

Quality Par Excellence

RELAXO FOOTWEARS LIMITED

ANNUAL REPORT 2015 - 2016

Bahamas

RELAXO
Quality Par Excellence

Keep chillin'
Keep flippin'



Salman is wearing BHG- 31





BHG-41

BHL-10



BHG-39



BHG-28



BHG-17



BHL-11



BHL-34

Corporate Information

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER
Sushil Batra

COMPANY SECRETARY
Vikas Kumar Tak

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

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

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

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

WORKS

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

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Company has closed current Financial Year with Healthy Growth, with increase in Revenue by 16%, with Volume Growth of 10% and Net Profit by 17% as compared to FY 2015.

FROM THE MANAGING DIRECTOR'S DESK

Dear Stakeholders,

It gives me great pleasure to announce yet another year of healthy growth. FY16 was a crucial year for us as we reemphasized our focus on the growth agenda we had set for ourselves. We closed the fiscal year with increase in revenue by 16%, EBITDA by 21% and PAT by 17%. In FY16 our multiyear transformation program again helped us to step up growth and increase margin despite volatile macro-economic market conditions. Through this transformation, we continue to drive improvements across the organization.

The primary drivers for this growth have been a healthy mix of volume growth in tandem with premiumization. In the last 12 months, Relaxo introduced more than 100 products and is continuously raising the bar. We continue to leverage our strong in-house design capability, whose endeavor is to constantly innovate techniques to provide cutting edge products at reduced costs. To further foster a culture of innovation, we have also launched an innovation portal for our employees to crowd source new product design ideas. The Company is also working towards establishing a dedicated R&D function within the organization.

We have initiated end-to-end distributor and retailer programs to improve engagement levels and connect with our channel partners. The distributor engagement program has delivered incremental and sustainable benefits to Relaxo while ensuring a healthy relationship with our channel partners. The retailer based loyalty program has helped in establishing direct connect with retailers and reward their efforts in promoting Relaxo brands. We have also effectively enhanced our distribution coverage both by strengthening the presence in current regions and expanding across new regions. As celebrity marketing has been studied and analyzed to be an effective lever to build trust in the brand, this year we have engaged Salman Khan – as a brand ambassador for Bahamas. We believe Salman will successfully convey Bahamas as trendy youthful brand. We have also continued with Akshay Kumar– as a brand ambassador for Sparx and Sonakshi Sinha – as a brand ambassador for Flite.

Retail continues to remain instrumental in increasing brand visibility with net increase of 43 stores during FY16, the total tally of Company owned retail stores is 250 as on 31st March, 2016, spread across North and Western India. 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. Our online shopping portal at **www.shopatrelaxo.com** has been revamped and is performing with better conversion rates than initial estimates. In FY17, we plan to rollout a structured cost reduction initiative to optimize spending and improve overall profitability of the Retail business.

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

We were able to manage the material cost due to effective monitoring of the raw material expenses and easing of prices in the international market. We were able to leverage technology for procurement by using e-Auction platform which resulted in cost reduction and improved efficiency. In order to service our channel partners faster and better, Regional Distribution Center (RDCs) operations have been further strengthened. Forward looking supply and capacity planning has been carried out for both plants and warehouses to support future growth.

At Relaxo, we understand that our people and technology are key growth enablers and we have made significant advancements on both fronts. We have continued with leadership development program and Long term incentive plan through ESOPs, which have been successful in targeting and retaining key talent. We have imparted functional and behavioural trainings for all departments and covered 82% of the employees as part of training program. Technology is the backbone of your company and helps in integrating various functions on one platform, thereby, providing efficiencies in operations. Your company took important initiatives last year to support and transform the front and back end functions.

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

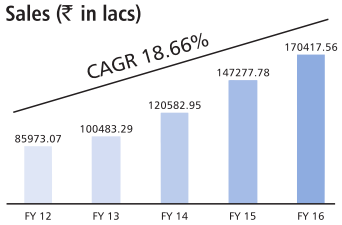
With Best Regards
Ramesh Kumar Dua
Managing Director

