Quality Par Excellence

RELAXO FOOTWEARS LIMITED

Annual Report 2014-2015

FLITE
FASHIONABLE & LITE

RELAXO
Quality Par Excellence

FLITE.
ISME HAI STYLE.

Sonakshi is wearing PUL-19 & Male Model is wearing PUG-16

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Corporate Information

BOARD OF DIRECTORS

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

COMPANY SECRETARY
Vikas Kumar Tak

CHIEF FINANCIAL OFFICER
Sushil Batra

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

BANKERS
State Bank of India
HDFC Bank
Standard Chartered Bank
Kotak Mahindra Bank
Yes Bank

SHARE TRANSFER AGENTS
M/s Karvy Computershare Private Limited
Karvy Selenium Tower-B, Plot No.-31-32,
Gachibowli Financial District, Nanakramguda
Hyderadabad, Andhra Pradesh-500 032

REGISTERED OFFICE
316-319, Allied House, Inderlok Chowk,
Old Rohtak Road, Delhi-110 035
CIN: L74899DL1984PLC019097

CORPORATE OFFICE
Aggarwal City Square, Plot No. 10,
Mangalam Place, District Centre, Sector -3,
Rohini, Delhi-110 085

WORKS

RFL-I & II	Plot No. 326-327, MIE, Bahadurgarh, Haryana
RFL-III	Plot No. A-1130 & 1130 (A), RIICO Industrial Area, Phase-III, Bhiwadi, Rajasthan
RFL-IV	Plot No. 30/3/2, Mooja Hasanpur, Tikri Border Bahadurgarh, Haryana
RFL-V	Plot No. 83-92, SIDCUL Industrial Area, BHEL, Haridwar, Uttarakhand
RFL-VI	Plot No. 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

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FROM THE MANAGING DIRECTOR'S DESK

Dear Stakeholders,

It gives me great pleasure to announce another year of profitable growth. We have closed this Financial Year with a remarkable performance, with increase in revenues by 22%, EBITDA by 35% and PAT by 57%. During the year your Company has achieved remarkable milestone of ₹100 Crores Net profit. This performance has been driven by our continued focus towards structured business transformation program, with emphasis on revenue and margin drivers.

We are pleased to announce that our revenue growth has been driven through a healthy mix of volume growth and premiumization. Our strong performance is a testament towards acceptance of our products and the power of our brands. Our distribution footprint continues to expand as we have laid differential focus on West and South regions, while we continue to engage better with our existing channel partners through structured programs. In this year, we have consciously broad based our innovation efforts, thereby making a better effort at understanding the consumer and launching products aligned with its needs. We continue investing behind our brands through our brand ambassadors, thereby creating necessary awareness and pull for our brands. We have engaged, Sonakshi Sinha as the brand ambassador for Flite including PU-Fashion and are pleased to say that her engagement with our brand has found significant acceptance with our consumers. Continuing our journey towards consumer centricity, a new collection of brand – "Bahamas" has been launched in Q4. Bahamas proudly showcases a trendy flip flop premium footwear targeted at the contemporary generation.

Our retail network continues to expand inline with our intent of showcasing our entire product portfolio, brand building and establishing consumer connect. We added net 28 new stores during the year. We see Modern Trade and E – Commerce as key growth engines of the future and we are well placed to take advantage of the same.

Company has closed current Financial Year with Remarkable Performance, with increase in Revenue by 22%, with Volume Growth of 14% and Net Profit by 57% as compared to FY 2014.

We have also placed due focus on our backend to ensure that we are ahead of the curve and ready to meet customer needs at all times. We have been continually ramping up our capacity, to enable topline growth and have purchased adequate land to fulfill future expansion needs of the Company. Supply chain has been a key focus area for us and we have taken targeted interventions like investing in a new central warehouse at Lowakhurd (Bahadurgarh) and increasing billing from our regional distribution centers to ensure timely supply to our channel partners. We have placed a differentiated focus on quality of our products along with our continuing programs – Parivartan and Utkarsh aimed at driving manufacturing efficiencies across all plants.

At Relaxo, we understand that our people and technology are key growth enablers and we have made significant advancements on both fronts. Our leadership development program and Long term incentive plan through ESOPs, have been successful in targeting and retaining key talent. We have made significant investments in automating some of our key people processes as well as taken concrete steps to enhance our employee experience and provide a better value proposition to our employees.

In the context of remarkable profitability during the year, Board of Directors have recommended 100% dividend (pre bonus) along with bonus shares in the ratio of 1:1, for sharing the profits with the shareholders.

I would like to end by expressing sincere appreciation for continued support of Board of Directors, consumers, business partners, the bankers and all the valued employees for their significant contribution and record performance last year. I sincerely thank all of you and am pleased to share the success that Relaxo has achieved during the last year.

With Best Regards

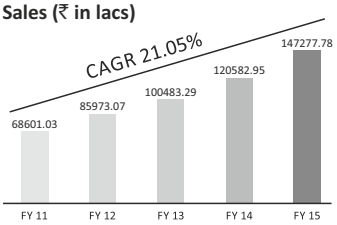
Ramesh Kumar Dua
Managing Director

FINANCIAL HIGHLIGHTS

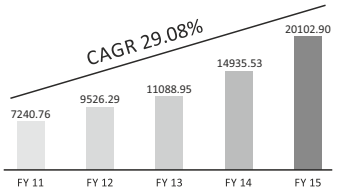
(₹ in lacs)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
No. of Pairs sold (in lacs)	1227.96	1077.84	1002.44	924.60	865.74
Sales	147277.78	120582.95	100483.29	85973.07	68601.03
Total Income	148120.59	121461.17	101090.97	86573.20	69213.20
EBITDA	20102.90	14935.53	11088.95	9526.29	7240.76
Finance Cost	1848.36	2265.87	1770.29	1867.18	1590.85
Depreciation	3989.61	3116.47	2549.82	2310.29	2095.48
Tax	3959.94	2989.55	2288.02	1358.32	883.12
Net Profit	10304.99	6563.64	4480.82	3990.50	2671.31
Equity Share Capital	600.06	600.06	600.06	600.06	600.06
Net Worth	36781.77	27656.18	21443.56	17243.55	13462.27
Gross Fixed Assets (Tangible and Intangible)	66989.85	54981.12	48094.63	39977.61	35373.68
Net Fixed Assets (Tangible and Intangible)	47381.62	39005.62	35045.89	29260.64	26926.27
Capital Employed	64149.46	50682.71	46939.26	37376.56	34242.62
Capital Expenditure	12008.73	6886.49	8117.02	4569.52	6186.04
Growth in Sales (%)	22.14	20.00	16.88	25.32	23.90
EBITDA to Sales (%)	13.65	12.39	11.04	11.08	10.55
EPS - Basic (in ₹)	17.17	10.94	37.34	33.25	22.26
EPS - Diluted (in ₹)	17.15	10.94	37.34	33.25	22.26
Dividend (%)	100	50	40	30	30
Book Value per share (in ₹)	61.30	46.09	178.68	143.68	112.18
ROCE (%)	27.99	25.18	22.85	21.07	18.62
Market Capitalisation (as on 31st March)	387638.76	176837.68	70399.04	36489.65	33477.35

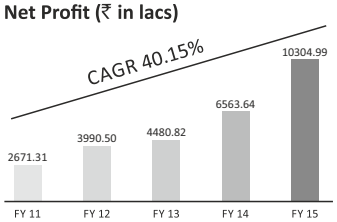
Sales (₹ in lacs)



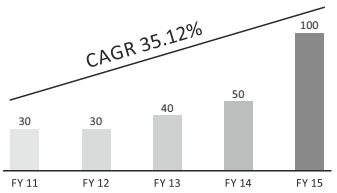
EBITDA (₹in lacs)



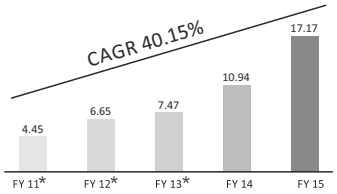
Net Profit (₹ in lacs)



Dividend (%)

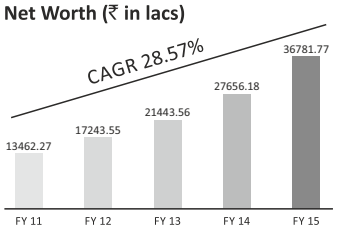


Basic EPS (in ₹)



*Adjusted

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 2014-15.

1. FINANCIAL RESULTS

(₹in Crores)

Particulars	2014-15	2013-14
Revenue	1481.21	1214.61
EBITDA	201.03	149.35
Less : Finance Cost	18.48	22.66
Less : Depreciation	39.90	31.16
Profit before Tax	**142.65**	**95.53**
Less : Tax Expenses	39.60	29.89
Profit after Tax	**103.05**	**65.64**
Balance brought forward from Previous year	5.23	3.10
Amount available for Appropriation	108.28	68.74
Appropriation :		
Final Dividend	6.00	3.00
Tax on Final Dividend	1.22	0.51
Transfer to General Reserve	100.00	60.00
Balance carried to Balance Sheet	1.06	5.23
EPS - Basic (in ₹)	17.17	10.94
EPS - Diluted (in ₹)	17.15	10.94

2. BUSINESS PERFORMANCE

The key highlights of the Company's financial performance during the Financial Year 2014-15 are given here below:

- Revenue increased by 21.95% to ₹ 1481.21 Crores from ₹ 1214.61 Crores in the last Financial Year.
- EBITDA increased by 34.60% to ₹ 201.03 Crores; EBITDA margins increased by 128 bps to 13.57%.
- Net Profit increased by 56.99% to ₹ 103.05 Crores from ₹ 65.64 Crores in the last Financial Year.
- Net Profit margins increased by 155 bps to 6.96%
- Total retail outlets increased from 179 to 207 during the Financial Year.

3. PERFORMANCE OVERVIEW

(A). FINANCIALS

Your company has been able to show a strong growth on the key financial metrics for the year, despite the market scenario being uncertain and competitive activity increasing in the year. Your Company continues its journey of profitable growth driven by the strong fundamentals of operating model, overwhelming desire to serve customers and the end consumer and continued focus on the long term business plan.

Revenue ₹ 1481.21 Crs.
Growth 21.95%

- Unending focus on consumer needs and quality
- Focus on value growth along with sustainable volume growth
- Aggressive Expansion in new / under - penetrated geographies
- Increased presence in new / emerging channels (Modern Trade, E- Commerce)
- Continued expansion in Owned Retail Footprint
- Investment on strengthening brands

EBITDA ₹ 201.03 Crs.
Growth 34.60%
Margin 13.57%

- Robust cost control with margin improvement initiatives
- Manufacturing Excellence and Quality Improvement
- Fixed cost control and drive for Productivity Improvement
- Identification and Implementation of value creation projects to aid bottom-line improvement

PAT ₹ 103.05 Crs.
Growth 56.99%
Margin 6.96%

- EBITDA growth driving PAT growth for the Company
- Lower effective tax rate due to tax benefits arising out of strategic investments in plant & machinery

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

(i) Consumer Focus / Product Innovation

Your company continued its relentless efforts to understand the consumer and design our portfolio in line with the same. Consumer insights formed the back bone of all our product development efforts. Your Company has strived to understand our consumers across regions and social & economic strata, to come out with market relevant products.

Our portfolio and pricing strategy has evolved over years and last year saw a surge in innovation quotient in our portfolio. All our brands – Hawaii, Flite, Sparx and Schoolmate, have experienced tremendous growth on the back of hugely successful consumer relevant portfolio.

We understand that our brands are at the forefront of bringing the value proposition of our products for our consumers. In line with our strategy, your Company continued to invest heavily behind our brands. During the year, Company engaged Sonakshi Sinha - as the brand ambassador for Flite. We believe that Sonakshi has been successful in conveying the key attributes of style, fashion and colours for our brand, Flite to our consumers. In order to ensure a comprehensive portfolio, covering all consumer needs, Company has also launched a new Bahamas collection – that conveys values of fun and fashion for our consumers.

(ii) Sales Channels Development

Serving our customers well, remains our top priority. To enable sales and distribution growth, regional offices have been set up. Your Company has successfully expanded its distribution footprint in many of hitherto unexplored / under-penetrated territories. Complete end-to-end distributor and retailer programs have also been put in place to improve engagement with our channel partners.

Our retail network has seen a significant growth, both in terms of number of stores (28 during the year) as well as in terms of our approach towards the business. We have been focusing on account category management, a comprehensive portfolio management and capturing shopper insight to enable better and aligned product availability for our consumers. Concentrated expansion plan backed with profitable business case has resulted in significant improvement in our net margins.

Your Company continues investing behind Exports, Modern Trade and E-Commerce business, as we believe that these channels will lead the growth engine from the forefront in times to come.

(iii) Sourcing and Procurement

Your company was able to manage the material cost well within budget owing to effective monitoring of the raw material cost and easing of prices in the international

market. We increased our collaboration with key suppliers and focused on competitive bidding of prices.

(iv) Manufacturing Excellence

With the objective of building strong manufacturing foundation to support growth, your Company took further steps towards manufacturing transformation and excellence across key production units. The program aimed at reducing operational complexity, improving process efficiency and reducing manufacturing costs with the help of new-age concepts of Lean Six Sigma and Lean Manufacturing. We have been successful in increasing production capacities and improving efficiency levels. Operational efficiency was attained by utilizing strategies of manpower optimization, energy efficiency, rationalization of capital & operational expenses and capability development of our people.

(v) Supply Chain Optimization

Supply chain remains one of the key area for enabling growth of your company. Company has made significant improvements towards network expansion / utilization and inventory optimization. Efficiencies were brought in the processes of Regional Distribution Centers (RDCs) and we were able to service our channel partners faster and better. Forward looking capacity planning for both factories and warehouses were undertaken to build a platform for future growth.

The close coordination between Manufacturing, Supply Chain Management and Sales ensured optimum level of inventories across the year leading to on-time fulfillment of demand. We have been able to build adaptive processes leading to fulfillment of additional requirements for our targeted channels like Modern Trade, Retail and Exports.

(vi) People Focus

Over the last year, the HR function in Your Company has undertaken an important transformation journey, where it has made several new strides in important areas of Recruitment, Rewards Management, Leadership Development, while at the same time taking first steps towards automating some of the key HR processes. While the journey continues into FY16, our achievements in these areas give us a firm footing to make strategic contributions towards business growth.

a) **Recruitment** – We have been focused on getting the best talent from the market to enable organization growth. During the year in mention we have enhanced the talent pipeline for open positions by tapping new sources, both internal and external while enhancing our Employee Value Proposition.

b) **Rewards Management** – We believe that the good organizational performance is driven by its employees. Our journey towards ensuring a lucrative rewards package to our top performing executives was taken forward this year through introduction of Employee Stock Option Plan (ESOP) for senior and top executives.

c) **Leadership Development** – Your Company launched a Leadership Development Program (LDP) called Crucibles for employees with high leadership potential. Various opportunities provided as part of the program helped the participants to solve complex business problems and provided them an environment to experiment with their ideas.

d) **Employee Engagement** – Your Company conducted a structured exercise to measure employee engagement levels and are taking steps towards improving employee experience in various areas.

(vii) ISO Certification

As an additional step of our commitment towards environment, your Company has achieved a prestigious certification on ISO 14001:2004 for its four manufacturing plants and will continue to roll it out to the other manufacturing plants.

