged in the business of manufacturing and trading of footwear and accessories through its retail, export and wholesale network.

2. ACCOUNTING CONVENTION

The Financial Statements have been prepared under the historical cost convention and in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956.

3. USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known / materialise.

4. INVENTORIES

Inventories are valued as under:

– Raw Material, Packing Material, Stock-in-process, Finished goods, Stock-in-Trade, Fuel, Stores, Spares & Tools at cost or net realizable value, whichever is lower. The cost is determined on weighted average basis and

includes freight, taxes and duties and is net of credit under VAT and CENVAT schemes, wherever applicable.

- Manufactured Goods at cost or net realizable value, whichever is lower. Cost includes all direct costs and applicable production overheads to bring the goods to the present location and condition.
- Excise duty accrued on the production of manufactured goods is included in the valuation of inventories, wherever applicable.

5. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

6. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of 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.

7. PRIOR PERIOD & EXTRA ORDINARY ITEMS

Prior period as well as Extra Ordinary items having material impact on the financial affairs of the company are disclosed separately.

8. DEPRECIATION AND AMORTISATION

Depreciation has been provided on straight-line method (SLM) at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. The value of leasehold land has been granted for long period and is therefore, not amortized, except value of leasehold land of Windmill, which is amortised over the period of lease. Cost of leasehold improvements are amortised over the period of lease or their useful lives whichever is lower. The Trade Marks are amortised over their useful life or ten years whichever is lower. Computer softwares are amortised over the period of five years.

9. REVENUE RECOGNITION

Sales are recognized, net of trade discounts, returns and claims, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax. Sales from services are recognised when the services are rendered and related costs are incurred. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive is established.

10. TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost of acquisition / construction less accumulated depreciation. All cost including interest relating to acquisition of fixed assets till the time of commissioning of such assets are capitalized. Grants/ subsidy received have been reduced from the cost of specific fixed assets.

Project under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Any impairment loss is recognized, whenever carrying value of fixed assets exceeds the market value or value in use, whichever is higher.

11. INTANGIBLE ASSETS

Intangible assets are carried at cost less accumulated amortisation and impairment losses, 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. 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 which case such expenditure is added to the cost of the asset.

12. RESEARCH AND DEVELOPMENT EXPENSES

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

13. FOREIGN CURRENCY TRANSACTION

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of the transaction. Monetary current assets and liabilities at the year end are translated at the rate prevailing on last day of financial year. The difference thereon

and also the exchange difference on settlement of foreign currency transactions during the year are recognized as income or expenses in Statement of Profit and Loss. Non-monetary items are carried at historical cost.

Derivative transactions are considered as off-balance sheet items and cash flows arising thereon are recognized in the books of account on principle of Prudence as prescribed in the Accounting Standard (AS-1) issued by the Institute of Chartered Accountants of India. Premium/ discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

14. GOVERNMENT GRANTS

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Any Grants/ Subsidy received against specific fixed assets have been reduced from the cost of fixed assets.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

15. INVESTMENTS

Long Term Investments are stated at cost. Cost of investment include acquisition charges such as brokerage, fees and duties.

16. EMPLOYEE BENEFITS

Retirement benefits in the form of Provident Fund & Gratuity are defined contribution plan and the contribution are charged to Statement of Profit and Loss of the year when the contribution to the respective funds are due. In case of Gratuity obligations, company has taken policy from Life Insurance Corporation of India. There are no other obligations other than the contributions payable to the respective authorities. Leave encashment benefit is charged to Statement of Profit and Loss on the basis of actuarial valuation at the end of financial year.

17. BORROWING COSTS

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

18. LEASES

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are expensed with reference to lease terms and other considerations.

19. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

20. TAX ON INCOME

Provision for current Tax is made as per the provision of Income Tax Act, 1961.

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

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

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

21. PROVISIONS & CONTINGENT LIABILITIES

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities, if material, are disclosed by way of notes.

B. ADDITIONAL NOTES ON ACCOUNTS

1. Contingent Liabilities and Commitments :

(i) Contingent Liabilities

(₹ in Lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
(a) Claims against the company, not acknowledged as debts	221.49	72.69
(b) Surety Bonds given to Govt. Authorities	5.50	7.50
(c) Interest on Entry Tax under dispute and appeal is pending before Hon'ble Supreme Court of India	672.67	415.20

(d) The lawsuits in respect of certain Intellectual Property Rights & Trademarks are pending in Courts. The proceedings are going on before appropriate authorities and the ultimate outcome of the matter cannot presently be determined. No provision for any liability that may result has been made.

(ii) Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹1595.11 lacs (Previous Year- ₹1780.29 lacs).

(b) The Company has obtained licenses under the Export Promotion Capital Goods (EPCG) Scheme for importing capital goods at the concessional/Zero rate of custom duty. As per the scheme, the company is obliged to export eight/ six times of duty saved in next 8/6 years. The total export obligation is ₹5547.84 lacs against total duty saved of ₹693.48 lacs (Previous year ₹609.94 lacs against duty saved of ₹79.99 lacs)

2. Capital Work in progress includes ₹Nil (Previous year ₹102.51 lacs) on account of preoperative expenses incurred during the year.

3. Certain balances of Sundry Debtors, Creditors and Advances from Customers are subject to confirmation.

4. ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE VI OF THE COMPANIES ACT,1956

(a) Details as regards to Opening Stock, Purchase, Sale & Closing Stock

(₹ in Lacs)

Particulars	Opening Stock	Purchase	Sales	Closing Stock
Footwear - Manufactured/Traded	6368.41 (5496.43)	6800.91 (8059.11)	100710.80 (85553.77)	9281.77 (6368.41)
Power	- (-)	- (-)	447.84 (489.53)	- (-)
Services	- (-)	- (-)	14.98 (67.20)	- (-)
Total	**6368.41** **(5496.43)**	**6800.91** **(8059.11)**	**101173.62** **(86110.50)**	**9281.77** **(6368.41)**

Figures within brackets pertain to previous year

(b) Material consumed:

Particulars	2012-13	2011-12
Raw Rubber	5789.18	5137.35
EVA	13164.15	13012.77
Synthetic Rubber	753.14	533.11
Packing Material	5778.16	4820.61
Others	18010.62	15210.24
Total	**43495.25**	**38714.08**

(c) Value of imported and indigenous material consumed and percentage thereof.