FINANCIAL HIGHLIGHTS

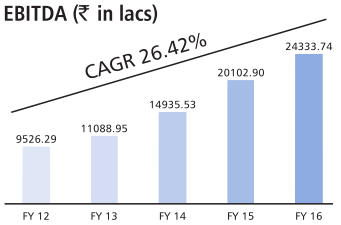
(₹ in lacs)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
No. of Pairs sold (in lacs)	1355.49	1227.96	1077.84	1002.44	924.60
Sales	170417.56	147277.78	120582.95	100483.29	85973.07
Total Income	171527.03	148120.59	121461.17	101090.97	86573.20
EBITDA	24333.74	20102.90	14935.53	11088.95	9526.29
Finance Cost	2289.26	1848.36	2265.87	1770.29	1867.18
Depreciation	4711.87	3989.61	3116.47	2549.82	2310.29
Tax	5731.41	3959.94	2989.55	2288.02	1358.32
Net Profit	12027.65	10304.99	6563.64	4480.82	3990.50
Equity Share Capital	1200.40	600.06	600.06	600.06	600.06
Net Worth	47998.13	36781.77	27656.18	21443.56	17243.55
Gross Fixed Assets (Tangible and Intangible)	79946.61	66989.85	54981.12	48094.63	39977.61
Net Fixed Assets (Tangible and Intangible)	55876.40	47381.62	39005.62	35045.89	29260.64
Capital Employed	75888.78	64149.46	50682.71	46939.26	37376.56
Capital Expenditure	12956.76	12008.73	6886.49	8117.02	4569.52
Growth in Sales (%)	15.71	22.14	20.00	16.88	25.32
EBITDA (%)	14.19	13.65	12.39	11.04	11.08
Face Value per Share (in ₹)	1.00	1.00	1.00	5.00	5.00
EPS - Basic (in ₹)	10.02	17.17	10.94	37.34	33.25
EPS - Diluted (in ₹)	10.00	17.15	10.94	37.34	33.25
Dividend (%)	60	100	50	40	30
Book Value per share (in ₹)	39.99	61.30	46.09	178.68	143.68
ROCE (%)	28.63	27.99	25.18	22.85	21.07
Market Capitalisation (as on 31st March)	436944.51	387638.76	176837.68	70399.04	36489.65

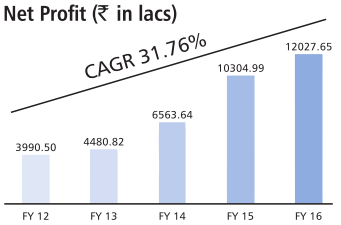
Sales (₹ in lacs)



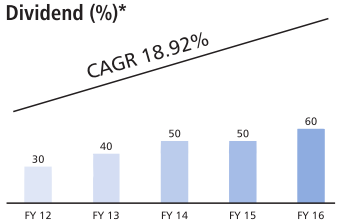
EBITDA (₹ in lacs)



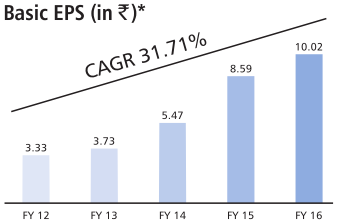
Net Profit (₹ in lacs)



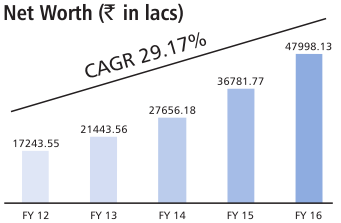
Dividend (%)*



Basic EPS (in ₹)*



Net Worth (₹ in lacs)



*Adjusted

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 2015-16.

1. FINANCIAL RESULTS

(₹ in Crores)

Particulars	2015-16	2014-15
Revenue	1715.27	1481.21
EBITDA	243.34	201.03
Less : Finance Cost	22.89	18.48
Less : Depreciation	47.12	39.90
Add : Exceptional Item	4.26	-
Profit before Tax	**177.59**	**142.65**
Less : Tax Expenses	57.31	39.60
Profit after Tax	**120.28**	**103.05**
Balance brought forward from Previous year	1.06	5.23
Amount available for Appropriation	121.34	108.28
Appropriation :		
Final Dividend	7.20	6.00
Tax on Final Dividend	1.47	1.22
Transfer to General Reserve	110.00	100.00
Balance carried to Balance Sheet	2.67	1.06
EPS-Basic (in ₹)	10.02	8.59
EPS-Diluted (in ₹)	10.00	8.58

2. BUSINESS PERFORMANCE

The key highlights of the Company's financial performance during the Financial Year 2015-16 are given here below:-

- Revenue increased by 15.80% to ₹ 1715.27 Crores from ₹ 1481.21 Crores in the last Financial Year.
- EBITDA increased by 21.05% to ₹ 243.34 Crores; EBITDA margins increased by 62 bps to 14.19%.
- Net Profit increased by 16.72% to ₹ 120.28 Crores from ₹ 103.05 Crores in the last Financial Year.
- Net Profit margins increased to 7.01%.
- Total retail outlets increased from 207 to 250 during the Financial Year.

3. PERFORMANCE OVERVIEW

(A) FINANCIALS

Your Company has been able to show a healthy 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 ₹ 1715.27 Cr.
Growth 15.80%

- Sustained 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)
- Investment on strengthening brands

EBITDA ₹ 243.34 Cr.
Growth 21.05%
Margin 14.19%

- Robust cost control with margin improvement initiatives
- Manufacturing Excellence and Quality Improvement
- Identification and Implementation of value creation projects to aid bottom-line improvement
- Strategic procurement of material to maintain profitability
- EBITDA growth driving PAT growth for the Company

PAT ₹ 120.28 Cr.
Growth 16.72%
Margin 7.01%

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

Consumer Focus / Product Innovation

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

New product development is the key driver of consistent growth for our company. We have a very strong in-house design capability, whose endeavor is to constantly innovate techniques to provide cutting edge products at reduced costs. We have also launched an innovation portal for our employees to crowd source the new product design ideas and are also working towards establishing a dedicated R&D function within the organization.