By implementation of ISO 14001:2004 we are now capable to :

- Quantify, monitor and control the impact of operations on the environment, now and in the future.
- Ensure legislative awareness and compliance in better way.
- Improve environmental performance of supply chain.
- Grow access to business partners and potential customers.

(viii) Standard Operating Procedure (SOPs)

To enhance operational efficiencies and day to day working, formal SOPs (Standard Operating Procedure) preparation was initiated by engaging external professional agency and were successfully implemented during the Financial Year. These SOPs will further yield in future operational benefits, streamline internal processes, enhance efficiencies, optimize utilization of resources along with cost.

4. MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

5. DIVIDEND

Board of Directors in their meeting held on 9th May, 2015 have recommended a final dividend of 100% i.e ₹ 1.00 per equity share (equivalent to ₹ 0.50 per share post 1:1 bonus issue) for the Financial Year ended March 31, 2015. The bonus issue was subsequently approved by the Shareholders

through the postal ballot on 22nd June, 2015. The proposed dividend is subject to the approval of shareholders at the Annual General Meeting to be held on 24th September, 2015.

6. BONUS ISSUE

Board of Directors in their meeting held on 9th May, 2015 have declared bonus issue in the ratio of 1:1 i.e one bonus share of ₹ 1.00 to every shareholder holding equity Share of ₹ 1.00. The bonus issue was approved by the Shareholders through the Postal Ballot on 22nd June, 2015. The allotment of the bonus issue has been made in the Board Meeting held on 3rd July, 2015 to all the shareholders of the Company holding shares on the record date i.e 2nd July, 2015.

7. TRANSFER TO RESERVE

We propose to transfer Net Profit of ₹100.00 Crores to the General Reserve. An amount of ₹1.06 Crores is proposed to be retained in profit and loss account.

8. PUBLIC DEPOSITS

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

9. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Report on Corporate Governance as stipulated under listing agreement forms an integral part of the Report. The requisite certificate from the Statutory Auditors of the Company M/s Gupta & Dua, Chartered Accountants, confirming compliance with the conditions of corporate governance is attached to the report of Corporate Governance.

10. DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGEMENT PERSONNEL & PARTICULARS OF EMPLOYEES

In accordance with Section 178 of the Companies Act, 2013 read with rules issued thereunder and Clause 49 of the Listing Agreement, the Board of Directors at their meeting held on 10th May, 2014 formulated the Nomination & Remuneration Policy of your Company. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Report. The Nomination and Remuneration Policy is available on the website of the Company at the following link http://www.relaxofootwear.com/pdf/Nomination-and-remuneration-policy.pdf.

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

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year Mr. Umesh Nath Kapur Independent Director of the Company expressed his inability to continue as Director and ceased to be Director w.e.f 29th July, 2014.

During Financial Year 2014-15, members approved appointment of Mr. Pankaj Shrimali, Mr. Vivek Kumar, Mr. Kuruvila Kuriakose and Ms. Deepa Verma as Independent Directors for a period of five years till 31st March, 2019 who are not liable to retire by rotation. Ms. Deepa Verma was also appointed as Woman Director during the year pursuant to the provisions of Companies Act, 2013 & Listing Agreement.

During the year Mr. Sushil Batra, Chief Financial Officer (CFO) of the Company was designated as Key Managerial Person pursuant to the Provisions of Companies Act, 2013.

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

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

Mr. Deval Ganguly was appointed as Whole Time Director for a term of 3 years w.e.f 5th November, 2012. He is to be reappointed for another term of 3 years w.e.f 5th November, 2015 if approved by shareholders in the forthcoming Annual General Meeting.

12. ANNUAL EVALUATION OF BOARD'S PERFORMANCE

In terms of provisions of Companies Act, 2013 read with Rules issued thereunder and Clause 49 of Listing Agreement, the Board of Directors on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board/ Director(s) for the Financial Year 2014-15.

13. NUMBER OF MEETINGS OF THE BOARD

The Board met five times during the Financial Year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

14. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and clause 49 of Listing Agreement.

15. TRAINING OF INDEPENDENT DIRECTORS

Every new Independent Director of the Board is briefed about the Company background, its vision and goals. The Company executive make presentation to the new inductee about the

Company's strategy, operations, products, organization structure, finance, human resource and facilities. The Company had arranged presentations for the Independent Directors, on the Company law and other applicable laws on the Company.

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

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 with regard to Directors' Responsibility Statement, it is hereby confirmed:

a) in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

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

17. 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. The Company has received letter from them to the effect that their re appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

18. 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.

19. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s Vivek Arora, Company Secretaries, to conduct the secretarial audit of the Company for the Financial Year 2014-15. The secretarial audit report for the Financial Year 2014-15 forms part of the Annual Report as **Annexure-B** to the Board's Report.

20. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as **Annexure - C** to this Report.

21. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the Financial Year with related parties were in the ordinary course of the business and on the arm's length basis. During the year the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of Related Party Transactions.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link http://www.relaxofootwear.com/pdf/Policy-for-Transactions-with-related Parties.pdf

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

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

22. DETAILS OF LOANS & GUARANTEES

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

a) Details of investments made by the Company as on 31st March, 2015 (including investments made in previous years).

(i) Investment in equity shares ₹ 0.06 Crores in Relaxo Rubber Private Limited

(ii) Investment in debt instruments : NIL

b) Details of loans given by the Company : NIL

c) There are no guarantees issued by your Company in accordance with Section 186 of the Companies Act, 2013 read with the Rules issued thereunder.

23. RISK MANAGEMENT

Your Company recognizes that risk is an integral part of business and is committed to manage the risks in a pro-active and efficient manner. Your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy. The Internal Audit Department facilitates the execution of Risk Management Practices in the Company, in the areas of risk identification, assessment, monitoring, mitigation and reporting. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment & management procedure and status.

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, stock and stock in transit of the Company have been properly insured against all kind of risks.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee has recommended to the Board a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

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

The CSR Policy outlines the CSR vision of your Company which is based on embedded tenets of trust, fairness and care.

The Company is also in the process of formation of society for the purpose of CSR activities and is planning to take all CSR initiatives through the society.

The Annual Report of the CSR activities is annexed herewith marked as **Annexure-E**.

25. VIGIL MECHANISM

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Clause 49 of Listing Agreement. The copy of the policy is available at Company's website at link at http://www.relaxofootwear.com/pdf/Vigil-Mechanism-Policy.pdf.

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

Your Company has always believed in providing a safe and harassment free workplace for every individual working at Relaxo Footwears Limited. The Company always tries to create and provide an environment that is free from discrimination and harassment including sexual harassment.

A policy on Prevention of Sexual Harassment at workplace was released during the last Financial Year ended 31st March 2015. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour. An Internal Complaints Committee (ICC) was set up at each of the units and offices of the Company as per the requirements of the law.

The ICC is responsible for redressal of complaints related to sexual harassment.

Moreover, your Company has been regularly conducting sensitization sessions for all its employees so as to create awareness about the subject and the law governing the same including their rights of redressal and the punishments applicable in case of any misconduct.

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

27. SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS

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

28. CREDIT RATING

The ICRA has reaffirmed Long term rating of the Company as ICRA A+ and the outlook for long term rating has been upgraded from stable to positive.

The short term rating of your Company has been upgraded from ICRA A1 to ICRA A1+ which is top notch rating and reflects strong credit quality of the Company.

Particulars	Revised Rating	Previous Rating
Short Term Rating	A1+	A1
Long Term Rating	A+ with positive outlook	A+ with stable outlook

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

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

30. EMPLOYEES STOCK OPTION PLAN

The Nomination & Remuneration Committee of the Board of Directors of the Company interalia, administers and monitors the Employees Stock Option Plan of the Company in accordance with the applicable SEBI Guidelines. The Company instituted the Employee Stock Option Plan 2014 ("RFL ESOP PLAN-2014") for employees of the Company by granting shares thereunder. Accordingly, the ESOP Plan was formulated in accordance with the SEBI Guidelines. The ESOP Plan was approved by the members on 5th, August 2014, through a postal ballot. The approved ESOP plan authorizes the committee to create, offer and grant 900090 (Nine lac and Ninety only) options of face value of ₹1.00 to the eligible employees of the Company from time to time in one or more tranches. The details as per the requirements of SEBI Guidelines are annexed and form part of this Report as **Annexure-G**.

31. 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 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.

32. ACKNOWLEDGMENT

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

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director

Mukand Lal Dua
Whole Time Director

Delhi, 25th July, 2015

ANNEXURE A TO DIRECTOR'S REPORT

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

A. Ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the Financial Year 2014-15 is as follows :

Name of Director	Ratio of Remuneration of Director to the Median Remuneration
Mr. Ramesh Kumar Dua	529.28
Mr. Mukand Lal Dua	529.28
Mr. Nikhil Dua	42.83
Mr. Deval Ganguly	61.14
Mr. Pankaj Shrimali	1.62
Mr. Vivek Kumar	1.79
Mr. Kuruvila Kuriakose	1.26
Ms. Deepa Verma	0.66
Mr. Umesh Nath Kapur*	0.15

1. *Mr. Umesh Nath Kapur ceased to be Director of the Company on 29th July, 2014, accordingly, the remuneration shown above is for part of the Financial Year 2014-15.
2. The aforesaid details are calculated on the basis of remuneration for the Financial Year 2014-15.
3. The remuneration includes sitting fee paid to the Directors for attending Board and Committee meetings.
4. Median Remuneration for all the employees is ₹135397 for the Financial Year 2014-15.

B. Details of percentage increase in the remuneration of each Director, CFO and Company Secretary in the Financial Year 2014-15 as compared to last year are as follows:-

Name	Designation	% Increase
Mr. Ramesh Kumar Dua	Managing Director	50.90
Mr. Mukand Lal Dua	Whole Time Director	50.90
Mr. Nikhil Dua	Whole Time Director	9.69
Mr. Deval Ganguly	Whole Time Director	17.76
Mr. Pankaj Shrimali	Independent Director	46.67
Mr. Vivek Kumar	Independent Director	59.02
Mr. Kuruvila Kuriakose	Independent Director	54.55
Mr. Umesh Nath Kapur#	Independent Director	-NA-
Ms. Deepa Verma*	Independent Director	-NA-
Mr. Sushil Batra	Chief Financial Officer	6. 29
Mr. Kapil Garg**	Company Secretary	-NA-

1. The remuneration to Directors is within the overall limit approved by shareholders.
2. # Percentage increase in remuneration is not reported as he was holding directorship for the part of the Financial Year in 2014-15.
3. * Percentage increase is not reported as Ms. Deepa Verma joined the Board in the Financial Year 2014-15.
4. ** Company Secretary worked for the part of the Financial Year in 2014-15.

C. Percentage increase in the median remuneration of all employees in Financial Year 2014-15 :

There is a marginal decrease of 0.10% in median remuneration of all employees due to increase in number of sub-staff during the year.

D. Number of Permanent Employees on the roll of the Company as on 31st March, 2015 :

Particulars	No. of Employees
Staff	1740
Sub Staff	2915
Total	**4655**

E. Explanation on the relationship between average increase in remuneration and Company performance :-

The increase in average remuneration of all employees in the Financial Year 2014-15 was 18.3%, whereas the Company revenue increased by 21.95% in the Financial Year 2014-15. The average increase is not based only on the performance of the Company but also the annual increase given by peer Companies and overall budgetary impact within the Company.

F. Comparison of the remuneration of Key Managerial Personnel against the performance of the Company :

The remuneration of Key Managerial Personnel increased by around 44.33% in 2014-15, compared to 2013-14, whereas the Company profit increased by 57% in the Financial Year 2014-15, compared to 2013-14.

G. Details of Share Price and Market Capitalization :-

The details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous Financial Years are as follows

Particulars	As on 31st March 2015	As on 31st March 2014	Increase / (Decrease) (%)
Price Earning Ratio	37.62	26.94	39.64
Market Capitalisation (₹in Crores)	3876.39	1768.38	119.21

Comparison of the share price at the time of first public offer and market price of the Share on 31st March, 2015 :

Market Price as on 31st March, 2015 (in ₹)	651.90
Price at the time of initial public offer in 1995 (in ₹) (converted to price of each share for face value of ₹1 each)	3.00
Increase in the Market price over the price at the time of initial public offer	216 Times

Note :

1. Closing share price on the National Stock Exchange of India Ltd (NSE) has been used for the above tables. The above does not consider the various bonus share issues made after the initial public offer.
2. One share in 1995 is equal to 20 shares in 2015 (adjusted for bonus issue and share split). Accordingly an amount of Rupees One Thousand invested in 1995 would be worth approximately Rupees Forty Three Lacs as on 31st March, 2015. This excludes dividend payout thereon.

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

The aggregate remuneration of employees excluding Whole Time Directors grew by 14.67% over the previous year. The aggregate increase in salary for Whole Time Directors and other KMP was 43.83% in Financial Year 2015 over Financial Year 2014. This was based on the recommendation of Nomination and Remuneration Committee to revise the remuneration as per Industry benchmarks and other key parameters for any variable component of remuneration availed by the Directors.

I. Comparison of the each remuneration of the Key Managerial Person against the performance of the Company :

Name of KMP	Designation	% of Revenue	% of PBT
Mr. Ramesh Kumar Dua	Managing Director	0.48	5.02
Mr. Sushil Batra	Chief Financial Officer	0.05	0.54
Mr. Kapil Garg*	Company Secretary	-NA-	-NA-

* Company Secretary worked for the part of the Financial Year in 2014-15.

J. The key parameters for the variable component of remuneration to the Directors are decided by the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy :

The key parameters for the variable component of remuneration to the Directors are decided by the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy.

Following are major principles for determining remuneration to the Directors Commission and Performance Incentive to Executive Directors :

The Nomination and Remuneration Committee evaluates the performance of the Managing Director & Whole Time Directors and approves the compensation package of the Managing Director & Whole Time Directors. The Committee ensures that the compensation package is in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, industry standards and have an adequate balance between fixed and variable component

K. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year :

There is no employee of the Company who received remuneration in excess of the highest paid Director of the Company.

L. Affirmation

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

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

List of Employees of the Company employed throughout the Financial Year 2014-15 and were paid remuneration not less than ₹60 Lacs per annum and employees who have worked for the part of the year and were paid remuneration during the Financial Year 2014-15 at a rate which in aggregate was not less than ₹5 Lacs per month :

S. No.	Employee Name	Designation	Date of joining	Age (Years)	Remuneration (₹in Lacs)	Qualification	Experience (Years)	Last Employment
1	Mr. Abhinandan Madhukarrao Dhoke	Vice President (Sales & Marketing)	07-May-14	39	74.61	B. Tech, MBA	14	Britannia India Ltd.
2	Mr. Deval Ganguly	Whole Time Director	01-Jun-11	57	82.78	B. Tech	34	JK Tyre & Industries Ltd.
3	Mr. Hans Raj Sapra	Senior Vice President (Material)	16-Oct-93	66	78.63	BE, Dip. Mech. Engg.	42	India Meterological Dept.
4	Mr. Mukand Lal Dua	Whole Time Director	13-Sep-84	66	716.63	Graduate	42	Relaxo Rubber Ltd.
5	Mr. Ramesh Kumar Dua	Managing Director	13-Sep-84	61	716.63	Graduate, Licentiate of LPRI London	37	Relaxo Rubber Ltd.
6	Mr. Sushil Batra	Chief Financial Officer	30-Jul-07	51	76.35	B. Com, FCA	24	A2Z Infra Engg. Ltd.
7	Mr. Verinder Kumar	Vice President (Manufacturing)	16-Jan-95	52	60.98	PGDM	34	Relaxo Rubber Ltd.