Particulars	2012-13		2011-12	
	%	Value	%	Value
Imported	15.32	6663.37	3.55	1375.11
Indigenous	84.68	36831.88	96.45	37338.97
Total	**100.00**	**43495.25**	**100.00**	**38714.08**

(d) C.I.F. value of imports (₹ in Lacs)

Particulars	2012-13	2011-12
i. Capital goods	2890.75	1143.92
ii. Materials including Stores, Spares	6167.84	3211.18

(e) Expenditure in foreign currency (on accrual basis)

Particulars	2012-13	2011-12
i. Travelling Expenses	11.72	11.37
ii. Interest*	843.40	665.66
iii. Others	101.43	112.64

* Includes ₹ 302.63 lacs (previous year ₹ 35.94 lacs) capitalised.

(f) Earning in Foreign Exchange (FOB value of Export Sale)	2899.79	2975.45

5. Wealth Tax provision of ₹ 4.07 lacs (previous year ₹ 4.40 lacs) is included in Rates and Taxes.

6. Related party relationships/transactions warranting disclosures under AS-18 issued by "The Institute of Chartered Accountants of India" are as under :

1) Names and relationship of the parties.

Name	Relationship
Relaxo Rubber Private Limited	Associate company
Marvel Polymers Private Limited	Associate company
Nuwave Shoes	Associate concern
Patel Oil Mills	Associate concern
Shri Mool Chand Dua Memorial Society	Entities where Key Management Personnel exercise significant influence.
Shrimati Ram Ditti Dua Memorial Society	

2) Key Management Personnel & their relatives

Key Management Personnel

Mr. Ramesh Kumar Dua	Managing Director
Mr. Mukand Lal Dua	Whole Time Director
Mr. Nikhil Dua	Whole Time Director
Mr. Deval Ganguly	Whole Time Director

Relatives

Ms. Usha Dua	Wife of Whole Time Director
Ms. Lalita Dua	Wife of Managing Director
Mr. Ritesh Dua	Son of Whole Time Director
Mr. Nitin Dua	Son of Whole Time Director
Mr. Gaurav Dua	Son of Managing Director
Ms. Sakshi Dua	Daughter of Managing Director
Mr. Rahul Dua	Son of Managing Director
Ms. Garima Dua	Wife of Whole Time Director
Ms. Shashi Mehra	Sister of Managing Director
Ms. Aalya Dua	Daughter of Whole time Director
Sh. Ramesh Kumar Dua (H.U.F.)	H.U.F.
Sh. Mukand Lal Dua (H.U.F.)	H.U.F.
Sh. Mool Chand Dua (H.U.F.)	H.U.F.

3) Disclosure of Related party transactions. (₹ in Lacs)

Transactions	2012-13			2011-12		
	Associates	Key management personnel & relatives	Total	Associates	Key management personnel & relatives	Total
Sale of goods	4.82	-	4.82	192.12	-	192.12
Purchase of goods (Net of taxes)	9870.85	-	9870.85	16456.34	-	16456.34
Purchase of Assets (Net of taxes)	209.58	-	209.58	166.90	39.50	206.40
Sale of Assets (Net of taxes)	-	-	-	0.50	-	0.50
Rent paid	502.97	432.67	935.64	352.40	338.58	690.98
Rent received	2.45	-	2.45	-	-	-
Rendering of services (Job work)	14.98	-	14.98	67.20	-	67.20
Guarantees & collaterals taken	-	29059.75	29059.75	-	25218.00	25218.00
Dividend paid to shareholders	-	135.01	135.01	-	90.01	90.01
Payment of salary / perquisites	-	272.80	272.80	-	238.62	238.62
Commission	-	608.98	608.98	-	483.79	483.79
Loans (Year end balance)	-	4911.85	4911.85	-	4303.60	4303.60
Interest on unsecured Loans	-	450.84	450.84	-	422.36	422.36
Donation	-	300.00	300.00	-	240.00	240.00
Security Deposits Paid (Year end balance)	269.98	8.64	278.62	252.16	7.21	259.37
Amount due to/from related parties						
Debit balance outstanding as on 31st March						
Outstanding receivable	-	-	-	0.96	-	0.96
Credit balance outstanding as on 31st March						
Outstanding payable	0.75	-	0.75	1214.89	-	1214.89

7. The lease rentals charged during the year for cancelable/ non-cancelable leases relating to rent of building premises as per the agreements and maximum obligation on long term non -cancelable operating leases are as follows :

Particulars	2012-13	2011-12
Lease Rentals	2326.53	1747.32
Obligations on non cancelable leases :		
Not later than one year	337.82	3.08
Later than one year but not later than five years	1604.63	-
Later than five years	1732.89	-
Total	**3675.34**	**3.08**

8. Employee Benefits

A. Defined Contribution Plan

During the year, the company has recognised the following amount in the Statement of Profit and Loss.

(₹ in Lacs)

Particulars	2012-13	2011-12
Employer's Contribution to Provident & Pension Fund	564.53	413.63
Employer's Contribution to ESIC Scheme	165.44	116.33
Employer's Contribution to LIC Gratuity Scheme	211.38	153.26

B. Defined Benefit Plan

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

Particulars : Leave Encashment (Unfunded)	2012-13	2011-12
Reconciliation of opening & closing balances of Defined Benefit Plan		
Present Value of Obligation as at the beginning of the year	379.61	275.55
Current Service Cost	109.38	128.00
Interest Cost	32.64	22.04
Actuarial (gain)/loss on obligations	(37.33)	(3.75)
Benefit Paid	(75.64)	(42.23)
Present Value of Obligation as at the end of the Year	408.66	379.61
Reconciliation of Fair value of assets and obligations		
Fair Value of Plan Assets	-	-
Present value of obligation	408.66	379.61
Amount recognised in Balance Sheet	408.66	379.61
Expense Recognised during the year		
Current Service Cost	109.38	128.00
Interest Cost	32.64	22.04
Expected Return on Plan Assets	-	-
Actuarial (gain)/loss on obligations	(37.33)	(3.75)
Net cost	104.69	146.29
Actuarial assumptions		
Discount Rate (per annum)	8.00%	8.60%
Expected Rate of Return on Plan Assets	-	-
Rate of escalation in salary (per annum)	8.00%	10.00%