We are bullish on the growth potential from organized retail and e-commerce platforms and have developed a dedicated portfolio to ensure healthy topline contribution from them, with minimal impact to conventional trade channels. This has been a successful strategy for FY16 and continues to be a focus area for FY17.

Trust in the brand is essential for its growth and we intend to invest heavily to ensure this objective is met. As celebrity marketing has been studied and analyzed to be an effective lever to build trust in the brand, this year we have engaged Salman Khan as the brand ambassador for Bahamas. We believe Salman will successfully convey Bahamas as trendy youthful brand. We have also continued with Akshay Kumar as the brand ambassador for Sparx and Sonakshi Sinha as the brand ambassador for Flite.

Sales Channel Development

We have successfully implemented end-to-end distributor and retailer programs to improve engagement levels and connect with our channel partners. The distributor engagement program has delivered incremental and sustainable benefits to Relaxo while ensuring a healthy relationship with our channel partners. The retailer based loyalty program has helped in establishing direct connect with retailers and in rewarding their efforts in promoting Relaxo brands.

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

We continue to believe Flite PU to be a brand with high potential and have setup initiatives to improve product offerings, manufacturing standards and overall market presence. We will continue to focus on Flite PU brand in FY17.

Retail continues to remain instrumental in increasing brand visibility with its 250 stores spread across North and Western India. In FY16, we focused on strengthening the back end infrastructure by improving inventory control and building a flexible supply chain. We have also been successful in adapting changes in technology to upgrade our ERP and reporting platforms. This has led to improved visibility across the system and is supporting better decision making. Our structured store expansion has helped strengthen the Relaxo brand and facilitate a strong connect of the company with the end consumer. We are also in the process of renewing our loyalty reward scheme and enabling digital payment facility for our customers via digital wallets. Our online shopping portal, **www.shopatrelaxo.com**, has been redesigned and is performing with better conversion rates than initial estimates. In FY17, we plan to rollout a structured cost reduction initiative to optimize spending and improve overall profitability of the Retail business.

With changing global sourcing patterns, international brands are moving towards India from China to fulfill their contract manufacturing requirements. Relaxo is rightly positioned to become a reliable partner for these brands. Branded label contract manufacturing is being looked as a key growth area for Your Company in the medium term. Relaxo branded channel sales across international markets has also strengthened, with Middle East continuing to be our key revenue contributor, owing to widespread Indian diaspora and the Company's market understanding. We continue to focus on African and Oceania markets as well and are well positioned to capitalize on the next wave of growth from these regions.

Procurement

Your Company was able to manage the material cost owing to effective monitoring of the raw material expenses and easing of prices in the international market. We were able to leverage technology for procurement by using e-auction platform which resulted in cost reduction and improved efficiency.

Manufacturing

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

We are also fulfilling our commitment towards environment by utilizing alternate sources of energy. We have successfully completed a pilot project to harness power by commissioning a solar unit in one of our plants in Jan'16.

Technology

Technology is the backbone of Your Company and helps in integrating various functions on one platform, thereby, providing efficiencies in operations. Your Company took important initiatives last year to support and transform the front end and back end functions. We have launched a real-time sales automation tool to enable our distributors to place orders and track them. Keeping in line with the technology trends, we are moving towards cloud based solutions to improve overall system resilience and accessibility.

Supply Chain Optimization

Supply chain remains one of the key areas for enabling growth of Your Company. Focused initiatives have been implemented towards improvement in utilization of existing distribution network and optimizing inventory. In order to service our channel partners faster and better, Regional Distribution Center (RDCs) operations have been further strengthened. Forward looking supply and capacity planning has been carried out for both plants and warehouses to support future growth.

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

People Focus

Over the last year, the HR function in Your Company has been continuing the transformation journey towards becoming a high performance function. Following key initiatives were delivered in FY 16:

a) **Culture assessment:** Your Company sales and capabilities are growing at a rapid pace. It is imperative that the culture also evolves at a commensurate pace. The current exercise of culture assessment has identified levers & HR interventions are planned to take it to the next level.

b) **Employee Stock Options Program (ESOP):** Select group of employees, depending upon their nature of job and criticality of the position that they handle, were granted shares in 2014 under the ESOP 2014 scheme (RFL ESOP PLAN -2014). Shares were vested in August 2015 as per

the policy.

c) **Employee Engagement-** Your Company is focused on creating an employee friendly workplace. To increase employee engagement, employees are given forums to raise their issues and look outside of their core role via one-on-one sessions and skip-level sessions. For our workmen, we organized Workmen Family Connect Programs in our Plants.

d) **Leadership Development:** Crucibles, a Leadership Development Programme, is a fine mix of Classroom Trainings, On the Job Cross Functional Projects and Coaching sessions aimed at developing leaders from within Relaxo. Crucibles was carried out successfully in its second year run.

e) **Training and Development:** We imparted functional and behavioural trainings for all departments. Last year, we covered 82% of the employees as part of the training program.

f) **Reward and Recognition:** Recognition programs such as Function wise Star Employee of the Quarter Award has been running successfully.

4. MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

5. DIVIDEND

Board of Directors in their meeting held on 14th May, 2016 have recommended a final dividend of 60% i.e. Re 0.60 per equity share for the Financial Year ended 31st March, 2016. The Proposed Dividend is subject to the approval of shareholders at the Annual General Meeting to be held on 15th September, 2016.

6. TRANSFER TO RESERVE

We propose to transfer Net Profit of ₹ 110.00 Crores to the General Reserve. An amount of ₹ 2.67 Crores is proposed to be retained in profit & loss account.

7. PUBLIC DEPOSITS

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

8. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Report on Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015 forms an integral part of the Report. The requisite certificate from the Statutory Auditors of the Company M/s Gupta & Dua, Chartered Accountants, confirming compliance with the conditions of Corporate Governance is attached to the Report of Corporate Governance.

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

In accordance with Section 178 of the Companies Act, 2013 read with rules issued thereunder and Clause 49 of 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.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During Financial Year 2015-16, Mr. Deval Ganguly was reappointed as Whole Time Director for another period of three years w.e.f. 5th November, 2015 by the Shareholders in the Annual General Meeting held on 24th September, 2015.

During the year, Mr. Vikas Kumar Tak was appointed as Company Secretary, pursuant to the provisions of Companies Act, 2013.

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

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

The term of Mr. Nikhil Dua as Whole time Director is going to expire on 30th September, 2016. He is to be reappointed for another term of 1 year w.e.f. 1st October, 2016 if approved by Shareholders in the forthcoming Annual General Meeting.

11. ANNUAL EVALUATION OF BOARD'S PERFORMANCE

In terms of provisions of Companies Act, 2013 read with Rules issued thereunder and SEBI (LODR) Regulations 2015, the Board of Directors on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board/ Director(s) for the Financial Year 2015-16. Directors were evaluated on their contribution at Board / Committee Meetings and guidance / support to the management outside Board / Committee Meetings.

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

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

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

12. NUMBER OF MEETINGS OF THE BOARD

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

13. DECLARATION BY INDEPENDENT DIRECTORS

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

14. TRAINING OF INDEPENDENT DIRECTORS

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

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

15. DIRECTOR'S RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the year ended March 31, 2016, 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 March 31, 2016 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.

16. AUDITORS

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

17. AUDITORS' REPORT

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

18. SECRETARIAL AUDITOR

Pursuant to the provisions of Section- 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Your Company has appointed M/s Vivek Arora, Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2015-16.The Secretarial Audit Report for the Financial Year 2015-16 forms part of the Annual Report as **Annexure-B** to the Board's Report.

19. EXTRACT OF ANNUAL RETURN

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

20. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All Contracts / arrangements / transactions entered by the Company during the Financial Year with related parties were in the ordinary course of the business and on the arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), the Listing Agreement and SEBI (LODR) Regulations 2015. During the year the

Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of Related Party Transactions that would have required Shareholders approval under Clause 49 of Listing Agreement or Regulation 23 of SEBI (LODR) Regulations 2015.

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

Your Directors draw attention of the members to Note No. 30 to the Financial Statements which sets out related party disclosures.

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

21. DETAILS OF LOANS, GUARANTEES & INVESTMENTS

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

a) Details of investments made by the Company as on 31st March, 2016 (including investments made in previous years).
   (i) Investment in equity shares : Nil
   (ii) Investment in debt instruments : ₹ 50.00 Lacs

b). Details of loans given by the Company : Nil

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

22. RISK MANAGEMENT

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. 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 most of the payments 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.

23. 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 Corporate Social Responsibility committee comprises of Mr. Ramesh Kumar Dua – Chairman, Mr. Mukand Lal Dua –Member, Mr. Pankaj Shrimali – Member and Ms. Deepa Verma – Member.

The CSR Policy is available on the Company's website at the link http://www.relaxofootwear.com/pdf/Corporate-Social-Resonsibility-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 during the year paid ₹ 1.62 Crore directly to Prime Minister Relief Fund on 15th July 2015 towards the obligation of CSR expenditure due for Financial Year 2014-15.

The Company has formed a society namely Relaxo Foundation to undertake all CSR initiatives of the Company. During the year Relaxo Foundation is in discussion with world renowned NGO's for construction of public toilets at select utility areas and other activities.

For the Financial Year 2015-16, CSR spending at average net profit of three preceding Financial Years works out to ₹ 2.05 Crores, which has been transferred to Relaxo Foundation for carrying out CSR activities.

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

24. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee as on March 31, 2016 comprises of the following Directors:

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

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

25. VIGIL MECHANISM

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

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

Your Company 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 is in place. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour.

An Internal Complaints Committee (ICC) is available at each of the units and offices of the Company as per the requirements of the law. The ICC is responsible for redressal of complaints related to sexual harassment. Your Company has been regularly conducting sensitization sessions for all its employees so as to create awareness about the subject and the law governing the same including their rights of redressal and the punishments applicable in case of any misconduct. The Company has also displayed posters regarding the subject across all plants and offices so as to reinforce the message that Sexual Harassment is a punishable offence.

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

27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

During the year, Company has amicably settled the on-going protracted litigation in respect of Trade Mark **"SPARX"**. The Company has executed and completed all the formalities for assignment of Trade Mark **"SPARX"** in favour of Relaxo Footwears Limited.