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

ANNEXURE-B

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

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

To the Members of,

Relaxo Footwears Limited

316-319, Allied House, Inderlok Chowk,

Old Rohtak Road, Delhi-110035

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

Based on my verification of the Relaxo Footwears Limited (the Company) books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31-03-2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Relaxo Footwears Limited ("the Company") for the financial year ended on 31-03-2015 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The Rubber Act (the law which is applicable specifically to the company).

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India were not mandatorily required to be complied by the Company upto 31-03-2015 and therefore only voluntary compliances thereof were examined.

(ii) The Listing Agreements entered into by the Company with The National Stock Exchange of India Ltd (NSE) and Bombay Stock Exchange Ltd (BSE).

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

I further report that

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

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

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

I further report that there are adequate systems and processes in

the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has

(a) passed a special resolution on 05-08-2014 under Section 180(1) (c) of the Companies Act 2013 whereby borrowing limits of the Company were enhanced to ₹500 crores and another special resolution on the same date under Section 180 (1)(a) of the Companies Act 2013 was also passed authorising the Company to create mortgage/charge against assets of the Company.

(b) got approved issuance of shares to its employees, equity shares under Employees Stock Options Scheme (ESOS) from the stock exchanges where the equity shares of the Company are listed. These Equity shares are to be allotted after the reporting audit period in terms of the scheme.

(c) taken External Commercial borrowings of ₹4961.60 lacs in compliance with applicable laws.

For Vivek Arora
Company Secretaries

Vivek Arora
New Delhi, 3rd July, 2015 (Proprietor)
CP NO 8255, ACS 12222

Note :

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

Annexure A

To the Members of,

Relaxo Footwears Limited

316-319, Allied House, Inder Lok Chowk,
Old Rohtak Road, Delhi-110035

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

1. Maintenance of secretarial records is the responsibility of the management of the company.

   Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Vivek Arora
Company Secretaries

Vivek Arora
New Delhi,3rd July, 2015 (Proprietor)
CP No. 8255, ACS 12222

ANNEXURE-C

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

(as on Financial Year ended on 31st March, 2015)

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

I. REGISTRATION & OTHER DETAILS:

i	**CIN**	**L74899DL1984PLC019097**
ii	**Registration Date**	13/09/1984
iii	**Name of the Company**	Relaxo Footwears Limited
iv	**Category/Sub-category of the Company**	Public Company Limited by Shares
v	**Address of the Registered office & contact details**	316-319, Allied House, Inderlok Chowk, Old Rohtak Road, Delhi - 110035 011- 40980000 Email : rfl@relaxofootwear.com
vi	**Whether listed company**	Yes
vii	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	Karvy Computershare Pvt. Ltd. Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli, Nanakramguda, Hyderabad-500032. Ph. : +91 040-67162222; Email : einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10% or more of the total turnover of the company shall be stated

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

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES :

SL. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Relaxo Rubber Private Limited Flat No. 216, Allied House, Inderlok Chowk, Delhi-110035	U25199DL1982PTC013445	Associate	20.80	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :

A. Category-wise Share Holding :

Category of Shareholders		No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter Group										
(1)	**Indian**									
a)	Individual/ HUF	45004500	-	45004500	75.00	45004500	-	45004500	75.00	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	-	-	-	-	-	-	-	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)		45004500	-	45004500	75.00	45004500	-	45004500	75.00	-
(2)	**Foreign**									
a)	NRI Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any other (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)		-	-	-	-	-	-	-	-	-
Total Shareholding of promoter (s) (A) = (A) (1) + (A) (2)		45004500	-	45004500	75.00	45004500	-	45004500	75.00	-
B. Public Shareholding										
(1)	**Institutions**									
a)	Mutual Funds	41883	-	41883	0.07	214154	-	214154	0.36	0.29
b)	Banks / FI	5464	-	5464	0.01	6602	-	6602	0.01	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt (s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs	1104732	-	1104732	1.84	1464951	-	1464951	2.44	0.60
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	1152079	-	1152079	1.92	1685707	-	1685707	2.81	0.89

(2)	**Non-Institutions**									
a)	Bodies Corp.									
i)	Indian	9640149	-	9640149	16.07	9594013	-	9594013	15.99	-0.08
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
I)	Individual shareholders holding nominal share capital upto ₹1 lakh	2291261	769020	3060281	5.10	2257467	569375	2826842	4.71	-0.39
ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	980315	-	980315	1.63	739451	-	739451	1.23	-0.40
c)	Others (specify)									
i)	Non Resident Indians	153080	-	153080	0.26	152808	-	152808	0.25	-0.01
ii)	Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
iii)	Foreign Nationals	-	-	-	-	-	-	-	-	-
iv)	Clearing Members	15596	-	15596	0.02	2679	-	2679	0.01	-0.01
v)	Trusts	-	-	-	-	-	-	-	-	-
vi)	Foreign Bodies	-	-	-	-	-	-	-	-	-
	Sub Total (B)(2)	13080401	769020	13849421	23.08	12746418	569375	13315793	22.19	-0.89
	Total Public Shareholding (B)=(B)(1)+(B)(2)	14232480	769020	15001500	25.00	14432125	569375	15001500	25.00	-
C.	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	59236980	769020	60006000	100.00	59436625	569375	60006000	100.00	-

B) Shareholding of Promoter :

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Ramesh Kumar Dua	15736575	26.23	-	15736575	26.23	-	-
2	Mukand Lal Dua	13385350	22.31	-	13385350	22.31	-	-
3	Nikhil Dua	2250225	3.75	-	2250225	3.75	-	-
4	Usha Dua	2250225	3.75	-	2250225	3.75	-	-
5	Lalita Dua	2250225	3.75	-	2250225	3.75	-	-
6	Rahul Dua	2250225	3.75	-	2250225	3.75	-	-
7	Gaurav Dua	2250225	3.75	-	2250225	3.75	-	-
8	Ritesh Dua	2250225	3.75	-	2250225	3.75	-	-
9	Nitin Dua	2250225	3.75	-	2250225	3.75	-	-
10	Mukand Lal Dua (HUF)	116000	0.19	-	116000	0.19	-	-
11	Ramesh Kumar Dua (HUF)	10000	0.01	-	10000	0.01	-	-
12	Sakshi Dua	5000	0.01	-	5000	0.01	-	-

C) Change in Promoters' Shareholding (please specify, if there is no change) : No Change

D) Shareholding Pattern of top ten Shareholders :

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1.	VLS Finance Ltd At the beginning of the year	150000	0.25	31/03/2014	150000	0.25
	Increase / Decrease in Shareholding during the year	-150000	0.25	30/06/2014	-	-
		4000000	6.67	31/12/2014	4000000	6.67
		-4000000	6.67	02/01/2015	-	-
		4523528	7.54	31/03/2015	4523528	7.54
	At the end of the year	4523528	7.54	31/03/2015	4523528	7.54
2.	VLS Finance Ltd At the beginning of the year	4378880	7.30	31/03/2014	4378880	7.30
	Increase / Decrease in Shareholding during the year	-4378880	7.30	04/07/2014	-	-
	At the end of the year	-	-	31/03/2015	-	-

3.	VLS Securities Ltd At the beginning of the year	2450000	4.08	31/03/2014	2450000	4.08
	Increase / Decrease in Shareholding during the year	-2450000	4.08	11/07/2014	-	-
	At the end of the year	-	-	31/03/2015	-	-
4.	VLS Securities Ltd At the beginning of the year	1625000	2.71	31/03/2014	1625000	2.71
	Increase / Decrease in Shareholding during the year	2450000	4.08	11/07/2014	4075000	6.79
	At the end of the year	4075000	6.79	31/03/2015	4075000	6.79
5.	Kotak Mahindra (International) Limited At the beginning of the year	731990	1.22	31/03/2014	731990	1.22
	Increase / Decrease in Shareholding during the year	99500	0.17	20/06/2014	831490	1.39
		2800	0.00	01/08/2014	834290	1.39
		943	0.00	08/08/2014	835233	1.39
	At the end of the year	835233	1.39	31/03/2015	835233	1.39
6.	Dolly Khanna At the beginning of the year	522815	0.87	31/03/2014	522815	0.87
	Increase / Decrease in Shareholding during the year	-3500	-0.01	04/04/2014	519315	0.86
		-1000	0.00	11/04/2014	518315	0.86
		-1000	0.00	18/04/2014	517315	0.86
		-5750	-0.01	25/04/2014	511565	0.85
		-6500	-0.01	02/05/2014	505065	0.84
		-4000	-0.01	09/05/2014	501065	0.84
		-4340	-0.01	16/05/2014	496725	0.83
		-4510	-0.01	23/05/2014	492215	0.82
		-3455	-0.01	30/05/2014	488760	0.81
		-1150	0.00	06/06/2014	487610	0.81
		-2668	0.00	13/06/2014	484942	0.81
		-1250	0.00	20/06/2014	483692	0.81
		-5310	-0.01	30/06/2014	478382	0.80
		-2250	0.00	04/07/2014	476132	0.79
		-3250	-0.01	11/07/2014	472882	0.79
		-1510	0.00	18/07/2014	471372	0.79
		-3000	0.00	25/07/2014	468372	0.78
		-1291	0.00	01/08/2014	467081	0.78
		-520	0.00	08/08/2014	466561	0.78
		-2030	0.00	15/08/2014	464531	0.77
		-1510	0.00	22/08/2014	463021	0.77
		-1000	0.00	29/08/2014	462021	0.77
		-2881	0.00	12/09/2014	459140	0.77
		-500	0.00	19/09/2014	458640	0.76
		-1000	0.00	30/09/2014	457640	0.76
		-1175	0.00	10/10/2014	456465	0.76
		-1650	0.00	17/10/2014	454815	0.76
		-750	0.00	24/10/2014	454065	0.76
		-1300	0.00	31/10/2014	452765	0.75
		-3368	-0.01	07/11/2014	449397	0.75
		-1078	0.00	21/11/2014	448319	0.75
		-3026	-0.01	28/11/2014	445293	0.74

		-2197	0.00	05/12/2014	443096	0.74
		-2124	0.00	12/12/2014	440972	0.73
		-1321	0.00	19/12/2014	439651	0.73
		-5640	-0.01	31/12/2014	434011	0.72
		-369	0.00	02/01/2015	433642	0.72
		-2652	0.00	09/01/2015	430990	0.72
		-6750	-0.01	16/01/2015	424240	0.71
		-3033	-0.01	23/01/2015	421207	0.70
		-2219	0.00	30/01/2015	418988	0.70
		-3700	-0.01	06/02/2015	415288	0.69
		-6594	-0.01	13/02/2015	408694	0.68
		-1247	0.00	20/02/2015	407447	0.68
		-4859	-0.01	27/02/2015	402588	0.67
		-7298	-0.01	06/03/2015	395290	0.66
		-5305	-0.01	13/03/2015	389985	0.65
		-3494	-0.01	20/03/2015	386491	0.64
		-2850	0.00	27/03/2015	383641	0.64
	At the end of the year	383641	0.64	31/03/2015	383641	0.64
7.	Jatinder Jagdishrai Agarwal At the beginning of the year	307500	0.51	31/03/2014	307500	0.51
	Increase / Decrease in Shareholding during the year	48310	0.08	31/12/2014	355810	0.59
		-355810	-0.59	06/02/2015	-	-
	At the end of the year	-	-	31/03/2015	-	-
8.	HSBC Bank (Mauritius) Limited A/C Jwalamukhi Invest At the beginning of the year	276082	0.46	31/03/2014	276082	0.46
	Increase / Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year	276082	0.46	31/03/2015	276082	0.46
9.	Eicher Goodearth Private Limited At the beginning of the year	221595	0.37	31/03/2014	221595	0.37
	Increase / Decrease in Shareholding during the year	-46595	-0.08	20/03/2015	175000	0.29
		46595	0.08	31/03/2015	221595	0.37
	At the end of the year	221595	0.37	31/03/2015	221595	0.37
10.	Vibgyor Investors And Developers Pvt Ltd. At the beginning of the year	200000	0.33	31/03/2014	200000	0.33
	Increase / Decrease in Shareholding during the year	-	-		-	-
	At the end of the year	200000	0.33	31/03/2015	200000	0.33

11.	SCIL Ventures Limited					
	At the beginning of the year	150005	0.25	31/03/2014	150005	0.25
	Increase / Decrease in Shareholding during the year	-6069	-0.01	25/04/2014	143936	0.24
		-16538	-0.03	02/05/2014	127398	0.21
		-2398	0.00	09/05/2014	125000	0.21
		-25000	-0.04	16/05/2014	100000	0.17
		-7000	-0.02	25/07/2014	93000	0.15
	At the end of the year	93000	0.15	31/03/2015	93000	0.15
12.	Jatinder Agarwal					
	At the beginning of the year	-	-	31/03/2014	-	-
	Increase / Decrease in Shareholding during the year	355810	0.59	06/02/2015	355810	0.59
	At the end of the year	355810	0.59	31/03/2015	355810	0.59
13.	SBI Small and Midcap Fund					
	At the beginning of the year	-	-	31/03/2014	-	-
	Increase / Decrease in Shareholding during the year	39000	0.06	11/04/2014	39000	0.06
		16000	0.03	25/04/2014	55000	0.09
		3849	0.01	25/07/2014	58849	0.10
		629	0.00	05/09/2014	59478	0.10
		19522	0.03	24/10/2014	79000	0.13
		5469	0.01	31/10/2014	84469	0.14
		15406	0.03	14/11/2014	99875	0.17
		10125	0.02	21/11/2014	110000	0.18
		13432	0.02	19/12/2014	123432	0.21
		4073	0.01	31/12/2014	127505	0.21
		11665	0.02	02/01/2015	139170	0.23
		747	0.00	09/01/2015	139917	0.23
		83	0.00	16/01/2015	140000	0.23
		2506	0.00	27/02/2015	142506	0.24
		36494	0.06	06/03/2015	179000	0.30
		1929	0.00	27/03/2015	180929	0.30
		5680	0.01	31/03/2015	186609	0.31
	At the end of the year	186609	0.31	31/03/2015	186609	0.31
14.	NUCO Merchandise Pvt Ltd.					
	At the beginning of the year	-	-	31/03/2014	-	-
	Increase / Decrease in Shareholding during the year	70000	0.12	06/06/2014	70000	0.12
		30000	0.05	15/08/2014	100000	0.17
	At the end of the year	100000	0.17	31/03/2015	100000	0.17

E) Shareholding of Directors and Key Managerial Personnel :