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

9. Earning per share (EPS) computed in accordance with Accounting Standard -20 is as under.

(₹ in Lacs)

Particulars	2012-13	2011-12
Profit After Tax	4480.82	3990.50
No. of share issued	12001200	12001200
Basic & diluted Earning per share of ₹ 5/- each (₹)	37.34	33.25

10. Foreign Currency Exposure (Amount in Lacs)

Purpose	Currency	As at 31.03.2013	As at 31.03.2012
a) Unhedged Foreign Currency Exposure			
- Outstanding Import Creditors	USD	1.54	0.02
- Outstanding Import Creditors	EURO	0.00	1.60
- Outstanding Export Debtors	USD	9.68	10.96
- Outstanding Interest on Foreign Currency Loans	USD	0.01	0.24
b) The details of Derivatives Outstanding			
- Forward Contracts - Import Creditors	USD	15.33	0.00
- Forward Contracts - Import Creditors	EURO	3.20	0.00
- Forward Contracts - Import Orders	USD	45.20	2.58
- Forward Contracts - Foreign Currency Loans	USD	231.31	165.42

11. The interest includes ₹32.24 lacs (Previous year ₹23.92 lacs) paid to Managing Director.

12. Remuneration to Auditors* (₹ in Lacs)

Particulars	2012-13	2011-12
Statutory Audit Fee	5.17	5.17
Tax Audit	1.29	1.29
Limited Review & other services	4.21	4.14
Total	**10.67**	**10.60**

* Included in Legal & Professional expenses (refer Note No. 26)

13. The segment reporting as per AS-17 issued by 'The Institute of Chartered Accountants of India' is not applicable.

14. Extraordinary items - ₹Nil (Previous Year ₹3.83 lacs).

15. Previous year figures have been regrouped/reclassified wherever necessary to conform to current presentation.

As per our report of even date

FOR GUPTA & DUA
Chartered Accountants

CA. MUKESH DUA
Partner
M.No. 085323

RAMESH KUMAR DUA
Managing Director

Place : Delhi
Dated: May 11, 2013

SUSHIL BATRA
Chief Financial Officer

KAPIL GARG
Company Secretary

MUKAND LAL DUA
Whole Time Director

RELAXO

Quality Par Excellence

FLITE

PU FASHION

Walk in style with Flite

Katrina is wearing PUL-03

PUL-27
Size: 3-8

PUL-26
Size: 3-8

PUL-18
Size: 3-8

PUG-16
Size: 6-10

PUG-12
Size: 6-10

Quality Par Excellence

RELAXO FOOTWEARS LIMITED

Registered Office: 316-319, Allied House, Inderlok Chowk, Old Rohtak Road, Delhi - 110 035 (India)

Phone: 91-11-23128354, 23120955, 23127081, 23128366

Corporate Office: Aggarwal City Square, Plot No.10, Mangalam Place, District Centre, Sector-3, Rohini, Delhi - 110 085 (India)

Phone: 91-11-46800500, 46800600 Fax: 91-11-46800598, 46800599

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

Quality Par Excellence

RELAXO FOOTWEARS LIMITED

Regd. Office : 316-319, Allied House, Inderlok Chowk, Old Rohtak Road, Delhi-110035

NOTICE

Notice is hereby given that 29th Annual General Meeting of the Members of RELAXO FOOTWEARS LIMITED will be held at Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi- 110 003 on Thursday, 19th day of September, 2013 at 10.30 a.m. to transact the following business:-

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2013 and the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Vivek Kumar, Director who retires by rotation as a Director and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. Pankaj Shrimali, Director who retires by rotation as a Director and being eligible, offers himself for re-appointment.

4. To declare dividend on Equity Shares for the financial year 2012-13.

5. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

   "**RESOLVED THAT** M/s. Gupta & Dua, Chartered Accountants (Firm Registration No. 003849 N) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS :

6. To appoint Mr. Kuruvila Kuriakose as a Director liable to retire by rotation and in this regard to consider and thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-

   "**RESOLVED THAT** Mr. Kuruvila Kuriakose who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 w.e.f 5th day of November, 2012 and holds office upto the forthcoming Annual General Meeting and in respect of whom, the Company has received a notice, under section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To appoint Mr. Umesh Nath Kapur as a Director liable to retire by rotation and in this regard to consider and thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-

   "**RESOLVED THAT** Mr. Umesh Nath Kapur, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 w.e.f. 5th day of November, 2012 and holds office upto the forthcoming Annual General Meeting and in respect of whom, the Company has received a notice, under section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To appoint Mr. Deval Ganguly as a Director liable to retire by rotation and also a Whole-time Director and in this regard to consider and thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-

   "**RESOLVED THAT** Mr. Deval Ganguly, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 w.e.f 5th day of November, 2012 and holds office upto the forthcoming Annual General Meeting and in respect of whom, the Company has received a notice, under section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

   "**RESOLVED FURTHER THAT** in accordance with the provisions of Section 198, 269, 309 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of Shareholders be and is hereby accorded to the appointment of Mr. Deval Ganguly, as Whole-time Director, for a period of Three years with effect from 5th day of November, 2012 and liable to retire by rotation, on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 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 as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated in the Explanatory Statement, subject

however, to the necessary approvals and ceiling specified under Schedule XIII of the Companies Act, 1956(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 sole discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution."

9. To re-appoint Mr. Nikhil Dua as Whole-time Director, liable to retire by rotation and in this regard to consider and thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-

"**RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of Shareholders be and is hereby accorded to the re-appointment of Mr. Nikhil Dua, as Whole-time Director, for a period of Three years with effect from 1st day of October, 2013 and liable to retire by rotation on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in the absence or inadequacy of the profits in any year, Mr. Nikhil Dua, shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated in the Explanatory Statement, subject to the necessary approvals and ceiling specified under Schedule XIII of the Companies Act, 1956(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 sole 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."