28. CREDIT RATING

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

During the year ICRA has upgraded short term rating to A1+ and has assigned A1+ top notch rating to the Company for commercial paper of ₹ 30.00 Crores.

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

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

30. EMPLOYEES STOCK OPTION SCHEME

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 currently administers 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 approved ESOP Plan authorized the committee to create, offer and grant 9,00,090 (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, however subsequent to Bonus Issue in the ratio of 1:1, the total number of available ESOP options have been doubled to 18,00,180 (Eighteen Lac One Hundred and Eighty only) options of face value of ₹1.00 and simultaneously reducing the Grant Price to half accordingly. The details as per the requirements of SEBI Guidelines are annexed and form part of this Report as **Annexure-G**.

31. CHANGE IN SHARE CAPITAL

During the year under review, the Company has issued Bonus Shares in the ratio of 1:1 i.e. one bonus share of ₹ 1.00 to every shareholder holding equity share of ₹ 1.00. The total of 6,00,06,000 bonus shares were issued by the Board of Directors in their meeting held on 3rd July, 2015 thereby increasing the share capital by ₹ 6,00,06,000/-.

During the year under review, the Company has issued and allotted 27,700 equity shares of ₹ 1.00 each fully paid up on exercise of stock options by the eligible employees under the Employee Stock Option Plan, 2014 (RFL ESOP PLAN -2014) thereby increasing the paid up share capital by ₹ 27,700/-.

32. INTERNAL FINANCIAL CONTROL SYSTEM

According to Section 134(5)(e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

The Company has a well placed, proper and adequate Internal Financial Control system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's Internal Financial Control system also comprises of Company`s Policies, Standard Operating Procedures (SOPs), Audit and Compliance by in-house Internal Audit Division. Internal Auditors independently evaluate the adequacy of internal controls, processes and transactions in value terms. Independence of the Internal Audit is ensured by direct reporting to the Audit Committee of the Board.

To further strengthen the internal control process, the Company has developed a very comprehensive Compliance Management Tool with the help of external expert agency which drills down the responsibility of Compliance from top management to executive level. This process is fully automated and generate alerts for proper and timely compliance with regular MIS.

33. CEO AND CFO CERTIFICATION

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

34. ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Ramesh Kumar Dua — Managing Director

Mukand Lal Dua — Whole Time Director

Delhi, 14th May, 2016

ANNEXURE A TO DIRECTORS' REPORT

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

A. Ratio of remuneration of each Director to the median remuneration of all the employees of Your Company for the Financial Year 2015-16 is as follows :-

Name of Director	Ratio of Remuneration of Director to the Median Remuneration
Mr. Ramesh Kumar Dua	560.87
Mr. Mukand Lal Dua	560.87
Mr. Nikhil Dua	45.31
Mr. Deval Ganguly	64.09
Mr. Pankaj Shrimali	2.42
Mr. Vivek Kumar	2.45
Mr. Kuruvila Kuriakose	1.47
Ms. Deepa Verma	1.34

1. The aforesaid details are calculated on the basis of remuneration for the Financial Year 2015-16.
2. The remuneration includes sitting fee paid to the Directors for attending Board and Committee meetings.
3. Median Remuneration for all its employees is ₹ 156875 for the Financial Year 2015-16.

B. Details of percentage increase in the remuneration of each Director, CFO and Company Secretary in the Financial Year 2015-16 as compared to last year are as follows :-

Name	Designation	% Increase
Mr. Ramesh Kumar Dua	Managing Director	22.78
Mr. Mukand Lal Dua	Whole Time Director	22.78
Mr. Nikhil Dua	Whole Time Director	22.57
Mr. Deval Ganguly	Whole Time Director	21.45
Mr. Pankaj Shrimali	Independent Director	72.73
Mr. Vivek Kumar	Independent Director	58.76
Mr. Kuruvila Kuriakose	Independent Director	35.29
Ms. Deepa Verma	Independent Director	133.33
Mr. Sushil Batra	Chief Financial Officer	35.96
Mr. Vikas Kumar Tak*	Company Secretary	-NA-

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

C. Percentage increase in the median remuneration of all employees in Financial Year 2015-16 :

There is increase of 15.86% in median remuneration of all employees due to major increase in wages in Financial Year 2015-16.

D. Number of Permanent Employees on the roll of the Company as on 31st March, 2016 :

Particulars	No. of Employees
Staff	1852
Sub Staff	3174
Total	**5026**

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 2015-16 was 13.82%, whereas the Company revenue increased by 15.80% and Profit after Tax increased by 16.72%. 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 24.05% in FY16, compared to FY15, however the Company Revenue and Profit after Tax increased by 15.80% and 16.72% respectively in the FY16.