S. No.	For each of The Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Date	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1.	Ramesh Kumar Dua At the beginning of the year	15736575	26.23	31/03/2014	15736575	26.23
	Increase/Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year	15736575	26.23	31/03/2015	15736575	26.23
2.	Ramesh Kumar Dua (HUF) At the beginning of the year	10000	0.01	31/03/2014	10000	0.01
	Increase/Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year	10000	0.01	31/03/2015	10000	0.01
3.	Mukand Lal Dua At the beginning of the year	13385350	22.31	31/03/2014	13385350	22.31
	Increase/Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year	13385350	22.31	31/03/2015	13385350	22.31
4.	Mukand Lal Dua (HUF) At the beginning of the year	116000	0.19	31/03/2014	116000	0.19
	Increase/Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year	116000	0.19	31/03/2015	116000	0.19
5.	Nikhil Dua At the beginning of the year	2250225	3.75	31/03/2014	2250225	3.75
	Increase/Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year	2250225	3.75	31/03/2015	2250225	3.75
6.	Pankaj Shrimali At the beginning of the year	11000	0.02	31/03/2014	11000	0.02
	Increase/Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year	11000	0.02	31/03/2015	11000	0.02
7.	Sushil Batra At the beginning of the year	7550	0.01	31/03/2014	7550	0.01
	Increase/Decrease in Shareholding during the year	-	-	-	-	-
	At the end of the year	7550	0.01	31/03/2015	7550	0.01

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

(₹in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10120.06	4874.40	-	14994.46
ii) Interest due but not paid	31.27	-	-	31.27
iii) Interest accrued but not due	181.90	-	-	181.90
Total (i+ii+iii)	**10333.23**	**4874.40**	-	15207.63
Change in Indebtedness during the financial year				
+ Addition	4961.60	2570.12	-	7531.72
- Reduction	(3578.59)	(1671.75)	-	(5250.34)
Net Change	**1383.01**	**898.37**	-	2281.38
Indebtedness at the end of the financial year			-	
i) Principal Amount	11518.15	5772.77	-	17290.92
ii) Interest due but not paid	10.07	-	-	10.07
iii) Interest accrued but not due	188.02	-	-	188.02
Total (i+ii+iii)	**11716.24**	**5772.77**	-	17489.01

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

(₹in lacs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mukand Lal Dua	Ramesh Kumar Dua	Nikhil Dua	Deval Ganguly	
1	**Gross salary**					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	120.00	120.00	52.92	76.85	369.77
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	2.32	2.44	5.56
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	581.825	581.825	-	-	1163.65
5	Others, please specify (Employers Contribution to Provident Fund)	14.40	14.40	2.76	3.49	35.05
	Total (A)	716.625	716.625	58.00	82.78	1574.03
	Ceiling as per the Act	10% of Net Profits of the Company as calculated under Section 198 of Companies Act, 2013 is ₹1589.90 Lacs				

B. Remuneration to other Directors :

(₹in lacs)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Pankaj Shrimali	Kuruvila Kuriakose	Vivek Kumar	Deepa Verma	Umesh Nath Kapur	
1	**Independent Directors**						
	Fee for attending board committee meetings	2.20	1.70	2.43	0.90	0.20	7.43
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	2.20	1.70	2.43	0.90	0.20	7.43
2	**Other Non-Executive Directors**						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	2.20	1.70	2.43	0.90	0.20	7.43
	Ceiling as per the Act	1% of the Net Profits of the company as calculated under Section 198 of Companies Act, 2013 is ₹158.99 Lacs					
	Total Managerial Remuneration (A)+(B)						1581.46
	Overall Ceiling as per the Act	₹1748.89 (11% of Net Profits of the Company) as calculated under Section 198 of Companies Act, 2013.					

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD :

(₹in lacs)

SN.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CS	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-NA-	8.73	71.79	80.52
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0.58	1.43	2.01
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission				
	- as % of profit		-	-	-
	others, specify (Employers Contribution to provident fund)		0.47	3.13	3.60
5	Others, please specify				
	Total	-	9.78	76.35	86.13

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

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

ANNEXURE -D

Form No AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis

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

2. Details of material contracts or arrangements or transactions at arm's length basis

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

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director

Mukand Lal Dua
Whole Time Director

Delhi, 25th July, 2015

ANNEXURE -E

Corporate Social Responsibility (CSR) Activities

1. **Brief outline of the Company's CSR Policy**

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

   The CSR Committee as per the CSR policy is planning to work in health care, sanitation, education, welfare of children, women, old age & differently abled person. The Committee may also take up any other activity as approved by the Companies Act, 2013 and authorized by the Board of Directors from time to time.

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

2. **The Composition of CSR Committee**

   The composition of CSR Committee as on 31st March, 2015 is as follows :-

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

3. Average Net Profit of the Company for the last 3 Financial Years : ₹81.11 Crores

4. Prescribed CSR Expenditure : ₹1.62 Crores.

5. Details of CSR Spend for the Financial Year

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

   (b) Amount unspent* : ₹1.62 Crores

   Note : * On the recommendation of CSR Committee your Company has paid unspent amount of ₹1.62 Crores in Prime Minister's Relief fund on 15th July, 2015. As on date there is no unspent amount pending for CSR activities for the Financial Year 2014-15.

6. Your company has initiated the process of formation of society to carry out all the CSR activities of the Company. The Society will take up major CSR activities in the forthcoming years. Going forward your Company is committed to actively engage in the CSR activities either through its society or any other NGO or partner to work in such projects as approved by the CSR Committee and incur expenditure in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of your Company.

Ramesh Kumar Dua

Delhi, 25th July, 2015 Managing Director

ANNEXURE-F

A. CONSERVATION OF ENERGY

(i) Energy conservation is an ongoing process in your Company. Your Company is committed to invest in the latest energy efficient technologies, to conserve energy on all locations, plants and sites of the Company. As a part of Company's endeavour towards conservation of energy and prevention of energy wastage, constant improvements are undertaken in order to conserve energy on an ongoing basis.

The energy conservation measure indicated above has helped the Company to restrict the impact of increase in the cost of energy thereby reducing the cost of production of goods. Your Company has installed following equipment for energy conservation in manufacturing plants:-

- Servo motors on molding & stitching machines at few manufacturing plants
- Variable frequency drive on air compressor.
- Oxygen Analyzer with ID fan drives to reduce pet coke consumption.
- Barrel heater jackets on horizontal molding to reduce power consumption.
- Auto power factor control meter at manufacturing plants.

(ii) The Company has started following initiatives at its retails outlets for energy conservation :-

- In all the new Company owned and operated Retail Outlets energy efficient LED fixtures are being installed for reducing energy consumption.
- In the phased manner lighting has been upgraded by installing LED in the 25 old retail outlets.
- Company has been promoting awareness on regular basis to staff on efficient use of electrical equipment like air conditioners, lighting etc.

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: ₹1.43 Crores charged out as expenses through respective heads of accounts

II. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

a) Efforts made towards technology

- Introduction of Recipe modification for use of economic polymer / additive system in one of its division.
- Reduction of curing time & development of softer compound at one of our manufacturing plants.
- Installation of air ventilation in shop-floor at one of its plants

b) Benefit derived as a result of the above efforts

- Cost savings with improvement in overall quality
- Improvement in efficiency in production & providing comfort for better customer satisfaction
- Improvement in General Environment in the plant

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

b) Total Foreign Currency used and earned

(₹ in Crores)

Particulars	2014-15	2013-14
Used	242.67	176.45
Earned	30.72	30.34

ANNEXURE -G

EMPLOYEE STOCK OPTION PLAN (ESOP)

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

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

S.No.	PARTICULARS	DETAILS	
A			
1	Number of options granted	261500	
2	The Pricing Formula	Market price or such price as decided by the Board	
3	Number of options vested	NIL	
4	Number of options exercised	NIL	
5	Number of options vested and exercisable	NIL	
6	Total Number of shares arising as a result of exercise of options	NIL	
7	Number of options lapsed	10700	
8	Variation in the terms of options	No variations made in the current year	
9	Money realized by exercise of options during FY 2014-15 (₹)	NIL	
10	Total Number of options in force	250800	
11	**Employee Wise Details of Options Granted to**		
(i)	Senior Managerial personnel	**Director / Employee Name**	**Equity options granted during the year (2014-15) (No.)**
		Mr. Abhinandan Dhoke	13600
		Mr. Ashish Srivastava	8000
		Mr. Deval Ganguly	13600
		Mr. H R Sapra	12200
		Mr. Sushil Batra	12300
(ii)	Any other Employee who were granted during the year, options amounting to 5% or more of the options granted during the year.	NIL	
(iii)	Identified employees who were granted option during the year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL	
12	Diluted earnings per share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 (in ₹)	17.15	
13	Where the Company has calculated the Employee compensation cost using the intrinsic value of Stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of Options.	The Company has used intrinsic value method for calculating the Employee Cost Compensation with respect to Stock Options.	
	The impact of this difference on profits and EPS of the Company	Since there is no issue of share during the FY 2014-15, hence, it is not applicable.	

14	Profits as reported (a) (₹ in Crores)	103.05
	Add : Intrinsic value cost	Nil
	Less : Employee Stock Compensation expense as per Fair Value Method (₹ in Crores)	1.45
	Profits after tax recomputed for recognition of employees stock compensation expense under fair value method (b) (₹ in Crores)	101.60
	Earnings per share based on earnings as per (a) above	
	Basic (in ₹)	17.17
	Diluted (in ₹)	17.15
	Earnings per share had fair value method been employed for accounting of employee stock options as per (b) above	
	Basic (in ₹)	16.93
	Diluted (in ₹)	16.91
15	Weighted average exercise price of Options Granted during the year whose	
(a)	Exercise price equals market price (in ₹)	401.15
(b)	Exercise price is greater than market price	
(c)	Exercise price is less than market price	
	Weighted average fair value of Options whose	
(a)	Exercise price equals market price (in ₹)	209.81
(b)	Exercise price is greater than market price	
(c)	Exercise price is less than market price	
16	Method of Assumptions used to estimate the fair value of options granted during the year :	The company has used the Black-Scholes model for computation of fair valuation.
	Following variables have been used to compute the Fair Value of options :	
	Stock Price (in ₹)	401.15
	Volatility	50.06%
	Riskfree Rate	8.85%
	Exercise Price (in ₹)	401.15
	Time to Maturity (in Years)	4.61
	Dividend Yield	0.12%

MANAGEMENT DISCUSSION & ANALYSIS

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

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

Industry Structure & Development

India is the Second largest global producer of footwear after China, accounting for 13% of global footwear production which is approximately 16 billion pairs. Almost 95% of the total production goes to meet domestic demand. The Indian Footwear Market is standing on the threshold of a revolution. The facets of this revolution lie in the inherently dynamic operating environment, the evolving income – demographic pyramids and more importantly the changing consumer behavior. The Indian footwear industry comprises of both organized and unorganized sector. Major demand is catered by the unorganized sector scattered all over the nation. But with the expansion in retail market and mall culture in India the organized sector is making inroads in the untapped market and growing its market share.

Operating Environment

Last year was a landmark year with people of India giving a clear mandate to a single political party to improve economic environment in the country. The market sentiments have remained positive for major part of last year and vulnerabilities around persistent inflation, reduced demand and economic slowdown are paving way for future growth. India non-leather footwear industry also went through a transformation in FY 14 with entry of international players, rapid change in lifestyle and income growth at bottom of wealth pyramid.

In our industry there is growing demand for value for money, comfortable and stylish footwear. Footwear Industry is also witnessing immense potential of increasing trend of online retail. Non-leather 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. This trend is expected to continue in future as well.

The footwear industry in India is presently witnessing various shift in the trends that are indicative of contributing in the future growth of the industry. With the surge in domestic demand, technology adoption in the industry and growing availability of stylish designs, industry is expected to continue its growth path in coming times.

According to a report the Indian footwear market is expected to grow at more than 15% in coming years mainly driven by growing fashion consciousness due to increased disposable income among urban middle class and abundant availability of raw material in the market

The Changing Consumer Behavior

Indian consumers are also evolving with the market with respect to habits, lifestyles, tastes and preferences. The advent of organized retailing malls and multiplexes has transformed the shopping habits and purchase behavior of the Indian consumer. There are significant changes that can be seen in the purchasing behavior of Indian customer. A typical upper middle class young consumer is looking beyond the utility aspect of a product to seek intangibles like brand and lifestyle statement associated with the product. This modern consumer wants his purchases to reflect his lifestyle aspiration. With rise in income & increased awareness about products and proliferation of choices, consumers have become pickier with purchases.

Opportunities & Threats

The stable government at the center and positive sentiments has resulted in overall improvement in the economy and business. It is expected that in coming years the disposable income of the middle class is bound to go up which will indirectly benefit the economy as well as the footwear industry. With the increase in disposable incomes the demand for quality and fashionable products are expected to do well in coming years. The government has also given boost to footwear industry last year by reducing excise duty on footwear pricing in the range of ₹500 to ₹1000.

Opportunities will lie largely in the three domains of product portfolio, reach & availability and internal efficiency. An enhanced, customer centric product portfolio would enable satisfying all consumer needs. The products need to be made available to the consumer at their convenience, which is where reach and availability will play a major role whereas improving internal efficiency and building systems will enable the industry to capitalize on the opportunities presented by the market.

With the growing trend of online shopping by the youth and the retailing of the footwear through e-commerce, the e-commerce platform is a valuable opportunity and is expected to show good growth in coming years.

The footwear industry in India is presently witnessing various shift in the trends that are indicative of contributing in the future growth of the industry. With the surge in domestic demand, technology adoption in the industry and growing availability of stylish designs, industry is expected to continue its growth path in coming times.

Rising Material Costs, scarcity of skilled labour, stagnant socio – economic reforms will be some of the key concern areas for footwear industry. However, your Company enjoys the benefit of

being in the business for more than four decades and has a better understanding of the footwear market, compared to its peers. Your Company has been adopting appropriate strategies, e.g., Brand Building, focus on Quality & Innovation, Talent Management etc. to achieve its objectives

Risks And Concerns

Macro-economic factors like a downturn in the economy, unforeseen political and social upheavals, natural calamities are likely to affect the business of your company as also the industry at large.

Change in Government's fiscal policy also has a bearing on the Company's performance.

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

Retailer's needs and expectations are as different as the customers they serve, which is also challenge to growth.

The fluctuation in dollar price is also adversely affecting the cost of imported goods purchased by your Company.

Internal Control System and its adequacy

The Company has special financial, operational and other control systems which are carried out by internal process and which involve monitoring, independent evaluation and timely reporting to management in a systematic order to ensure that all the activities are performed in accordance with current policies, methods, instructions and limits. The Company has a systematic audit process which is carried out by internal auditors independently as a part of internal control function and in the form of financial activities and compliance audit, independent of the external auditor's activities, considering the management and organizational needs. The Company has all the mechanisms concerning the process of standard-setting, reporting, verifying the compliance with standards, decision-making and implementing, which are established by the board of directors in order to monitor, to keep under control and, if necessary, to change the risk/return structure of the future cash flows of the bank and, accordingly, the quality and the extend of the activities.

Standard Operating Procedure (SOPs) have been implemented during the financial year which will streamline the internal processes to great extent and enhance efficiency, optimize cost and resource utilization and various other operational benefits.

Human Resources / Industrial Relation

Over the last year, the HR function has been revamped which has led to recruitment drive and various initiatives taken by HR for employee benefit and retention. The relationship of your Company with the employees had been cordial during the year.

As on 31st March, 2015 the total no of employees of the Company are 4655 against 3980 on 31st March, 2014.

Performance of The Company

In the Financial Year 2014-15 your Company has achieved record turnover and profitability. Detailed report on financial and non-financial performance of the Company is already dealt in detail at point no 2 & 3 of the Director's Report.