10. To re-appoint Mr. Ritesh Dua as Executive Vice President (Finance) and in this regard to consider and thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-

"**RESOLVED THAT** pursuant to provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 read with Directors' Relatives (Office or Place of Profit) Rules 2003, or any amendment or substitution thereof and subject to approval of Central Government, the approval of Shareholders be and is hereby accorded to the re-appointment of Mr. Ritesh Dua (relative of Mr. Ramesh Kumar Dua, Managing Director, Mr. Mukand Lal Dua, Whole Time Director and Mr. Nikhil Dua, Whole Time Director of the Company) to hold and continue to hold office or place of profit under the Company and designated as Executive Vice-President (Finance) with effect from 1st day of October, 2013 for a period of Three years, on monthly remuneration of ₹ 450000/- (Rupees Four Lacs Fifty Thousand only) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade after necessary approvals from the Central Government.

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 sole 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."

11. To re-appoint Mr. Gaurav Dua as Executive Vice President (Marketing) and in this regard to consider and thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-

"**RESOLVED THAT** pursuant to provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 read with Directors' Relatives (Office or Place of Profit) Rules 2003, or any amendment or substitution thereof and subject to approval of Central Government, the approval of Shareholders be and is hereby accorded to the re-appointment of Mr. Gaurav Dua (relative of Mr. Ramesh Kumar Dua, Managing Director, Mr. Mukand Lal Dua, Whole Time Director and Mr. Nikhil Dua, Whole Time Director of the Company) to hold and continue to hold office or place of profit under the Company and designated as Executive Vice-President (Marketing) with effect from 1st day of October, 2013 for a period of Three years on monthly remuneration of ₹ 440000/- (Rupees Four Lacs Forty Thousand only) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade after necessary approvals from the Central Government.

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 sole 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."

12. To re-appoint Mr. Nitin Dua as Executive Vice President

(Retail) and in this regard to consider and thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:-

"**RESOLVED THAT** pursuant to provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 read with Directors' Relatives (Office or Place of Profit) Rules 2003, or any amendment or substitution thereof and subject to approval of Central Government, the approval of Shareholders be and is hereby accorded to the re-appointment of Mr. Nitin Dua (relative of Mr. Ramesh Kumar Dua, Managing Director, Mr. Mukand Lal Dua, Whole Time Director and Mr. Nikhil Dua, Whole Time Director of the Company) to hold and continue to hold office or place of profit under the Company and designated as Executive Vice-President (Retail) with effect from 1st day of October, 2013 for a period of Three years, on monthly remuneration of ₹ 430000/- (Rupees Four Lacs Thirty Thousand only) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade after necessary approvals from the Central Government.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized 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 sole 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."

13. To re-appoint Mr. Ramesh Kumar Dua as Managing Director and in this regard to consider and thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-

"**RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Shareholders be and is hereby accorded to the re-appointment of Mr. Ramesh Kumar Dua, as Managing Director of the Company, for a period of Five years with effect from 1st day of April 2014, not liable to retire by rotation on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 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, subject however, to the necessary approvals and ceiling specified under Schedule XIII of the Companies Act, 1956(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 sole 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."

14. To re-appoint Mr. Mukand Lal Dua as Whole-time Director and in this regard to consider and thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-

"**RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the re-appointment of Mr. Mukand Lal Dua, as Whole time Director of the Company, for a period of Five years with effect from 1st day of April 2014, not liable to retire by rotation on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 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, subject however, to the necessary approvals and ceiling specified under Schedule XIII of the Companies Act, 1956(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 sole 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."

15. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution.

"**RESOLVED THAT** pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies

Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, the Authorised Share capital of the Company be and is hereby increased from ₹ 10,00,00,000 /- (Rupees Ten Crores) divided into 2,00,00,000 (Two Crores) equity share of ₹5/- (Rupees Five) each to ₹ 20,00,00,000 (Rupees Twenty Crores) divided into 4,00,00,000 (Four Crores) Equity Shares of ₹5/- each.

16. To consider and if deemed fit, to pass, with or without modification(s), the following Resolution as a Special Resolution.

"**RESOLVED THAT** pursuant to the provisions of Section 94 of the Companies Act, 1956 and other applicable provisions, if any, and subject to approvals, consents, permissions and sanctions as may be necessary from all concerned authorities, the Equity Shares of the Company be split from ₹5/- (Rupees Five) per Share to ₹ 1/- (Rupee one) per Share.

RESOLVED FURTHER THAT the Authorised Share Capital of the Company comprising 4,00,00,000 (Four Crores) Equity Shares of the face value of ₹ 5/- (Rupees Five) each aggregating to ₹ 20,00,00,000/- (Rupees Twenty Crores only) be and are hereby subdivided in to 20,00,00,000 (Twenty Crores) Equity Shares of ₹1/- (Rupee one) each aggregating to ₹20,00,00,000/- (Rupees Twenty Crores only).

FURTHER RESOLVED THAT the existing issued, subscribed and fully paid-up Equity Share Capital of the Company, comprising 1,20,01,200 (One Crore Twenty Lacs One Thousand Two Hundred) Equity Shares of the face value of ₹ 5/- (Rupees Five) each aggregating to ₹6,00,06,000/- (Rupees Six Crores Six Thousand only) be subdivided in to 6,00,06,000/- (Rupees Six Crores Six Thousand only) Equity Shares of the face value of ₹1/- (Rupee one) each aggregating to ₹ 6,00,06,000/- (Rupees Six Crores Six Thousand only).

RESOLVED FURTHER THAT Clause V of the Memorandum of Association and Article 5 of the Articles of Association be altered accordingly.

FURTHER RESOLVED THAT pursuant to the sub-division of the Equity Shares of the Company, the paid up Equity Shares of the Company of the face value of ₹ 5 (Rupees Five) each, as existing on the Record Date shall stand sub-divided into Five Equity Shares of the face value of ₹ 1 (Rupee one) each fully paid up, with effect from the Record Date to be fixed.

FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as may be necessary, in the best interest of the Company, for giving effect to the aforesaid resolution, including but not limited to signing and execution of necessary forms, papers, writings, agreements and documents including giving customary representations and warranties together with such indemnities as may be deemed necessary and expedient in its discretion.