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 2016	As on 31st March 2015	Increase/ (Decrease) (%)
Price Earning Ratio	36.33	37.62	-3.43%
Market Capitalisation (₹ in Crores)	4369.45	3876.39	12.72%

Comparison of the share price at the time of first public offer and market price of the Share on 31st March, 2016 :

Market Price as on 31st March, 2016 (in ₹)	364.00
Price at the time of initial public offer in 1995 (in ₹) (converted to price of each share for face of ₹ 1/- each)	1.50
Increase in the Market price over the price at the time of initial public offer	243 Times

Note :

1. Closing share price on the Bombay Stock Exchange Ltd (BSE) has been used for the above tables.
2. One Share in 1995 is equal to 40 shares in 2016 (adjusted for bonus issues and shares split).

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 12.35% over the previous year. The aggregate increase in salary for Whole Time Directors and other KMP was 23.32% in FY16 over FY15. 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 Personnel against the performance of the Company :

Name of KMP	Designation	% of Revenue	% of PBT
Mr. Ramesh Kumar Dua	Managing Director	0.51	4.95
Mr. Sushil Batra	Chief Financial Officer	0.06	0.58
Mr. Vikas Kumar Tak*	Company Secretary	-NA-	-NA-

* Company Secretary Worked for part of the Financial Year in 2015-16.

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 are no employees 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 2015-16 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 2015-16 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)	7-May-14	39	63.30	B.Tech, MBA	15	Britannia India Ltd
2	Mr. Deepak Bagga	Vice President - Projects	16-Oct-95	49	63.36	B.Tech, Diploma Civil Engg.	27	East Coast Contracting Company
3	Mr. Deval Ganguly	Whole Time Director	01-Jun-11	57	100.54	B.Tech.	35	JK Tyre & Industries Ltd.
4	Mr. Gaurav Dua	Executive Vice President (Marketing)	01-Apr-01	35	71.08	B.Com., MBA	15	N/A
5	Mr. Hans Raj Sapra	Senior Vice President (Material)	16-Oct-93	67	86.75	BE, Dip. Mech. Engg.	43	India Meterological Dept.
6	Mr. Jagbir Singh	Vice President (Manufacturing)	01-May-13	47	61.26	Bsc, Msc	26	Tata International Ltd.

7	Mr. Jenender Anand*	Vice President (Sales)	01-Jan-16	46	32.32	Bsc., MBA	23	Goodyear India Ltd.
8	Mr. Mukand Lal Dua	Whole Time Director	13-Sep-84	66	879.88	Bsc.	43	Relaxo Rubber Ltd.
9	Mr. Nikhil Dua	Whole Time Director	01-Oct-08	40	71.08	B.Com., Course in Shoe Making (Czech Republic)	21	Nu-Wave Shoes
10	Mr. Nitin Dua	Executive Vice President (Retail)	01-Apr-04	34	71.08	B.Com., MBA	12	N/A
11	Mr. Ramesh Kumar Dua	Managing Director	13-Sep-84	62	879.88	B.Com., Licentiate of LPRI London	38	Relaxo Rubber Ltd.
12	Mr. Ritesh Dua	Executive Vice President (Finance)	01-Jun-00	38	71.08	B.Com., MBA	15	N/A
13	Mr. Sushil Batra	Chief Financial Officer	30-Jul-07	51	103.81	B.Com., FCA	25	A2Z Infra Engg. Ltd.
14	Mr. Verinder Kumar	Vice President (Manufacturing)	16-Jan-95	52	73.83	PGDM	35	Relaxo Rubber Ltd.

Note:

1. * Worked for part of the year

2. Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua and Mr. Nikhil Dua are Promoter Directors of the Company. Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua are related to each other and Mr. Mukand Lal Dua and Mr. Nikhil Dua are also related to each other. Mr. Ritesh Dua, Executive Vice President - Finance & Mr. Nitin Dua, Executive Vice President - Retail are related to both Mr. Mukand Lal Dua and Mr. Nikhil Dua Promoter Directors.

3. Mr. Gaurav Dua, Executive Vice President - Marketing is related to Mr. Ramesh Kumar Dua Managing Director of the Company.

ANNEXURE-B

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

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

To the Members of,
Relaxo Footwears Limited
Aggarwal City Square,Plot No. 10, District Centre,
Manglam Place,Sector- 3,
Rohini, Delhi-110085

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

Based on my verification of the Relaxo Footwears Limited (the Company) books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31-03-2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31-03-2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  (a) SEBI (Substantial Acquisition of Shares and Takeovers) (Fourth Amendment) Regulations, 2015
  (b) SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (PIT) Regulations, (effective from May 15, 2015)
  (c) SEBI (Issue of Capital and Disclosure Requirements) (Sixth Amendment) Regulations, 2015
  (d) SEBI (Share Based Employee Benefits) (Amendment) Regulations, 2015
  (e) SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015
  (f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  (g) SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2016
  (h) SEBI(Buy-back of Securities) (Amendment) Regulations, 2015.
(vi) The Rubber Act, 1947 (the law which is applicable specifically to the Company).

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

(a) Secretarial Standards issued by The Institute of Company Secretaries of India.
(b) The Listing Agreements entered into by the Company with The National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE)
(c) SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 pertaining to Listed equity shares of the Company at NSE and BSE.