Outlook

In the transforming era footwear industry in India has shown an outgrowth in the recent years due to its increased demand, however the industry has faced multiple challenges in terms of infrastructure, resources and facilities etc. With the arrival of latest advancements, the growth of non-leather shoes and canvas manufacturer footwear in India has become prominent. The Company has a wide scope for growth of footwear industry with all the positives on its side. Our access to state-of-the-art machineries opens up a number of possibilities as a stimulating factor.

Your Company has clocked a record turnover during the year and is geared up to show better results in future. In last few years the Company has revamped its distribution system and has also opened Company owned retail outlets to boost its sales. The total no of Company owned stores PAN India as on 31.03.2015 is 207.

The main concentration is on the core business of footwear and every effort of the Company is aimed at maximizing the profitability of the company by introducing new products and ideas which satisfy the demand of the customers.

CORPORATE GOVERNANCE REPORT

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

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

1. 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, Board of your Company is well diverse. Every member of the Board is having experience and expertise in their respective fields.

Composition of the Board of Directors

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

Category	Name	Designation
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	Independent Director
	Mr. Pankaj Shrimali	Independent Director
	Mr. Kuruvila Kuriakose	Independent Director
	Ms. Deepa Verma*	Independent Director

Ms. Deepa Verma is the Woman Director appointed pursuant to clause 49 of Listing Agreement and Section 149 of Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014.

Details of Board Meetings

During the Financial Year 2014-15 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
10.05.2014	8	8
09.08.2014	5	7
31.10.2014	7	8
31.01.2015	8	8
28.03.2015	7	8

Attendance records of the Directors at Board Meetings and at the Annual General Meeting (AGM) during the Financial Year 2014 - 15 is as under:

Name of Directors	No. of Board Meetings attend	Attendance in AGM held on 18th September, 2014	Number of other Companies in which Directorship held
Mr. Ramesh Kumar Dua	5	Present	3
Mr. Mukand Lal Dua	4	Present	2
Mr. Nikhil Dua	5	Present	0
Mr. Vivek Kumar	5	Present	1
Mr. Pankaj Shrimali	5	Present	2
Mr. Umesh Nath Kapur	1	NA	2
Mr. Kuruvila Kuriakose	4	Present	6
Mr. Deval Ganguly	4	Present	0
Ms. Deepa Verma	2	Absent	0

3. COMMITTEES OF THE BOARD OF DIRECTORS AS ON 31.03.2015

I. Audit Committee

II. Stakeholder Relationship Committee

III. Nomination and Remuneration Committee

IV. Corporate Social Responsibility (CSR) Committee

I. AUDIT COMMITTEE

The Company constituted the Audit Committee in line with the requirement of Section 177 of Companies Act, 2013, read with Clause 49 of the Listing Agreement.

The role of Audit Committee is as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower Mechanism.
19. Approval of appointment of CFO (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

    The Audit Committee is empowered, pursuant to the terms of reference to:

    - Investigate any activity within its terms of reference and to seek any information it requires from any employee.
    - Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant expertise, which is considered necessary.

COMPOSITION AND ATTENDANCE

The Audit Committee comprised Four Directors, namely, Mr. Pankaj Shrimali, Independent Director and Chairman of the Committee, Mr. Kuruvila Kuriakose, Independent Director, Mr. Vivek Kumar, Independent Director and Mr. Nikhil Dua, Whole Time Director.

The details of the meetings and the attendance of members of the Committee in the meetings held during the Financial Year 2014-15 are given below:

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

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

II. STAKEHOLDER RELATIONSHIP COMMITTEE

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

The role of Stakeholder Relationship Committee is as follows:-

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

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

COMPOSITION AND ATTENDANCE

The Committee comprised 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.

During the Financial Year 2014-15, thirteen meetings of the Committee were held and the attendance of members at the meetings is given below:

Name of Members	No. of Meetings held	No. of Meetings attended
Mr. Vivek Kumar	13	12
Mr. Ramesh Kumar Dua	13	13
Mr. Mukand Lal Dua	13	13

Company received 32 complaints, suggestions and grievances during the year which were promptly dealt with and resolved within 15 days and no complaint is pending on 31st March, 2015.

Company Secretary acted as the Secretary of the Committee.

III. NOMINATION AND REMUNERATION COMMITTEE

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

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

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

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

COMPOSITION AND ATTENDANCE

The Committee comprised three Non-Executive cum Independent Directors, Mr. Pankaj Shrimali, Chairman of the Committee, Ms. Deepa Verma and Mr. Vivek Kumar, members of the Committee. During the Financial Year 2014-15, one meeting of the Committee was held on 09.08.2014 which was attended by all the members of the Committee.

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

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

IV. CORPORATE SOCIAL RESPOSIBILITY (CSR) COMMITTEE

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

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

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company at http://www.relaxofootwear.com/pdf/Corporate-Social-Responsibility-Policy.pdf. The Annual Report on CSR activities for the year 2014-15 forms a part of the Directors' Report.

COMPOSITION AND ATTENDANCE

The Committee comprised of four Directors, Mr. Ramesh Kumar Dua, Managing Director and Chairman of the Committee, Mr. Mukand Lal Dua, Whole Time Director, Ms. Deepa Verma Non- Executive cum Independent Director and Mr. Pankaj Shrimali Non- Executive cum Independent Director. During the Financial Year 2014-15, one meeting of the Committee was held on 28.03.2015 which was attended by all the members of the Committee.

4. DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2014-15

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 2014-15 are as follows:

(₹in lacs)

Name of Directors	Designation	Salary	Commission	Total
Mr. Ramesh Kumar Dua	Managing Director	134.80	581.83	716.63
Mr. Mukand Lal Dua	Whole Time Director	134.80	581.83	716.63
Mr. Nikhil Dua	Whole Time Director	58.00	-	58.00
Mr. Deval Ganguly	Whole Time Director	82.78	-	82.78

Mr. Ramesh Kumar Dua, Managing Director and Mr. Mukand Lal Dua, Whole Time Director of the Company were appointed with effect from 01.04.2014 for a period of five years. Mr. Nikhil Dua, Whole Time Director was appointed with effect from 01.10.2013 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 2014-15 were ₹220000/-to Mr. Pankaj Shrimali, ₹242500/-to Mr. Vivek Kumar, ₹170000/- to Mr. Kuruvila Kuriakose, ₹90000/- to Ms. Deepa Verma and ₹20000/- to Mr. Umesh Nath Kapur for attending the meetings. Mr. Umesh Nath Kapur ceased to be director of the Company w.e.f. 29th July, 2014

5. VENUE & TIME OF ANNUAL GENERAL MEETINGS

Year	Venue	No. of Special Resolution	Day and Date	Time
2013-14	Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi-110 003	13	Thursday, 18th September, 2014	10.30 a.m.
2012-13	-- do --	6	Thursday, 19th September, 2013	10.30 a.m.
2011-12	-- do --	0	Monday, 17th September, 2012	10.30 a.m.

6. POSTAL BALLOT

There was no resolution at the last Annual General Meeting of the Company which is required to be passed through postal ballot process. However, the Company has conducted postal ballot in following matters which were duly approved by the Shareholders of the Company as per the requirements of Companies Act, 2013 in the Financial Year 2014-15:

a. Approval of Employee Stock Option Plan-2014.
b. Enhancement of Borrowing Limit from ₹250 Crore to ₹500 Crore.
c. Creating mortgage/charge against the assets of the Company.
d. To give donation to bona fide charitable fund pursuant to applicable provisions and sections of the Companies Act, 2013.

Postal Ballot & E-voting

Particulars of resolution	For		Against		Percentage	
	Voter Count (No. of Shareholders)	Vote Count (No. of Shares)	Voter Count (No. of Shareholders)	Vote Count (No. of Shares)	For	Against
Approval of Employee Stock-Plan 2014	56	42881243	9	300	99.999	0.001
Enhancement of Borrowing Limit from ₹ 250 Crore to ₹500 Crore	58	42881508	7	35	99.999	0.001
Creating mortgage/charge against the assets of the Company	56	42881310	7	221	99.999	0.001
To give donation to bona fide charitable fund pursuant to applicable provisions and sections of the Companies Act, 2013	55	42826222	9	55321	99.871	0.129

Mr. Baldev Singh Kashtwal, practicing Company Secretary was appointed as scrutinizer to conduct the postal ballot exercise for the postal ballot mentioned above.

The voting pattern of above mentioned special resolutions were duly intimated to the stock exchanges.

7. DISCLOSURES

A. Related Party Transactions

There were no materially significant related party transactions with its Promoters, Directors or the Management, their relatives or subsidiaries etc. that may have potential conflict with the interests of the Company at large. However, all related party transactions have been reported and forms part of the Notes to Accounts of the Balance Sheet.

B. Disclosure of Accounting Treatment

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

C. Non-Compliance by the Company

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

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

D. Compliance of Clause 49 of Listing Agreement

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

E. Policy for Prevention of Insider Trading

With a view to prevent trading of shares of the Company by an insider on the basis of unpublished price sensitive information, the Board has approved Policy for Prevention of Insider Trading 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.

F. Vigil Mechanism/ Whistle Blower Policy

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

G. Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. The status of compliance with the non-mandatory requirements is as under:

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

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 Managing Directors 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, 2015.

Ramesh Kumar Dua

Delhi, 25th July, 2015 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 published in Economic Times (in English Language) and / Navbharat Times (in Hindi Language).

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

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

11. GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting

Date : 24.09.2015

Time : 10.30 a.m.

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

2. Financial Year

1st April, 2014 – 31st March, 2015

3. Book Closure Date:

Friday, 18.09.2015 to Wednesday, 23.09.2015 (both days inclusive)

4. Dividend Payment Date:

On or before 23rd, October, 2015, (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.: 011-40980000, 23126003

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 2015-16).

Bombay Stock Exchange Limited,

Phirozee Jeejeebhoy Towers, Dalal Street,

Mumbai-400 001.

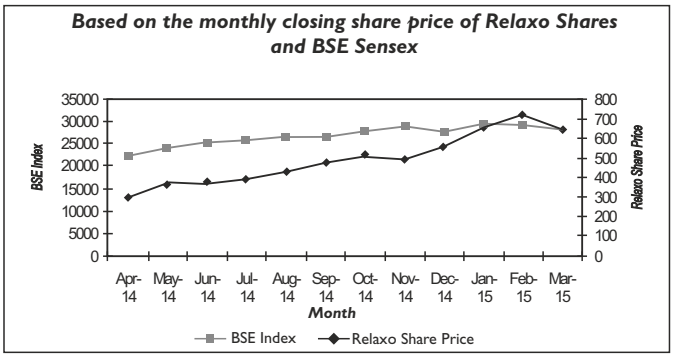
Stock Code : BSE-530517.

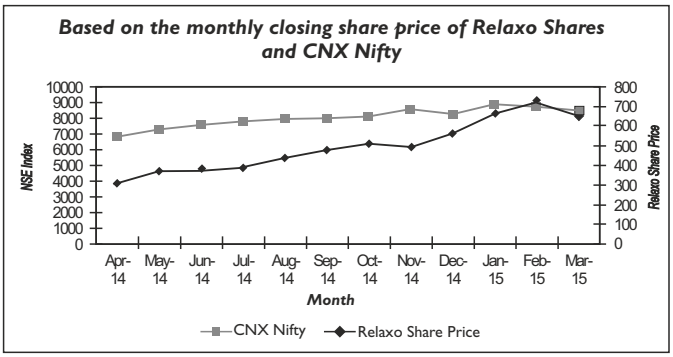
(The annual listing fee has been paid to BSE upto year 2015-16)

7. Market Price Data

Table showing monthly price movement on BSE & NSE during the Financial Year 2014-15

Month & Year	BSE			NSE		
	High (in ₹)	Low (in ₹)	Close (in ₹)	High (in ₹)	Low (in ₹)	Close (in ₹)
Apr-14	315.85	285.35	303.00	316.65	285.20	303.35
May-14	383.00	295.00	368.05	383.85	293.15	369.85
Jun-14	415.00	362.30	380.50	416.90	365.50	383.75
Jul-14	418.65	366.05	390.00	419.00	366.10	387.10
Aug-14	448.05	370.70	432.25	449.20	381.05	435.25
Sep-14	525.00	419.00	479.55	524.90	420.00	477.80
Oct-14	542.00	475.35	517.70	548.90	475.10	513.30
Nov-14	544.90	470.35	492.20	539.00	474.00	493.90
Dec-14	577.20	446.55	563.90	576.00	481.00	562.05
Jan-15	750.00	558.00	658.90	749.80	558.05	659.80
Feb-15	760.00	606.75	720.75	764.00	605.25	721.65
Mar-15	726.50	620.00	646.00	728.45	615.50	651.90





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
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Email : einward.ris@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 certificates duly endorsed are returned immediately to the shareholder by RTA. The details of transfer and transmission are placed before the Shareholders' /Investors' Grievance and Share Transfer Committee from time to time and the Board for noting and confirmation.

Pursuant to 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, 2015

i) Shareholding pattern (in form of size):

S. No.	No. of Equity Shares held	2015				2014			
		No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
1	1-5000	5624	97.80	1661825	2.77	3547	96.44	1563106	2.61
2	5001-10000	50	0.87	365241	0.61	51	1.39	385163	0.64
3	10001-20000	31	0.54	435399	0.73	25	0.68	343827	0.57
4	20001-30000	5	0.09	124456	0.21	10	0.27	249013	0.41
5	30001-40000	4	0.07	146780	0.24	9	0.24	324096	0.54
6	40001-50000	4	0.07	182564	0.30	2	0.05	90310	0.15
7	50001-100000	12	0.21	939775	1.57	12	0.33	897118	1.50
8	100001& Above	20	0.35	56149960	93.57	22	0.60	56153367	93.58
	Total	**5750**	**100.00**	**60006000**	**100.00**	**3678**	**100.00**	**60006000**	**100.00**

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

S. No.	Category	2015				2014			
		No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
1	Promoters	12	0.21	45004500	75.00	12	0.33	45004500	75.00
2	Bodies corporate	189	3.29	9594013	15.99	153	4.16	9640149	16.06
3	Resident individuals	5372	93.43	3566293	5.94	3309	89.97	3902303	6.50
4	HUF	-	-	-	-	73	1.98	138293	0.23
5	Clearing Members	20	0.34	2679	0.01	53	1.44	15596	0.03
6	Non-resident Indians	134	2.33	152808	0.25	66	1.79	153080	0.26
7	Foreign Institutional Investors	16	0.28	1464951	2.44	8	0.22	1104732	1.84
8	Others	7	0.12	220756	0.37	4	0.11	47347	0.08
	Total	5750	100.00	60006000	100.00	3678	100.00	60006000	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:

a) National Securities Depository Limited (NSDL)

b) 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 31.3.2015

Particulars	No. of Shares	% of Paid up Capital	No. of Shareholders
1. National Securities Depository Limited	58824228	98.03	3535
2. Central Depository Services (India) Limited	612397	1.02	1871
SHARES IN DEMAT FORM	59436625	99.05	5406
SHARES IN PHYSICAL FORM	569375	0.95	344
Total	60006000	100.00	5750

12. Investors Correspondence :

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

CS Vikas Kumar Tak, Company Secretary & Compliance Officer,

Relaxo Footwears Limited 316-319, Allied House,

Inderlok Chowk, Old Rohtak Road, Delhi-110 035

E-mail : vikastak@relaxofootwear.com

The Company addresses all complaints, suggestions, grievances and other correspondence expeditiously and replies are sent usually within 7-10 days except in case of other impediments. The Company endeavours to implement suggestions as and when received from the investors. During the year under review, a total of 32 investors' complaints were received and resolved.