FURTHER RESOLVED THAT Five Equity Shares of ₹1 (Rupee One) each on sub-division to be allotted in lieu of the existing one equity share of ₹ 5 (Rupees Five) each shall be subject to the terms and conditions contained in the Memorandum of Association and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid Equity Shares of ₹ 5 (Rupees Five) each of the Company and shall be entitled to participate in full in any dividend(s) declared after the sub-division of shares.

FURTHER RESOLVED THAT no letter of sub-division shall be issued but the share certificates for the sub-divided new Equity Shares of ₹ 1 (Rupee one) each be delivered to the shareholders who hold the existing shares in physical form without calling for surrender of the share certificates held by them and the respective beneficiary accounts be credited with the sub-divided new Equity Shares of ₹ 1 (Rupees one) each for such shareholders who hold the existing shares in dematerialized form.

FURTHER RESOLVED THAT for the purpose of giving effect to the aforesaid resolutions, the Board / Committee of the Board be and is hereby authorised to do all such acts, deeds, matters and things whatsoever including settling any question, doubts or difficulties that may arise with regard to or in relation to the issue of new Equity Shares of ₹1/- (Rupees One) each on subdivision and to accept on behalf of the Company, any conditions, modifications, alternations, changes, variations in this regard as prescribed by the statutory authority(ies) and which the Board / Committee of the Board in its discretion thinks fit and proper."

17. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** the Memorandum of Association of the Company be and is hereby altered by deleting the existing Clause V and by substituting the following new Clause V thereof:

V. The Authorised Share Capital of the Company is ₹20,00,00,000/- (Rupees Twenty Crores only) divided in to 20,00,00,000 (Twenty Crores) Equity Shares of ₹1/- (Rupee one) each".

18. To consider and if deemed fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** the Articles of Association of the Company be and are hereby altered by deleting the existing Article 5 and by substituting the following new Article 5 thereof:

5. The Authorised Share Capital of the Company is ₹20,00,00,000/- (Rupees Twenty Crores only) divided in to 20,00,00,000 (Twenty Crores) Equity Shares of ₹1/- (Rupee one) each . The Company has the power from time to time to increase or reduce its capital. Any of the said shares and any new shares hereafter to be created may from time to time be divided into shares of several classes in such manner as may be provided hereinafter. The shares of each class may have or confer such preferred or other special rights and privileges may be issued under such restrictions and conditions whether in regard to division, voting, return of capital or otherwise as shall have been assigned thereto by or under provisions of the Articles of Association but so that the special rights or privileges belonging to holders of any share issued with preferred or other rights shall not be varied or abrogated or affected except with such sanction as is provided for hereinafter.

By Order of the Board of Directors
For Relaxo Footwears Limited

Place : Delhi **Kapil Garg**
Date : July 27, 2013 Company Secretary

NOTES:-

I. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS, BEFORE THE COMMENCEMENT OF THE MEETING.**

II. 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.

III. a) The Register of Members and Share Transfer Book of the Company shall remain closed from Friday, 13.09.2013 to Thursday, 19.09.2013 (both days inclusive).

b) Dividend on Equity Shares of the Company, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or before Friday, 18th day of October, 2013.

c) Members may please note that the dividend warrants/ drafts are payable at par at the designated branches of the bank for an initial period of 3 months only. Thereafter, the dividend warrant or revalidation is payable at all branches of the bank. The members are therefore advised to encash dividend warrants/ drafts within initial validity period.

IV. Members/proxies are requested to bring their Attendance Slip duly filled in and signed for attending the meeting. Members who hold share in Dematerialised Form are requested to write their Client ID and DP ID and those who hold share in physical form are requested to write their Folio Number in Attendance Slip for attending the meeting and please note that no gift or coupon will be distributed at the meeting.

V. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting, except on Sundays and other Holidays.

VI. Members desiring any information on the Accounts are requested to write to the Company at its Registered Office, 316-319, Allied House, Inderlok Chowk, Old Rohtak Road, Delhi-110 035, giving at least 7 days notice prior to the date of Annual General Meeting to enable the Management to collect and keep the information ready.

VII. In order to avoid the incidence of fraudulent encashment of dividend warrants, the Members holding shares in physical form are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to the Company or Karvy to enable them to incorporate the same in dividend warrant.

Members holding shares in electronic form may please note that the Bank Account details and 9-digit MICR Code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through National Electronic Clearing Service (NECS), or for printing on dividend warrants wherever applicable. Therefore, members are requested to update their Bank Account particulars, Change of address and other details with their respective Depository Participants.

VIII. Members are hereby informed that dividends which remain unclaimed / unencashed over a period of 7 Years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under section 250A and 205C of the Companies Act, 1956. Further, under the Companies Act, 1956 no claim shall lie for the unclaimed dividend from IEPF by the Shareholders.

IX. The Ministry of Corporate Affairs has introduced "Green Initiative" whereby the documents are permitted to be served on the members through electronic mode i.e. email. The initiative is a step towards protection of environment and enabling faster communication with the members.

Accordingly, the Company proposed to serve all the documents to e-mail addresses of the members. Members are requested to provide/update their e-mail addresses with their respective Depository Participants (DP) or send and email at relaxo@karvy.com to get the Annual Report and other documents on such e-mail address. Members holding

shares in physical form are also requested to intimate their e-mail address to Karvy by email at relaxo@karvy.com or by sending a communication at the address mentioned below:

M/s. KARVY COMPUTERSHARE PRIVATE LIMITED
17-24, Vittal Rao Nagar
Madhapur-Hyderabad
Andhra Pradesh - 500 081, India

X. 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 Unpaid Dividend A/C	Last date of Claim	Due date of transfer to IEPF	Amount of Unclaimed Dividend as on 31.03.2013 (₹)
2005-06	21.09.06	27.10.06	26.10.13	25.11.13	19052
2006-07	24.09.07	30.10.07	29.10.14	28.11.14	58140
2007-08	26.09.08	01.11.08	31.10.15	30.11.15	48543
2008-09	25.09.09	31.10.09	30.10.16	29.11.16	48899
2009-10 (Interim)	31.10.09	06.12.09	05.12.16	04.01.17	64965
2009-10	24.09.10	30.10.10	29.10.17	28.11.17	82133
2010-11 (Interim)	03.11.10	09.12.10	08.12.17	07.01.18	40423
2010-11	20.09.11	26.10.11	25.10.18	24.11.18	68958
2011-12	17.09.12	23.10.12	22.10.19	21.11.19	113709*

*The unpaid dividend for the financial year 2011-12 represents demand draft issued to the shareholders which are yet to be encashed.