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

I further report that

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

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

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

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

I further report that during the audit period the Company has

(i) allotted 60006000 Bonus Equity Shares of ₹ 1/- each to the existing shareholders of the Company vide Board Resolution passed on 3rd July, 2015 in pursuance to special resolution passed by the Shareholders through Postal Ballot on 22nd June 2015.

(ii) also allotted 27700 Equity Shares of ₹ 1/- each to the employees under ESOP Scheme vide Board Resolution passed on 31st October, 2015 @ ₹ 200.60 for each equity share.

For Vivek Arora
Company Secretaries

Vivek Arora
(Proprietor)
CP No. 8255, ACS 12222

Delhi, 14th May, 2016

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

Annexure "A"

To the Members of,
Relaxo Footwears Limited
Aggarwal City Square,Plot No. 10, District Centre,
Manglam Place,Sector- 3,
Rohini, Delhi-110085

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

1. Maintenance of secretarial records is the responsibility of the management of the company.
   My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Vivek Arora
Company Secretaries

Vivek Arora
(Proprietor)
CP No. 8255, ACS 12222

Delhi, 14th May, 2016

ANNEXURE-C

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
(as on Financial Year ended on 31.03.2016)
[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.]

I. REGISTRATION & OTHER DETAILS:

i	**CIN**	**L74899DL1984PLC019097**
ii	**Registration Date**	13/09/1984
iii	**Name of the Company**	Relaxo Footwears Limited
iv	**Category/Sub-category of the Company**	Public Company Limited by Shares
v	**Address of the Registered office & contact details**	Aggarwal City Square, Plot No. 10, Manglam Place, District Centre, Sector-3, Rohini, Delhi- 110085 +91-11-46800500, 46800600 Email : 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

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

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

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

A. Category-Wise Share Holding :

Category of Shareholder		No. of Shares held at the beginning of the year (As on 31-March-2015)				No. of Shares held at the end of the year (As on 31-March-2016)				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A.	**Promoters**									
(1)	**Indian**									
a)	Individual/HUF	45004500	-	45004500	75.00	90009000	-	90009000	74.98	-0.02
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	-	-	-	-	-	-	-	-
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
Sub-Total A(1)		**45004500**	**-**	**45004500**	**75.00**	**90009000**	**-**	**90009000**	**74.98**	**-0.02**
(2)	**Foreign**									
a)	NRIs Individuals	-	-	-	-	-	-	-	-	-
b)	Other Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
Sub Total A(2)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Sharesholding of promoter(s) A=A(1)+A(2)		**45004500**	**-**	**45004500**	**75.00**	**90009000**	**-**	**90009000**	**74.98**	**-0.02**
B.	**Public Shareholding**									
(1)	**Institutions**									
a)	Mutual Funds	214154	-	214154	0.36	1946909	-	1946909	1.62	1.26
b)	Banks/FI	6602	-	6602	0.01	4950	-	4950	0.01	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insuarance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs	1464951	-	1464951	2.44	3000028	-	3000028	2.50	0.06
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others	-	-	-	-	-	-	-	-	-
Sub-Total B(1)		**1685707**	**-**	**1685707**	**2.81**	**4951887**	**-**	**4951887**	**4.13**	**1.32**

(2)	**Non-Institutions**									
a)	Bodies Corp.									
i)	Indian	9594013	-	9594013	15.99	17897517	-	17897517	14.91	-1.08
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹1 lakh	2257467	569375	2826842	4.71	3838495	911335	4749830	3.96	-0.75
ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	739451	-	739451	1.23	1939572	124000	2063572	1.72	0.49
c)	Others (specify)									
i)	Clearing Members	2679	-	2679	0.01	17624	-	17624	0.01	0.00
ii)	Non Resident Indians*	152808	-	152808	0.25	349270	-	349270	0.29	0.04
iii)	Trusts	-	-	-	-	1000	-	1000	0.00	0.00
Sub-Total B(2)		**12746418**	**569375**	**13315793**	**22.19**	**24043478**	**1035335**	**25078813**	**20.89**	**-1.30**
Total Public Shareholding B=B(1)+ B(2)		**14432125**	**569375**	**15001500**	**25.00**	**28995365**	**1035335**	**30030700**	**25.02**	**0.02**
C.	**Shares held by Custodian for GDRs & ADRs**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Grand Total (A+B+C)	**59436625**	**569375**	**60006000**	**100.00**	**119004365**	**1035335**	**120039700**	**100.00**	**-**

* No payment on account of Dividend has been made in foreign currency to NRI or any other foreign person during the Financial Year 2015-16.