13. Corporate Identity Number (CIN): L74899DL1984PLC019097

14. Per Share Data

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Net Earning (₹ in lacs)	10304.99	6563.64	4480.82	3990.50	2671.31	3769.22	1423.23
Cash Earning (₹ in lacs)	14294.60	9680.11	7030.64	7662.94	5649.91	6924.80	3485.36
EPS - Basic (in ₹)	17.17	10.94	37.34	33.25	22.26	31.41	11.86
Dividend (including Interim Dividend per share) (in ₹)	1.00	0.50	2.00	1.50	1.50	1.50	0.75
Dividend Pay out (%)	5.82	4.57	5.36	4.51	6.74	4.78	6.32
Book Value Per Share (in ₹)	61.30	46.09	178.68	143.68	112.18	91.60	61.63
Face value Per Share (in ₹)	1.00	1.00	5.00	5.00	5.00	5.00	5.00

15. There were 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 205A, 205C and relevant rules 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.

During the year under review, the Company has deposited a sum of ₹57240/- to the Investor Education and Protection Fund in respect of unpaid dividend of Financial Year ended on 31.03.2007.

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 72 of Companies Act, 2013 extends nomination facility to individuals holding shares in physical from in Companies. Members, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nomination in the prescribed Nomination Form.

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director

Mukand Lal Dua
Whole Time Director

Delhi, 25th July, 2015

CEO/CFO CERTIFICATION

To
The Board of Directors
Relaxo Footwears Limited

SUB: CEO/CFO Certification

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

1. We have reviewed financial statements and the cash flow statements for the financial year ended on 31st March, 2015.
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 — Managing Director
Sushil Batra — Chief Financial Officer

Delhi, 25th July, 2015

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 31st March, 2015, 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 Company's 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 the 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 above mentioned 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 stakeholders' relationship 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
Firm Registration No.003849N

Mukesh Dua
Partner
Membership No.085323

New Delhi, 25th July, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of

RELAXO FOOTWEARS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of RELAXO FOOTWEARS LIMITED ('the Company'), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) on the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
   (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 29 to the financial statements;
      ii. the Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Gupta & Dua
Chartered Accountants
Firm Registration No.003849N

Mukesh Dua
Partner
Membership No.085323

New Delhi, 9th May, 2015

ANNEXURE TO THE 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)

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

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(ii) (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.

(iii) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirement of clauses (iii) (a) and (iii) (b) of paragraph 3 of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public within the meaning of Section 73 and section 76 of the Companies Act, 2013.

(vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013, in respect of manufacture of its products.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance fund, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance fund, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following disputed statutory dues aggregating to ₹ 4575.96 lacs, that have not been deposited on account of matters pending before appropriate authorities, are as under:-

(₹ in lacs)

S. No.	Name of the Statute	Nature of dues and period to which amount relates	Forum where dispute is pending	Amount
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.	Rajasthan Tax on Entry of Goods Into Local Area Act, 1999	Entry Tax From 2007-08 To 2014-15 Interest on Tax Demanded	Supreme Court of India	11.10 2.83
4.	Entry Of Goods Into Local Area Act, 2008*	Haryana Local Area Development Tax/Entry Tax From 2006-07 To 2014-15 Interest On Tax Demanded	Supreme Court of India	3044.17 1431.49
5.	Income Tax Act,1961	Regular demand 2009-10 Tax Deducted at Source From 2008-09 To 2011-12 From 2013-14 To 2015-16	Income tax Appellate Tribunal Commissioner of Income Tax (Appeals) Commissioner of Income Tax (Appeals)	15.51 29.17 3.59
	Total			4575.96

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

(c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

(viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks during the year.

(x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) To the best of our knowledge and according to information and explanations provided to us, in our opinion, the term loans obtained by the company were, prima facie, applied by the company for the purpose for which they were obtained, other than temporary deployment pending application.

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

For Gupta & Dua
Chartered Accountants
Firm Registration No.003849N

Mukesh Dua
Partner
Membership No.085323

New Delhi, 9th May, 2015

BALANCE SHEET AS AT 31st MARCH, 2015

(₹ in lacs)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	600.06	600.06
Reserves and Surplus	2	36181.71	27056.12
		36781.77	**27656.18**
Non Current Liabilities			
Long Term Borrowings	3	14450.15	11430.95
Deferred Tax Liabilities (Net)	4	2490.75	2638.43
Other Long Term Liabilities	5	548.49	552.82
Long Term Provisions	6	389.74	286.05
		17879.13	**14908.25**
Current Liabilities			
Short Term Borrowings	7	6647.79	4840.80
Trade Payables	8	7920.42	5868.61
Other Current Liabilities	9	12836.05	10731.48
Short Term Provisions	10	2214.41	1676.60
		29618.67	**23117.49**
TOTAL		**84279.57**	**65681.92**
ASSETS			
Non Current Assets			
Fixed Assets	11		
Tangible Assets		46692.46	36056.82
Intangible Assets		478.11	527.11
Capital Work-in-Progress		126.86	2315.81
Intangible Assets under Development		84.19	105.88
		47381.62	**39005.62**
Non Current Investments	12	6.01	6.01
Long Term Loans and Advances	13	1212.05	1272.28
Other Non Current Assets	14	0.74	38.66
		48600.42	**40322.57**
Current Assets			
Inventories	15	24868.40	16399.93
Trade Receivables	16	8364.94	6821.81
Cash and Bank Balances	17	448.86	566.42
Short Term Loans and Advances	18	1413.18	1282.05
Other Current Assets	19	583.77	289.14
		35679.15	**25359.35**
TOTAL		**84279.57**	**65681.92**
Significant Accounting Policies	28		

The accompanying notes are an Integral part of Financial Statements

As per our report of even date

For Gupta & Dua
Chartered Accountants

CA Mukesh Dua
Partner
M. No. 085323

Delhi, 9th May, 2015

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director

Mukand Lal Dua
Whole Time Director

Sushil Batra
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

(₹ in lacs)

Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
REVENUE			
Revenue from Operations (Gross)	20	149998.28	122582.43
Less: Excise Duty		1916.86	1355.61
Revenue from Operations (Net)		148081.42	121226.82
Other Income	21	39.17	234.35
TOTAL		148120.59	121461.17
EXPENSES			
Cost of Materials Consumed [Refer Note 30(b)]		61390.72	46976.78
Purchases of Stock-in-Trade [Refer Note 30(a)]		10446.00	7495.31
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	22	(7292.88)	645.93
Employee Benefits Expenses	23	13450.44	11459.14
Selling and Distribution Expenses	24	21839.63	17494.59
Finance Costs	25	1848.36	2265.87
Depreciation and Amortization Expenses	11	3989.61	3116.47
Other Expenses	26	28183.78	22453.89
TOTAL		133855.66	111907.98
Profit Before Tax		14264.93	9553.19
Tax Expense			
Current Tax		3872.21	2763.81
Deferred Tax		87.73	225.74
TOTAL		3959.94	2989.55
Profit for the Year		10304.99	6563.64
Earnings Per Equity Share of ₹ 1/- each (in ₹) (Refer Note 35)			
Basic		17.17	10.94
Diluted		17.15	10.94
Significant Accounting Policies	28		

The accompanying notes are an Integral part of Financial Statements

As per our report of even date

For Gupta & Dua
Chartered Accountants

CA Mukesh Dua
Partner
M. No. 085323

Delhi, 9th May, 2015

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director

Mukand Lal Dua
Whole Time Director

Sushil Batra
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

(₹ in lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Cash Flow from Operating Activities		
Profit Before Tax	14264.93	9553.19
Adjustments for		
Depreciation and Amortization	3989.61	3116.47
Finance Costs	1848.36	2265.87
Net Loss on Unrealized Foreign Currency Translation and Transactions	75.34	8.96
Interest Income	(23.34)	(56.57)
Dividend / Net Gain on Sale of Current Investments	(15.83)	(29.73)
Net Sundry Balances Written Off / (Written Back)	1.74	(13.40)
Provisions no Longer Required Written Back	(33.05)	(20.52)
Provision for Doubtful Debts and Bad Debts written off	46.32	28.86
Net loss on Disposal / Write off of Fixed Assets	17.51	81.44
Operating Profit Before Working Capital Changes	**20171.59**	**14934.57**
Adjustments for		
Trade Receivables and Other Assets	(1925.03)	(2413.73)
Inventories	(8468.47)	(455.99)
Trade Payables and Other Liabilities	4937.87	3182.45
Cash Generated from Operations	**14715.96**	**15247.30**
Tax Paid	(3759.35)	(2758.75)
Net Cash Flow from Operating Activities	**10956.61**	**12488.55**
Cash Flow from Investing Activities		
Capital Expenditure on Fixed Assets, including Capital Advances	(13129.25)	(7110.35)
Proceeds from Sale of Fixed Assets	110.74	53.44
Interest Income	23.34	56.57
Dividend / Net Gain on Sale of Current Investments	15.83	29.73
Net Cash Flow Used in Investing Activities	**(12979.34)**	**(6970.61)**
Cash Flow from Financing Activities		
Proceeds from Borrowings	7666.95	-
Repayments of Borrowings	(3563.51)	(2703.21)
Change in Earmarked Balances with Banks	(3.35)	123.17
Dividend Paid	(298.92)	(238.79)
Tax on Dividend	(50.99)	(40.79)
Finance Costs	(1848.36)	(2265.87)
Net Cash Flow from / (Used in) Financing Activities	**1901.82**	**(5125.49)**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(120.91)**	**392.45**
Cash and Cash Equivalents at the Beginning of the Year	558.25	165.80
Cash and Cash Equivalents at the End of the Year (Refer Note 17)	**437.34**	**558.25**
Earmarked Balances with Banks	11.52	8.17
Cash and Bank Balances (Refer Note 17)	**448.86**	**566.42**
Significant Accounting Policies (Refer Note 28)		

The accompanying notes are an Integral part of Financial Statements

As per our report of even date

For Gupta & Dua
Chartered Accountants

CA Mukesh Dua
Partner
M. No. 085323

Delhi, 9th May, 2015

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director

Mukand Lal Dua
Whole Time Director

Sushil Batra
Chief Financial Officer

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 1 Share Capital		
Authorised		
200000000 (Previous year 200000000) Equity Shares of ₹1/- each	2000.00	2000.00
Issued, Subscribed and Fully Paid up		
60006000 (Previous year 60006000) Equity Shares of ₹1/- each	600.06	600.06

Reconciliation of Equity Shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year Equity Shares of face value of ₹ 1/- each (Previous year face value of ₹ 5/- each)	60006000	600.06	12001200	600.06
Addition on account of Sub-Division of Equity Shares of face value of ₹ 5/- each into Equity Shares of face value of ₹ 1/- each	-	-	48004800	-
At the end of the year Equity Shares of face value of ₹1/- each	60006000	600.06	60006000	600.06

Sub-Division of Equity Shares
During the Previous year, Equity Share of face value of ₹ 5/- each fully paid up was sub-divided into Five Equity Shares of face value of ₹ 1/- each fully paid up.

Rights, Preferences and Restrictions attached to Equity Shares
The Company has only one class of equity shares having a face value of ₹ 1/- each. Each holder of Equity Shares is entitled to one vote per share. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of 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.

In terms of "RFL Employee Stock Option Plan 2014",the Company has reserved issuance of 900090 options to Employees, exercisable into 900090 Equity Shares of face value of ₹ 1/- each in one or more tranches on such terms and in such manner as the Board may decide in accordance with provisions of Law or guidelines issued by relevant authorities. (Refer Note 34)

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

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

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Number of Shares held & % of Holding		Number of Shares held & % of Holding	
Ramesh Kumar Dua	15736575	26.23%	15736575	26.23%
Mukand Lal Dua	13385350	22.31%	13385350	22.31%
VLS Finance Limited	4523528	7.54%	4528880	7.55%
VLS Securities Limited	4075000	6.79%	4075000	6.79%

(₹ in lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 2 Reserves and Surplus		
Capital Reserve		
Balance as per Last Financial Statements	45.36	45.36
Securities Premium Account		
Balance as per Last Financial Statements	73.94	73.94
General Reserve		
Balance as per Last Financial Statements	26413.74	20413.74
Less: Adjustment pursuant to Transitional Provisions of Schedule II to the Companies Act, 2013 (Net of Tax) (Refer Note 37)	457.18	-
Add : Transferred from Surplus in Statement of Profit and Loss	10000.00	6000.00
	35956.56	26413.74
Surplus in Statement of Profit and Loss		
Balance as per Last Financial Statements	523.08	310.46
Add : Profit for the year	10304.99	6563.64
Less : Appropriations		
Transferred to General Reserve	10000.00	6000.00
Proposed Dividend on Equity Shares *	600.06	300.03
Tax on Proposed Dividend	122.16	50.99
	105.85	523.08
	36181.71	27056.12

* For the year ended 31st March, 2015, the Board of Directors has proposed a Dividend of ₹1.00 per share of face value of ₹1/- each (Previous year ₹ 0.50 per share of face value of ₹1/- each)

Note 3 Long Term Borrowings

Secured Loans		
Term Loans from Banks		
In Local Currency	125.00	375.00
In Foreign Currency	11393.15	9745.06
	11518.15	10120.06
Less : Current Maturities of Term Loans (Refer Note 9)	2840.77	3563.51
	8677.38	6556.55
Unsecured Loans *		
Related Parties	5721.50	4827.76
Others	51.27	46.64
	5772.77	4874.40
	14450.15	11430.95

* 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 and are always subordinate to the Loans of Banks.