By Order of the Board of Directors
For Relaxo Footwears Limited

Place : Delhi
Date : July 27, 2013

Kapil Garg
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 6 & 7

The Board of Directors of the Company at its meeting held on 5th day of November, 2012 appointed Mr. Kuruvila Kuriakose and Mr. Umesh Nath Kapur as Additional Directors of the Company pursuant to provisions of Section 260 of the Companies Act, 1956 read with Article 120 of the Articles of Association of the Company.

In terms of provisions of Section 260 of the Act, Mr. Kuruvila Kuriakose and Mr. Umesh Nath Kapur would hold office upto the date of ensuing Annual General Meeting.

The Company has received notices in writing from members alongwith deposit of ₹ 500/- each for proposing the candidature of Mr. Kuruvila Kuriakose and Mr. Umesh Nath Kapur for office of Director of the Company under provisions of Section 257 of the Act.

Mr. Kuruvila Kuriakose and Mr. Umesh Nath Kapur are not disqualified from being appointed as Directors in terms of Section 274(1)(g) of the Act and eligible to act as Directors of the Company.

Save and except Mr. Kuruvila Kuriakose and Mr. Umesh Nath Kapur none of the other Directors of the Company is, in any way, concerned or interested in the Resolution as set out at Item no. 6 & 7 respectively.

The Board recommends the Resolution as set out at Item no. 6 & 7 of the Notice for your approval.

Item No. 8

Mr. Deval Ganguly, joined Relaxo Footwears Limited as President Manufacturing and remained associated with the Company for more than one year before his appointment to the Board of Directors of the Company. He is B.Tech from IIT Kanpur and has rich experience in areas of Manufacturing, Project, and Plant Management. The Board of Directors decided to appoint Mr. Deval Ganguly as Additional Director of the Company at its

meeting held on 5th day of November, 2012 and subsequently appointed him as Whole Time Director of the Company.

The Company has received notices in writing from members alongwith deposit of ₹ 500/- for proposing the candidature of Mr. Deval Ganguly for office of Director of the Company under provisions of Section 257 of the Act.

Mr. Deval Ganguly is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act and eligible to act as a Director of the Company

The terms regarding remuneration payable to Mr. Deval Ganguly are as follows:-

(a) Basic Salary

In the range of ₹ 1.75 lacs to ₹ 3.50 lacs per month (with such annual/special increments within the aforesaid range as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time)

(b) House Rent Allowance

50% of the Basic Salary

(c) Performance Incentive

As may be determined by the Board or its Committee thereof in each year:

(d) Personal Allowance

In the range of ₹1.25 Lacs to ₹ 2.50 Lacs per month (as may be determined by the Board or its Committee thereof in each year)

(e) Bonus

8.33% of the Basic Salary in accordance with the rules of the Company.

(f) Transport Allowance

₹ 800 per month

(g) Education Allowance

₹ 200 per month

(h) Other benefits

Medical Insurance and Leave Travel Concession in accordance with the rules of the Company.

Explanation :

(i) Perquisites shall be evaluated as per Income Tax Rules, wherever 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 hereinabove, Mr. Deval Ganguly shall also be eligible for the following perquisites:

a) 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.

b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service, and

c) Encashment of leave at the end of tenure.

d) Other perquisites also include use of Company's car with driver, Group Personal Accident coverage and reimbursement of entertainment and all other expenses incurred by him for the business of the Company as per Company Rules, as applicable to all the employees of the Company from time to time.

No sitting fees for attending the meetings of the Board of Directors/ Committees thereof shall be paid to Mr. Deval Ganguly till the time he is functioning as 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 198 and 309 and other relevant provisions of the Companies Act, 1956 or any statutory modification or re-enactments thereof.

Minimum Remuneration

In the absence or inadequacy of profits in any year, Mr. Deval Ganguly 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 above in that year, subject however, to the necessary approvals and ceiling specified under Schedule XIII of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof).

The Board recommends the Resolutions as set out at Item No. 8 of the Notice for your approval.

None of the Directors, except Mr. Deval Ganguly being an appointee, is interested or concerned in the proposed resolution.

Item No. 9

The Board of Directors has re-appointed Mr. Nikhil Dua, Whole-time Director of the Company in the Board Meeting held on 27th day of July, 2013 after considering his efforts and contribution in the growth of the Company on the terms and conditions as approved by Remuneration Committee and mentioned hereunder subject to approval of shareholders in ensuing 29th Annual General Meeting of the Company.

The terms regarding remuneration payable to Mr. Nikhil Dua are as follows:-

1. Period : Three years commencing from 1st day of October, 2013.

2. Remuneration :

Particulars	(Amount in ₹)
Basic Salary per month	184000
HRA @50% of Basic Salary	92000
PF. @12% of Basic Salary	22080
LTA @8.33% of Basic Salary	15327
Medical Reimubrsement	1250
Transport Allowance	800
Education Allowance	200
Special Allowance	144343
Total	**460000**

In addition to the remuneration as detailed hereinabove, Mr. Nikhil Dua shall also be eligible for the following perquisites:

a) 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.

b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service, and

c) Encashment of leave at the end of tenure.

d) Other perquisites also include use of Company's car with driver, Group Personal Accident coverage and reimbursement of entertainment and all other expenses incurred by him for the business of the Company as per Company Rules, as applicable to all the employees of the Company from time to time

Overall Remuneration:

The total remuneration payable to Mr. Nikhil Dua, by way of salary, perquisites, allowances, benefits and amenities as approved by the Board shall not exceed the limits laid down in Section 198 and 309 and other relevant provisions of the Companies Act, 1956 or any statutory modification or re-enactments thereof.

Minimum Remuneration

In the absence or inadequacy of profits in any year, Mr. Nikhil Dua shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated above in that year, subject however, to the necessary approvals and ceiling specified under Schedule XIII of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof).

No sitting fees for attending the meetings of the Board of Directors/ Committees thereof shall be paid to Mr. Nikhil Dua till the time he is functioning as Whole Time Director.

The Board recommends the Resolution as set out at Item No. 9 of the Notice for your approval.

Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua and Mr. Nikhil Dua (himself) are interested in the passing of this resolution.

None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

Item Nos. 10,11 & 12

In view of contribution made by Mr. Ritesh Dua, Mr. Gaurav Dua and Mr. Nitin Dua to the development and growth of the company, the Board of Directors at its meeting held on 27th day of July, 2013 has approved re-appointment & increase in existing salary scale of Mr. Ritesh Dua, Executive-Vice President (Finance), Mr. Gaurav Dua, Executive-Vice President (Marketing) and Mr. Nitin Dua, Executive Vice President (Retail) for a period of Three years w.e.f. 1st day of October, 2013 on the such terms and conditions as approved by Remuneration Committee. The proposed monthly remuneration structure of these Executive-Vice Presidents is given here below :-

(Amount in ₹)

Particulars	Mr. Ritesh Dua	Mr. Gaurav Dua	Mr. Nitin Dua
Basic Salary	180000	176000	172000
HRA @50% of Basis Salary	90000	88000	86000
PF. @12% of Basis Salary	21600	21120	20640
LTA @8.33% of Basic Salary	14994	14661	14328
Medical Reimbursement	1250	1250	1250
Transport Allowance	800	800	800
Education Allowance	200	200	200
Special Allowance	141156	137969	134782
Total	**450000**	**440000**	**430000**

The provision of use of Company's car with driver for Official duties, Group Personal Accident coverage and reimbursement of entertainment and all other expenses incurred by him for the business of the Company as per Company Rules, as applicable to all the employees of the Company from time to time shall not be included in computation of perquisites and allowances.

As per the provisions of Section 314(1B) of the Companies Act, 1956 if the monthly remuneration payable to relative of director is ₹ 250000/- or more, the approval of Central Government is required for the appointment of and payment of remuneration to him in addition to the approval of the shareholders.

The Board recommends the Resolutions as set out at Item no. 10, 11 & 12 of the Notice for your approval.

Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua and Mr. Nikhil Dua, being relative of Mr. Ritesh Dua, Mr. Gaurav Dua and Mr. Nitin Dua are deemed to be considered or interested in the passing of abovementioned resolutions.

None of the other Directors of the Company is, in any way, concerned or interested in the passing of abovementioned resolutions.

Item Nos. 13 & 14

Mr. Ramesh Kumar Dua has been appointed as Managing Director w.e.f. 1st day of April, 2009 in the Annual General Meeting

of the Company held on 26th day of September, 2008. The term of appointment shall expire on 31st day of March, 2014.

Mr. Mukand Lal Dua has been appointed as Whole-time Director w.e.f. 1st day of April 2009 in the Annual General Meeting of the Company held on 26th day of September, 2008. His term of appointment shall expire on 31st day of March, 2014.

In view of large contribution in the growth of the Company and the background and experience of Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua, The Board of Directors of the Company at their meeting held on 27th day of July, 2013, based on the recommendation of the Remuneration Committee and subject to approval of the members in the ensuing 29th Annual General Meeting, has unanimously approved the re-appointment of Mr. Ramesh Kumar Dua as Managing Director and Mr. Mukand Lal Dua as Whole-Time Director on the terms and conditions as given below -

1. **PERIOD :** Five years commencing from 1st day of April 2014

2. **REMUNERATION :**

I) SALARY

Name and Designation	Salary per Month effective from 1st day of April 2014
Mr. Ramesh Kumar Dua Managing Director	₹ 10,00,000/-
Mr. Mukand Lal Dua Whole-Time Director	₹ 10,00,000/-

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 309 of the Companies Act, 1956 that the total remuneration by way of salary, dearness allowance, perquisites, commission and other allowances shall not exceed 5% of its net profits for one such managerial person and if there is more than one such managerial person, the total remuneration paid all such managerial person shall not exceed 10% of the net profits.

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

a) 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.

b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service, and

c) Encashment of leave at the end of tenure.

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 198 and 309 and other relevant provisions of the Companies Act, 1956 or any statutory modification or re-enactments thereof.

Minimum Remuneration

In the absence 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 as stated above in that year, subject however, to the necessary approvals and ceiling specified under Schedule XIII of the Companies Act, 1956 (including any statutory modifications and re-enactments 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 from the date of their re-appointment.

The Board recommends the Resolutions as set out at Item Nos. 13 & 14 of the Notice for your approval.

Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua (themselves) and Mr. Nikhil Dua are interested in the passing of this resolution.

None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

The explanatory statement with Notice and other annexed information are to be treated as abstracts of the change in terms of the Re-appointment/Appointment and Memorandum of concern or interest about Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua, Mr. Nikhil Dua and Mr Deval Ganguly pursuant to section 302 of the Companies Act, 1956.

Item No. 15

The Authorised Share Capital of the Company presently stands at ₹ 10,00,00,000/- divided into 2,00,00,000 Equity Shares of ₹ 5 each. With the growing expansion of the Company's business and to take care of Rights Issue, Bonus Issue and ESOP, if any, in future, it is felt necessary to increase the Authorised Share Capital of the Company from ₹10,00,00,000/- to ₹20,00,00,000/-.

The increase of the Authorised Capital of the Company requires the approval of the members. Consequent upon the increase in Authorised Share Capital of the Company, existing Clause V of the Memorandum of Association and existing Article 5 of the Articles of Association require alteration so as to reflect the increase in share capital.

None of the Directors of the Company is interested in the resolution, except to the extent of their shareholding and the shareholding of their relatives, if any, in the Company.

The Board recommends the Resolutions as set out at Item No. 15 of the Notice for your approval.