Nature of Securities and Terms of Repayment

(₹ in lacs)

Particulars of Loans	As at 31st March, 2015	As at 31st March, 2014	Details of Securities
Local Currency Loan			
Repayable in 16 quarterly installments with last payment due on 24th August, 2015 alongwith interest @ 10.05% per annum.	125.00	375.00	Exclusive Charge on Movable and Immovable Assets at Plot No. 328 MIE Bahadurgarh, Haryana and Personal Guarantee of Managing Director and Whole Time Director.
Foreign Currency Loan			
Repaid in 16 quarterly installments with last installment paid on 7th November, 2014 alongwith interest @ 9.45% per annum.	-	378.57	Exclusive Charge on Movable and Immovable Assets at Plot No. 328 MIE Bahadurgarh, Haryana and Personal Guarantee of Managing Director and Whole Time Director.
Repayable in 16 quarterly installments with last payment due on 15th October, 2015 alongwith interest @ 9.25% per annum.	365.27	949.71	Exclusive Charge on Movable and Immovable Assets at Plot No. 30/3/2 Mooja Hasanpur,Tikri Border, Bahadurgarh, Haryana in the name of relatives of Directors, Plot No. 37,Sector 4B, Bahadurgarh, Haryana and Plot No. A-1130 & 1130 (A), RIICO Industrial Area, Phase- III, Bhiwadi, Rajasthan and Personal Guarantee of Managing Director and Whole Time Director.
Repayable in 16 quarterly installments with last payment due on 16th November, 2016 alongwith interest @10.25% per annum.	920.16	1486.41	
Repayable in 16 quarterly installments with last payment due on 13th August, 2017 alongwith interest @ 10.90% per annum.	1033.12	1446.37	
Repayable in 16 quarterly installments with last payment due on 14th February, 2018 alongwith interest @ 10.25% per annum.	4113.00	5484.00	
Repayable in 16 quarterly installments with last payment due on 25th February, 2020 alongwith interest @ 9.66% per annum.	4961.60	-	Exclusive Charge on Movable and Immovable Assets at Plot No. 342-343, Footwear Park, Industrial Estate, Sector-17, Bahadurgarh, Haryana and Personal Guarantee of Managing Director and Whole Time Director.
	11393.15	9745.06	
	11518.15	10120.06	

(₹ in lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 4 Deferred Tax Liabilities (Net)		
Tax effect of items constituting Deferred Tax Liability		
Difference between Depreciation as per Books and as per Income Tax Act	3751.33	3569.68
Tax effect of items constituting Deferred Tax Assets		
Entry Tax	1060.31	805.11
Unavailed Leaves and Other Employee Benefits	173.72	108.02
Doubtful Debts	16.77	18.12
Short Term Capital Loss	9.78	-
	1260.58	931.25
Deferred Tax Liabilities (Net)	2490.75	2638.43
Note 5 Other Long Term Liabilities		
Retention Money	4.40	19.89
Security Deposits	544.09	532.93
	548.49	552.82

(₹ in lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014

Note 6 Long Term Provisions

Provision for Employee Benefits		
Unavailed Leaves	389.74	286.05

Note 7 Short Term Borrowings

Secured Loans		
Working Capital Loans Repayable on Demand from Banks	6647.79	4840.80

Details of Securities

Secured by way of first Pari Passu charge on Inventories, Book Debts, Specific Immovable Properties of the Company and Personal Guarantee of Managing Director and Whole Time Directors.

Note 8 Trade Payables

Trade Payables *	7920.42	5868.61

* 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

Current Maturities of Term Loans (Refer Note 3)	2840.77	3563.51
Interest Accrued but not Due on Borrowings	188.02	181.90
Interest Accrued and Due on Borrowings	10.07	31.27
Advances from Customers	382.67	73.75
Payable to Employees	1053.11	874.80
Directors' Commission Payable	1163.65	855.75
Expenses Payable	1596.90	1397.78
Retention Money	22.63	64.93
Payable for Capital Goods	1720.78	735.37
Entry Tax payable	3063.77	2368.66
Other Taxes and Statutory Dues	787.03	578.22
Unpaid Dividends * (Refer Note 17)	6.65	5.54
	12836.05	10731.48

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

Note 10 Short Term Provisions

Provision for Employee Benefits		
Unavailed Leaves	104.51	110.26
Performance Linked Incentives	364.59	303.16
Provision for Others		
Income Tax (Net of Advance Tax)	171.51	58.65
Interest on Income Tax	10.82	0.59
Wealth Tax	5.87	6.12
Proposed Dividend	600.06	300.03
Dividend Distribution Tax	122.16	50.99
Sales Promotion Schemes	834.89	846.80
	2214.41	1676.60

Note 11 Fixed Assets

(₹ in lacs)

Particulars	Gross Block				Depreciation / Amortization / Adjustment					Net Block	
	As at 1st April, 2014	Additions	Deletions Adjustments	As at 31st March, 2015	As at 1st April, 2014	For the Year	Deletions/ Adjustments	Charged to General Reserve**	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
Tangible Assets											
Land											
Free Hold	3375.07	-	-	3375.07	-	-	-	-	-	3375.07	3375.07
Lease hold	560.61	4769.42	-	5330.03	12.00	2.40	-	-	14.40	5315.63	548.61
Buildings	13003.07	2454.13	1.50	15455.70	1746.39	467.66	0.69	-	2213.36	13242.34	11256.68
Leasehold Improvements	536.44	257.05	-	793.49	66.28	92.53	-	-	158.81	634.68	470.16
Plant and Machinery	19125.24	6086.03	254.79	24956.48	6999.55	1177.80	177.32	38.65	8038.68	16917.80	12125.69
Moulds	5195.68	879.08	792.02	5282.74	3156.24	1037.25	785.16	405.26	3813.59	1469.15	2039.44
Computers	920.58	123.75	17.15	1027.18	545.76	156.18	16.60	51.93	737.27	289.91	374.82
Motor Vehicles-Other	875.06	134.73	79.22	930.57	221.05	104.19	49.64	26.95	302.55	628.02	654.01
Motor Vehicles-Transport	383.65	30.30	-	413.95	162.82	40.71	-	5.07	208.60	205.35	220.83
Furniture and Fittings	1081.50	111.14	8.61	1184.03	253.33	143.95	3.31	3.54	397.51	786.52	828.17
Electrical Fittings	1660.85	215.03	0.06	1875.82	377.46	234.08	0.02	67.00	678.52	1197.30	1283.39
Office Equipments	1093.53	154.72	24.37	1223.88	208.73	212.30	16.73	88.04	492.34	731.54	884.80
Wooden Structure	167.00	29.60	-	196.60	129.32	20.03	-	-	149.35	47.25	37.68
Wind Mills	3523.93	-	-	3523.93	1566.46	105.57	-	-	1672.03	1851.90	1957.47
	51502.21	**15244.98**	**1177.72**	**65569.47**	**15445.39**	**3794.65**	**1049.47**	**686.44**	**18877.01**	**46692.46**	**36056.82**
Intangible Assets											
Computer Software	996.63	87.93	-	1084.56	503.15	183.53	-	6.15	692.83	391.73	493.48
Technical Know-how	7.53	-	-	7.53	7.53	-	-	-	7.53	-	-
Trade Marks	53.06	64.18	-	117.24	19.43	11.43	-	-	30.86	86.38	33.63
	1057.22	**152.11**	**-**	**1209.33**	**530.11**	**194.96**	**-**	**6.15**	**731.22**	**478.11**	**527.11**
Capital Work-in-Progress*	2315.81	126.86	2315.81	126.86	-	-	-	-	-	126.86	2315.81
	2315.81	**126.86**	**2315.81**	**126.86**	**-**	**-**	**-**	**-**	**-**	**126.86**	**2315.81**
Intangible Assets under Development	105.88	69.45	91.14	84.19	-	-	-	-	-	84.19	105.88
	105.88	**69.45**	**91.14**	**84.19**	**-**	**-**	**-**	**-**	**-**	**84.19**	**105.88**
	54981.12	**15593.40**	**3584.67**	**66989.85**	**15975.50**	**3989.61**	**1049.47**	**692.59**	**19608.23**	**47381.62**	**39005.62**
Previous Year		**9503.43**	**2616.94**	**54981.12**	**13048.74**	**3116.47**	**189.71**	**-**	**15975.50**	**39005.62**	

* Includes Capital Goods in transit ₹6.57 lacs (Previous year ₹0.59 lacs)

** Adjustment pursuant to Transitional Provisions of Schedule II to the Companies Act, 2013 (Refer Note 37)

(₹ in lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 12 Non Current Investments		
Investment in Equity Instruments (Long Term)		
6040 Equity Shares (Including 30 Bonus Shares) of ₹ 100/- each fully paid of Relaxo Rubber Private Limited, an Associate Company (Unquoted) (Trade) (At Cost)	6.01	6.01
Note 13 Long Term Loans and Advances		
Unsecured, Considered good		
Capital Advances	75.36	132.56
Security Deposits (For Related Parties Refer Note 31E)	1065.86	1123.18
Loans and Advances to Employees	3.30	6.59
Prepaid Expenses	47.53	8.93
Balances with Statutory / Government Authorities	-	1.02
Share Application Money	20.00	-
	1212.05	1272.28
Note 14 Other Non Current Assets		
Balances with Bank held as Margin Money on Letter of Credit, Bank Guarantees and Other Commitments	0.74	1.16
Grants Receivable	-	37.50
	0.74	38.66
Note 15 Inventories (Valued at Lower of Cost or Net Realisable Value)		
Raw Materials (Includes in transit ₹ 542.47 lacs, Previous year ₹ 304.40 lacs)	5286.84	4368.77
Work-in-Progress (Includes in transit ₹ 17.02 lacs, Previous year Nil)	3503.57	2545.28
Finished Goods	11904.20	6381.76
Stock-in-Trade	3257.26	2439.26
Stores and Spares (Includes in transit ₹ 5.49 lacs, Previous year ₹ 4.34 lacs)	499.70	410.69
Packing Materials (Includes in transit ₹ 10.90 lacs, Previous year ₹ 0.54 lacs)	348.40	196.30
Fuel (Includes in transit ₹ 2.67 lacs, Previous year ₹ 1.85 lacs)	68.43	57.87
	24868.40	16399.93
Note 16 Trade Receivables		
Debts Outstanding for a Period Exceeding Six Months from the date they are due for Payment (Unsecured)		
Considered, Good	89.76	1.58
Doubtful	48.45	53.32
	138.21	54.90
Less: Provision for Doubtful Debts	48.45	53.32
	89.76	1.58
Other Debts		
Secured, Considered Good	268.18	472.51
Unsecured, Considered Good	8007.00	6347.72
	8275.18	6820.23
	8364.94	6821.81

(₹ in lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Note 17 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with Banks	327.14	452.95
Cash on Hand	110.20	105.30
	437.34	558.25
Other Bank Balances (Earmarked)		
Balances with Bank held as Margin Money on Letter of Credit, Bank Guarantees and Other Commitments	4.87	2.63
Unpaid Dividend Accounts (Refer Note 9)	6.65	5.54
	11.52	8.17
	448.86	566.42
Note 18 Short Term Loans and Advances		
Unsecured, Considered Good		
Loans and Advances to Employees	19.25	16.62
Advance to Suppliers	699.53	510.30
Prepaid Expenses	481.27	420.81
Balances with Statutory / Government Authorities	213.13	334.32
	1413.18	1282.05
Note 19 Other Current Assets		
Interest Accrued on Deposits	0.62	1.11
Export Incentives Receivable	267.17	189.80
Grants Receivable	-	37.50
Unamortised Premium on Foreign Currency Forward Contracts	64.88	55.91
Insurance Claims Receivable	-	3.59
Duty Credit Scripts	251.10	1.23
	583.77	289.14

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Note 20 Revenue from Operations (Gross)		
Sale of Products (Manufactured and Traded)		
Footwear	147835.05	119317.06
Power	292.79	360.19
Others	1066.80	2261.31
	149194.64	121938.56
Other Operating Revenue		
Scrap Sale	525.53	327.81
Export Incentives	222.88	272.56
Net Miscellaneous Income	55.23	43.50
	803.64	643.87
	149998.28	122582.43

(₹ in lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Note 21 Other Income		
Interest Income on Fixed Deposits and Security Deposits	23.34	56.57
Dividend Income from Current Investments	-	26.91
Net Gain on Sale of Current Investments	15.83	2.82
Net Gain on Foreign Currency Translation and Transactions	-	148.05
	39.17	234.35
Note 22 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		
Inventories at the end of the year		
Finished Goods	11904.20	6381.76
Stock-in-Trade	3257.26	2439.26
Work-in-Progress	3503.57	2545.28
	18665.03	11366.30
Inventories at the beginning of the year		
Finished Goods	6381.76	6969.97
Stock-in-Trade	2439.26	2311.80
Work-in-Progress	2545.28	2731.28
	11366.30	12013.05
Net (Increase) / Decrease		
Finished Goods	(5522.44)	588.21
Stock-in-Trade	(818.00)	(127.46)
Work-in-Progress	(958.29)	186.00
	(7298.73)	646.75
Change in Excise Duty	5.85	(0.82)
	(7292.88)	645.93
Note 23 Employee Benefits Expenses*		
Salaries & Wages	11642.31	9817.07
Contribution to Provident and Other Funds (Refer Note 33A)	1157.05	1122.70
Staff Welfare Expenses	651.08	519.37
	13450.44	11459.14

*For Employee Stock Option Plan Refer Note 34

Note 24 Selling and Distribution Expenses		
Advertisement and Publicity	5336.94	4727.33
Sales Promotion Schemes	6464.12	5313.46
Cash Discount	3999.06	3273.51
Freight and Forwarding Charges	6039.51	4180.29
	21839.63	17494.59
Note 25 Finance Costs		
Interest Expense*	1783.70	2136.65
Other Borrowing Costs	25.77	22.67
Amortised Premium on Foreign Currency Borrowings	38.89	106.55
	1848.36	2265.87

*Includes Interest on Income Tax ₹ 10.82 lacs (Previous year ₹ 0.59 lacs)

(₹ in lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Note 26 Other Expenses		
Power and Fuel	4926.94	4325.54
Stores Consumed	642.12	633.36
Contract Processing Charges	11351.30	8028.81
Repairs		
Building	67.87	63.09
Machinery (Including Spares)	1057.91	632.38
Others	852.61	649.18
Rent (Refer Note 32)	3351.29	2997.16
Insurance	167.13	138.96
Rates and Taxes	43.60	53.81
Printing and Stationery	116.98	116.89
Travelling and Conveyance	1249.43	1063.24
Communication Expenses	332.19	263.86
Legal and Professional Expenses	2873.32	2463.83
Security Expenses	536.06	537.20
Provision for Doubtful Debts	28.18	16.09
Bad debts Written off	18.14	12.77
Net Loss on Disposal/Write off of Fixed Assets	17.51	81.44
Net Loss on Foreign Currency Translation and Transactions	33.65	-
Miscellaneous Expenses	517.55	376.28
	28183.78	22453.89

Company Information and Significant Accounting Policies

27 Company Information

Relaxo Footwears Limited (the Company) is a Public Limited Company registered in India and is listed at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company is one of the leading players in the Footwear Industry engaged in manufacturing and trading of Footwear and related Products. The company has 'state of the art' manufacturing facilities at Bahadurgarh (Haryana), Bhiwadi (Rajasthan) and Haridwar (Uttarakhand). The selling arrangements are through its Wholesale, Export, Modern Trade and Company operated Retail Network.

28 Significant Accounting Policies

(a) Basis of Preparation of Financial Statements

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

Use of Estimates

Indian GAAP enjoins management to make estimates and assumptions that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to year, the financial statement relate to. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. 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.

Presentation and Disclosure of Financial Statements

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

(b) Tangible Fixed Assets

Tangible fixed assets are held with the intention of being used for the purpose of producing goods or

providing services and is not held for sale in the normal course of business.

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

The cost of asset comprises its purchase price including import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Grant/ subsidy received is 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 and directly attributable expenses.

(c) Intangible Assets

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

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

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

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.

(d) Depreciation and Amortisation

Company is using Straight Line Method (SLM) of depreciation and the assets are depreciated equally over the useful life of the asset determined as per Schedule II of Companies Act, 2013, except in case of Plant and Machinery and Moulds wherein the useful life is taken as thirty years and six years respectively. The life of Plant and Machinery and Moulds has been assessed considering the technical study, technological obsolence, actual usage, historical data regarding breakdown, uses and maintenance and industry data available on record.

The value of leasehold land granted for longer period is not amortized, except value of leasehold land of windmills, which is amortised over the period of lease. Cost of leasehold improvements are amortised over the period of lease.

Intangible assets are amortised on straight line basis. The Trade Marks are amortised over their useful life or ten years whichever is lower. Softwares are being amortised over the period of five years on straight line basis.

(e) Impairment of Assets

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

(f) Investments

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

Investments other than current investments are classified as Long Term Investments. Long Term Investments are stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Cost of investment includes acquisition charges such as brokerage, fees and duties.

(g) Valuation of Inventories

Raw Materials, Packing Materials, Consumables, Spares and Fuel

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

directly attributable to the acquisition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

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

Work- in- Progress and Finished Goods

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

(h) Cash Flow Statement

Cash and Cash Equivalents

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

Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit or (loss) before extraordinary items and tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

(i) Revenue Recognition

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

Sale of Goods

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

Interest Income

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

Dividend Income

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

(j) Government Grants

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

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

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

(k) Foreign Currency Transaction

Initial Recognition

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

Subsequent Recognition

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

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

Forward Exchange Contracts

Premium/ discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortized over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

Derivative Transactions

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.

(l) Employee Benefits

Provident Fund, Employee State Insurance and Gratuity

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

and Loss for the period of service rendered by the employee.

In case of gratuity, the company funds the benefits through annual contributions to Life Insurance Corporation of India under its Employees Group Gratuity Scheme, where the company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a yearly basis.

Leave Encashment (Compensated Absences)

Accumulated leaves, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating leaves as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated leaves, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(m) Employee Share Based Payments

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

(n) Borrowing Costs

Borrowing 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 in the period in which they are incurred.

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, asset is ready for its intended use.

(o) Leases

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

(p) Earnings Per Share

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

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

(q) Tax on Income

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

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

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

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal Income Tax during the specified period. In the period/ year in which the MAT credit becomes eligible to be 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.

(r) Provisions and Contingent Liabilities

Provisions

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

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability. Material contingent liabilities are disclosed by way of notes.

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

(s) Prior Period Items and Changes in Accounting Estimates

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

Note 29 Contingent Liabilities and Commitments

(₹ in lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Contingent Liabilities		
Claims against the company not acknowledged as debt		
Sales Tax Matters	38.10	38.10
Income Tax Matters	48.27	39.19
	86.37	77.29
Guarantees		
Surety Bonds given to Government Authorities	5.50	5.50
Others		
Interest on Entry Tax, Haryana - The matter has been decided in favour of the Company, although the department has preferred appeal before Hon'ble Supreme Court of India	1431.49	1170.33
Interest on Entry Tax, Rajasthan - Under dispute and Company's appeal is pending before Hon'ble Supreme Court of India	2.83	3.56
	1434.32	1173.89
Commitments		
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	554.15	1130.55
Others*		
Total Export obligation against total duty saved of ₹ 1590.99 lacs (Previous year ₹ 1125.70 lacs)	12727.92	9005.60

Cash outflows for the above are determinable only on pronouncement of judgements pending at various forums/ authorities.

*The Company has obtained licenses under the Export Promotion Capital Goods (EPCG) Scheme for importing capital goods at the concessional / Zero rate of customs duty. As per the scheme, the company is obliged to export eight times of duty saved in 8 years.

The lawsuits in respect of certain Intellectual Property Rights and 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.

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

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

Particulars	Opening Stock	Purchases	Sales (Gross)	Closing Stock
Footwear - Manufactured / Traded	8738.64	9940.82	147835.05	15077.62
	(9176.79)	(5786.66)	(119317.06)	(8738.64)
Others - Manufactured / Traded	82.38	505.18	1066.80	83.84
	(104.98)	(1708.65)	(2261.31)	(82.38)
Power	-	-	292.79	-
	-	-	(360.19)	-
	8821.02	10446.00	149194.64	15161.46
	(9281.77)	(7495.31)	(121938.56)	(8821.02)

Previous year figures are given in brackets.

(b) Materials Consumed

(₹ in lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Raw Rubber	5822.99	5717.70
EVA	16795.04	13799.70
Synthetic Rubber	588.11	658.01
Packing Material	8818.78	6698.40
Others	29365.80	20102.97
	61390.72	46976.78

(c) Value of Raw Materials, Spare Parts and Components Consumed

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	%	Value	%	Value
Imported	31.09	19530.38	37.02	17770.27
Indigenous	68.91	43289.96	62.98	30235.36

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

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Materials	16589.01	14281.25
Capital Goods	4351.01	2300.73
Traded Goods	2646.66	408.99
Consumables and Spares	216.86	25.90

(e) Expenditure in Foreign Currency

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Travelling Expenses	30.35	17.22
Interest	305.16	435.78
Professional and Consultation Fees	7.21	77.10
Others	120.83	97.68

(f) Earnings in Foreign Exchange

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Export of goods (FOB value)	3071.95	3034.41

Note 31 Related Party Disclosures

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

A. Key Management Personnel (KMP)

Name	Designation
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

B. Associate Company

Relaxo Rubber Private Limited

C. Entities Where Key Management Personnel Exercise Significant Influence

Marvel Polymers Private Limited
Patel Oil Mills
Sh. Ramesh Kumar Dua (H.U.F)
Sh. Mukand Lal Dua (H.U.F)
Sh. Mool Chand Dua (H.U.F)
Shri Mool Chand Dua Memorial Society
Shrimati Ram Ditti Dua Memorial Society

D. Relatives of Key Management Personnel

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

E. Related Party Transactions

(₹ in lacs)

Nature of Transactions	Associates	Entities-Significant influence of KMP	KMP	Relatives of KMPs	Total
In Relation to Profit and Loss A/c					
Purchase of Goods	-	0.16	-	-	0.16
	-	(0.05)	-	-	(0.05)
Rent Paid	310.84	363.76	168.91	262.38	1105.89
	(253.44)	(321.69)	(132.36)	(258.50)	(965.99)
Dividend Paid	-	0.63	156.86	67.53	225.02
	-	(0.50)	(125.49)	(54.02)	(180.01)
Payment of Salary / Perquisites*	-	-	410.38	198.80	609.18
	-	-	(217.25)	(142.31)	(359.56)
Commission	-	-	1163.65	-	1163.65
	-	-	(855.75)	-	(855.75)
Interest on Unsecured Loans	-	109.42	157.26	296.64	563.32
	-	(97.83)	(140.39)	(281.21)	(519.43)
Donation	-	-	-	-	-
	-	(25.00)	-	-	(25.00)
Reimbursement of Expenses	-	-	-	-	-
	-	(2.68)	-	-	(2.68)
In Relation to Balance Sheet					
Purchase of Assets	-	0.17	-	-	0.17
	(64.16)	(5.89)	-	-	(70.05)
Security Deposits Paid (As at 31st March)**	38.40	39.58	5.72	2.86	86.56
	(230.40)	(39.58)	(5.84)	(3.06)	(278.88)
Loans (As at 31st March)	-	1088.50	2072.81	2560.19	5721.50
	-	(982.02)	(1269.27)	(2576.47)	(4827.76)
Guarantees and Collaterals Taken	-	-	38341.36	-	38341.36
	-	-	(33059.75)	-	(33059.75)

Previous year figures are given in brackets
* Perquisites includes Employer's Provident Fund Contribution relating to KMP's
** Refer Note 13

Note 32 Disclosure on Operating Leases

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

The lease rentals charged during the year for 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:

(₹ in lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Lease Rentals charged to Statement of Profit and Loss (Refer Note 26)	3351.29	2997.16
Obligations on non-cancelable leases		
Not later than one year	518.74	440.17
Later than one year but not later than five years	1829.69	1690.57
Later than five years	798.76	1286.13
	3147.19	3416.87

Note 33 Disclosure on Employee Benefits

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

A. Defined Contribution Plan

During the year, the Company has recognised the following amount in the Statement of Profit and Loss (Refer Note 23)

Employer's Contribution to Provident and Other Fund	704.85	607.24
Employer's Contribution to ESIC Scheme	186.58	174.94
Employer's Contribution to LIC Group Gratuity Scheme	265.62	340.52
	1157.05	1122.70

B. Defined Benefit Plan

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

Particulars : Leave Encashment (Unfunded)	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Reconciliation of opening and closing balances of Defined Benefit Plan		
Present Value of Obligation as at the beginning of the year	396.31	408.66
Current Service Cost	137.22	126.50
Interest Cost	34.87	32.69
Actuarial (gain)/ loss on obligations	(7.18)	(32.35)
Benefit Paid	(66.97)	(139.19)
Present Value of Obligation as at the end of the Year	494.25	396.31
Reconciliation of Fair value of assets and obligations		
Fair Value of Plan Assets	-	-
Present value of obligation	494.25	396.31
Amount recognised in Balance Sheet*	494.25	396.31
Expenses Recognised during the year		
Current Service Cost	137.22	126.50
Interest Cost	34.87	32.69
Expected Return on Plan Assets	-	-
Actuarial (gain)/ loss on obligations	(7.18)	(32.35)
Net cost	164.91	126.84

Actuarial assumptions		
Discount Rate (per annum)	7.80%	8.80%
Expected Rate of Return on Plan Assets	-	-
Rate of escalation in salary (per annum)	8.00%	8.00%
Method of Computation	Projected unit credit method	
Demographic Assumption: Life Expectancy	IALM (2006-2008)	

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

Included in above is the charge for Key Managerial Personnel for Gratuity and Leave Encashment as these are provided for the Company as a whole.

* An amount of ₹ 104.51 lacs (Previous year ₹ 110.26 lacs) recognised in Short Term Provisions (Refer Note 10) and ₹ 389.74 lacs (Previous year ₹ 286.05 lacs) recognised in Long Term Provisions (Refer Note 6).

C. Other Disclosure

Amount for the current and previous four years for Leave Encashment (Unfunded) are as follows:

(₹ in lacs)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Defined Benefit Plan: Leave Encashment					
Defined Benefit Obligation	494.25	396.31	408.66	379.61	275.55
Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	(494.25)	(396.31)	(408.66)	(379.61)	(275.55)
Experience Adjustments on Plan Liabilities (Loss) /Gain	23.85	(15.75)	1.68	(11.09)	(13.99)
Experience Adjustments on Plan Assets- (Loss) /Gain	-	-	-	-	-

Note 34 Employee Stock Option Plan*

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

Particulars	Details
Name of the Plan	RFL Employee Stock Option Plan 2014
Method used to account for the employee share-based plan	Intrinsic Value Method
No. of Options reserved	900090
Persons Entitled	Whole-Time Director and Employees
Options Grant Date	9th August, 2014
Market Price per option on the date of grant (In ₹)	401.15
Vesting Period	1-4 years from Grant Date
Exercise Period	Maximum 4 years from the date of vesting of Options
Exercise Price per option (In ₹)	401.15
Lock-in-Period	No Lock-in-Period after Exercise
Vesting Schedule	
-10% of total no. of options	31st August, 2015
- 25% of total no. of options	31st August, 2016
- 65% of total no. of options	31st August, 2017

* Refer Note 1

The details of activities under the scheme are summarized below:

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	No. of Options	WAEP (₹)	No. of Options	WAEP (₹)
Outstanding at the beginning of the period	-	-	-	-
Granted during the year	261500	401.15	-	-
Forfeited during the year	10700	401.15	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	250800	401.15	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life for the stock options outstanding as at 31st March, 2015 is 5.97 years (Previous year: N.A.). The Exercise Price for options outstanding as at 31st March, 2015 is ₹ 401.15 (Previous year: N.A.).

The weighted average Fair Value of stock options granted during the year ended on 31st March, 2015 is ₹ 209.81 per option (Previous year: N.A.).

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

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Stock Price (in ₹)	401.15	-
Volatility (%)	50.06	-
Riskfree Rate (%)	8.85	-
Exercise Price (In ₹)	401.15	-
Time to Maturity (In years)	4.61	-
Dividend Yield (%)	0.12	-

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

(₹ in lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Profit after Tax as reported	10304.99	-
Add: ESOP cost using Intrinsic Value method	-	-
Less: ESOP cost using Fair Value method	144.92	-
Proforma Profit after Tax	10160.07	-
Earnings per Share (in ₹)		
Basic	16.93	-
Diluted	16.91	-

Note 35 Disclosure on Earnings Per Share

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

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Profit for the Year	10304.99	6563.64
Weighted average number of shares outstanding (60006000 Equity Shares of ₹ 1/- each)	60006000	60006000
Earnings Per Equity Share of ₹ 1/- each (In ₹)		
Basic	17.17	10.94
Diluted*	17.15	10.94

*60086821 (Previous year 60006000) number of shares for diluted EPS.

Note 36 Foreign Currency Exposure

(Amount in lacs)

Purpose	Foreign Currency			Local Currency (INR)	
	UoM	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2015	As at 31st March, 2014
Unhedged Foreign Currency Exposure					
Outstanding:					
Import Payables	USD	3.23	0.85	201.88	50.91
Import Payables	EURO	0.01	0.17	0.60	14.02
Export Receivables	USD	14.42	11.92	901.25	713.89
Export Receivables	GBP	-	0.02	-	2.00
Interest on Foreign Currency Loans	USD	-	0.02	-	1.20
The details of Derivatives Outstanding					
Forward Contracts - Import Payables	USD	22.06	29.12	1378.75	1744.00
Forward Contracts - Import Payables	EURO	14.28	-	957.65	-
Forward Contracts - Import Orders	USD	13.07	28.91	816.88	1731.42
Forward Contracts - Export Receivables	GBP	-	1.63	-	162.66
Forward Contracts - Foreign Currency Loans	USD	241.84	190.09	15115.00	11384.49
Forward Contracts - Foreign Currency Interest	USD	0.08	0.01	5.00	0.60
Forward Contracts - Export Receivables	USD	2.16	-	135.00	-
Forward Contracts - Export Order	USD	1.11	-	69.38	-

Note 37 Depreciation

Pursuant to enactment of Companies Act, 2013 and its applicability for accounting period commencing from 1st April, 2014, the Company has reviewed & revised the estimated useful lives of its certain fixed assets based on technical study and other fixed assets in accordance with the provisions of Schedule II of the Act. Consequent to change of useful life, an amount of ₹ 457.18 lacs (net of deferred tax of ₹ 235.41 lacs) representing carrying value of those assets whose useful life had expired as on 1st April, 2014 has been adjusted against the opening balance in General Reserve. Had the Company, continued with the previously assessed useful lives, depreciation charged for the year ended 31st March, 2015 would have been lower by ₹ 382.35 lacs.

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

(₹ in lacs)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Statutory Auditor		
Statutory Audit Fee	5.62	5.62
Tax Audit	2.19	1.91
Limited Review and Other Services	5.05	5.05
	12.86	12.58

*Included in Legal and Professional Expenses (Refer Note 26)

Note 39 Segment Reporting

The Company's business activity falls within a single significant primary business segment, viz. "Footwear and Related Products", therefore no separate segment information is disclosed under Accounting Standard (AS) - 17, "Segment Reporting" issued by The Institute of Chartered Accountants of India (ICAI).

Note 40 Figures for the previous year have been rearranged/ regrouped wherever necessary in terms of current year's grouping.

As per our report of even date

For Gupta & Dua
Chartered Accountants

CA Mukesh Dua
Partner
M.No. 085323

Delhi, 9th May, 2015

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director

Mukand Lal Dua
Whole Time Director

Sushil Batra
Chief Financial Officer

Route Map of AGM Venue

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

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RELAXO FOOTWEARS LIMITED

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Phone : 91-11-40980000, 23126003, 23128366 Fax : 91-11-46800692
CIN: L74899DL1984PLC019097

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