Item Nos. 16, 17 and 18

SUBDIVISION ('STOCK SPLIT') OF THE EQUITY SHARES AND CONSEQUENTIAL ALTERATION TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

The Shareholders may note that the Equity Shares of your Company are listed on the Bombay Stock Exchange,(BSE) and

National Stock Exchange (Limited) Mumbai In order to improve the liquidity of the Company's shares and to make it affordable to the small investors, the Board of Directors of the Company ('the Board') at their meeting held on 27th day of July, 2013, considered it desirable to subdivide the nominal value of the Equity portion of the authorized, issued, subscribed and paid-up share capital of the Company. The Shareholders may please note that presently the nominal value of the Equity Share is ₹5/- each and consequent upon the subdivision, the authorized and paid-up capital will be divided in to 20,00,00,000 Equity Shares of ₹1/- each and 6,00,06,000 Equity Shares of ₹1/- each respectively. The date on which this subdivision would become effective will be decided by the Board after obtaining the consent of the Members.

Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause V of the Memorandum of Association and Article 5 of the Articles of Association of the Company relating to Equity Shares also need relevant amendments to give effect to the subdivision.

The Directors of the Company may be deemed to be concerned or interested, directly or indirectly in the resolutions to the extent of shares held by them in the Company.

The Board recommends the Resolutions as set out at Item No. 16, 17 & 18 of the Notice for your approval.

INFORMATION REQUIRED TO BE GIVEN PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

1. Mr. Ramesh Kumar Dua, aged 59 years, is a Commerce Graduate, Rubber Technologist and a licentiate of LPRI, London. He is also a Director in Relaxo Rubber Private Limited and Marvel Polymers Private Limited besides being a Working Partner in Patel Oil Mills. He has more than 35 years of experience in Marketing, Production and Product Development in Rubber Footwear Industry. He holds 3147315 Equity Shares of the Company. He is a member of Shareholders'/Investors' Grievance and Share Transfer Committee of the Company.

2. Mr. Mukand Lal Dua, aged 64 years, is a Science Graduate. He is also a Director in Relaxo Rubber Private Limited and Marvel Polymers Private Limited besides being a Working Partner in Patel Oil Mills. He has more than 40 years experience of Marketing, Production and Quality Control in Rubber Footwear Industry. He holds 2677070 Equity Shares of the Company. He is a member of Shareholders'/ Investors' Grievance and Share Transfer Committee of the Company.

3. Mr. Nikhil Dua, aged 37 years is a Commerce graduate and has done course from International School of Modern Shoe- making (Czech Republic). He has an experience of 18 years in the shoe division of the Company. He has rich knowledge with regard to product mix and market development in respect of footwear industry. He holds 450045 Equity Shares of the Company. He is a member of Audit Committee of the Company.

4. Mr. Deval Ganguly, aged 54 years, is B.Tech from IIT Kanpur.He has more than 32 years of experience in areas of Manufacturing, Project and Plant Management. He joined Relaxo Footwears Limited as President (Manufacturing) and remained associated with the Company for more than one year before his appointment to the Board of Directors. He holds 80 Equity Shares of the Company.

5. Mr. Pankaj Shrimali, aged 51 years, is a fellow member of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India, Institute of Cost Accountants of India. He has over 28 years of experience in area of Finance, Accounts, Secretarial, Corporate Management, Legal & Corporate consultancy services, Strategic Management, Investment Banking for reputed corporate houses etc. He is also member of Audit Committee and Remuneration Committee of the Company. He is also Director in Network Limited and Kritikal Solutions Private Limited. He holds 2200 Equity Shares of the Company.

6. Mr. Vivek Kumar, aged 57 years, is an Electrical Engineer from the University of Roorkee (now IIT Roorkee) and MBA from Faculty of Management Studies, Delhi University. He has more than 19 years of corporate experience in india's leading business houses where he has been operational head besides setting up a number of electrical appliances plants. His contribution has been in the form of improved productivity, quality and efficiency. He is also a Management consultant to many Corporates in India and abroad in the areas of Quality, Productivity, Environment, Safety etc. Presently, he is Senior Professor of the Management Institute. He does not hold any Equity Shares of the Company. He is a member of Shareholders'/ Investors' Grievance and Share Transfer Committee of the Company.

7. Mr. Kuruvila Kuriakose, aged 63 years, is B.Sc (Special) in Maths with a high first class from Kerala University in the year 1970 and completed CA final in May 1974 with an All India rank. He is an experienced financial professional from footwear Industry. He is also Director in Neo Land projects Private Limited, Microfin Securities Private Limited, Milliard Logistics Private Limited, Stellar Recreations Private Limited, Star Build Mart Private Limited and Naamah Retreats Private Limited. He is a member of Audit Committee. He does not hold any Equity Shares of the Company.

8. Mr. Umesh Nath Kapur, aged 52 years, is P.H.J. and has done Diploma in Company Directorship. He has vast experience in Banking sector. He is a Director on the Board of Canara Bank Securities Limited; a Wholly Owned Subsidiary of Canara Bank. He does not hold any Equity Shares of the Company. He is a member of Remuneration Committee of the Company.

By Order of the Board of Directors
For Relaxo Footwears Limited

Place : Delhi
Date : July 27, 2013

Kapil Garg
Company Secretary

RELAXO FOOTWEARS LIMITED

Regd. Office : 316-319, Allied House,
Inderlok Chowk, Old Rohtak Road, Delhi-110035

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance counter at Sri Sathya Sai International Centre, Lodhi Road Institutional Area, Pragati Vihar, New Delhi-110 003 on Thursday, the 19th September, 2013 at 10.30 a.m.

NAME OF MEMBER			
FOLIO NUMBER		**NO. OF SHARES**	
DPID NO		**CLIENT ID NO**	
NAME OF MEMBER/PROXY		**SIGNATURE OF MEMBER/PROXY**	

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.

Note : No Gift/Gift Coupons will be distributed at the Meeting

Tear from here

PROXY FORM

Folio No. ..... DP ID .....

No. of Shares ..... Client ID .....

I/We ..... of .....

in the district of ..... being a member/members of Relaxo Footwears Limited hereby

appoint ..... or failing him/her .....

of .....in the district of .....

.....

..... as my/our proxy to attend & vote for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on Thursday, the 19th day of September, 2013 at Sri Sathya Sai International Centre, Lodhi Road Institutional Area, Pragati Vihar, New Delhi-110 003 or at any adjournment thereof.

Signed this ..... day ..... of September, 2013 **SIGNED .....**

Affix
₹ 1.00
Revenue
Stamp

NOTE : THIS PROXY TO BE VALID SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.