B) Shareholding of Promoters :

S. No.	Shareholders Name	Shareholding at the beginning of the year (As on 31st March, 2015)			Shareholding at the end of the year (As on 31st March, 2016)			% 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	-	31473150	26.22	-	-0.01
2	Mukand Lal Dua	13385350	22.31	-	26770700	22.30	-	-0.01
3	Nikhil Dua	2250225	3.75	-	4500450	3.75	-	-
4	Usha Dua	2250225	3.75	-	4500450	3.75	-	-
5	Lalita Dua	2250225	3.75	-	4500450	3.75	-	-
6	Rahul Dua	2250225	3.75	-	4500450	3.75	-	-
7	Gaurav Dua	2250225	3.75	-	4500450	3.75	-	-
8	Ritesh Dua	2250225	3.75	-	4500450	3.75	-	-
9	Nitin Dua	2250225	3.75	-	4500450	3.75	-	-
10	Mukand Lal Dua (HUF)	116000	0.19	-	232000	0.19	-	-
11	Ramesh Kumar Dua (HUF)	10000	0.01	-	20000	0.01	-	-
12	Sakshi Dua	5000	0.01	-	10000	0.01	-	-

C) Change in Promoters' Shareholding :

S. No.	For Each Promoter	Shareholding at the beginning of the year		Date	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total Shares of the company
1.	**Ramesh Kumar Dua**					
	At the beginning of the year	15736575	26.23	31/03/2015	15736575	26.23
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	15736575	-	10/07/2015	31473150	26.23
	At the End of the Year	31473150	26.22	31/03/2016	31473150	26.22
2.	**Mukand Lal Dua**					
	At the beginning of the year	13385350	22.31	31/03/2015	13385350	22.31
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	13385350	-	10/07/2015	26770700	22.31
	At the End of the Year	26770700	22.30	31/03/2016	26770700	22.30
3.	**Nikhil Dua**					
	At the beginning of the year	2250225	3.75	31/03/2015	2250225	3.75
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	2250225	-	10/07/2015	4500450	3.75
	At the End of the Year	4500450	3.75	31/03/2016	4500450	3.75

4.	**Usha Dua**					
	At the beginning of the year	2250225	3.75	31/03/2015	2250225	3.75
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	2250225	-	10/07/2015	4500450	3.75
	At the End of the Year	4500450	3.75	31/03/2016	4500450	3.75
5.	**Lalita Dua**					
	At the beginning of the year	2250225	3.75	31/03/2015	2250225	3.75
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	2250225	-	10/07/2015	4500450	3.75
	At the End of the Year	4500450	3.75	31/03/2016	4500450	3.75
6.	**Rahul Dua**					
	At the beginning of the year	2250225	3.75	31/03/2015	2250225	3.75
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	2250225	-	10/07/2015	4500450	3.75
	At the End of the Year	4500450	3.75	31/03/2016	4500450	3.75
7.	**Gaurav Dua**					
	At the beginning of the year	2250225	3.75	31/03/2015	2250225	3.75
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	2250225	-	10/07/2015	4500450	3.75
	At the End of the Year	4500450	3.75	31/03/2016	4500450	3.75
8.	**Ritesh Dua**					
	At the beginning of the year	2250225	3.75	31/03/2015	2250225	3.75
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	2250225	-	10/07/2015	4500450	3.75
	At the End of the Year	4500450	3.75	31/03/2016	4500450	3.75
9.	**Nitin Dua**					
	At the beginning of the year	2250225	3.75	31/03/2015	2250225	3.75
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	2250225	-	10/07/2015	4500450	3.75
	At the End of the Year	4500450	3.75	31/03/2016	4500450	3.75
10.	**Ramesh Kumar Dua (HUF)**					
	At the beginning of the year	10000	0.01	31/03/2015	10000	0.01
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	10000	-	10/07/2015	20000	0.01
	At the End of the Year	20000	0.01	31/03/2016	20000	0.01
11.	**Mukand Lal Dua (HUF)**					
	At the beginning of the year	116000	0.19	31/03/2015	116000	0.19
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	116000	-	10/07/2015	232000	0.19
	At the End of the Year	232000	0.19	31/03/2016	232000	0.19

12.	**Sakshi Dua**					
	At the beginning of the year	5000	0.01	31/03/2015	5000	0.01
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	5000	-	10/07/2015	10000	0.01
	At the End of the Year	10000	0.01	31/03/2016	10000	0.01

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	4523528	7.54	31/03/2015	4523528	7.54
	Increase / Decrease in Shareholding during the year	-4514648	-7.53	03/04/2015	8880	0.01
		-8000	-0.01	10/04/2015	880	0.00
		4028000	6.71	30/06/2015	4028880	6.71
		-4028000	-6.71	03/07/2015	880	0.00
		880*	-	10/07/2015	1760	0.00
		8056000	6.71	18/12/2015	8057760	6.71
	At the End of the Year			31/03/2016	8057760	6.71
2.	**VLS SECURITIES LIMITED**					
	At the beginning of the year	4075000	6.79	31/03/2015	4075000	6.79
	Increase / Decrease in Shareholding during the year	4075000*	-	10/07/2015	8150000	6.79
	At the End of the Year			31/03/2016	8150000	6.79
3.	**KOTAK MAHINDRA (INTERNATIONAL) LTD.**					
	At the beginning of the year	835233	1.39	31/03/2015	835233	1.39
	Increase / Decrease in Shareholding during the year	835233*	-	10/07/2015	1670466	1.39
	At the End of the Year			31/03/2016	1670466	1.39
4.	**DOLLY KHANNA**					
	At the Beginning of the year	383641	0.64	31/03/2015	383641	0.64
	Increase / Decrease in Shareholding during the year	-3350	-0.01	10/04/2015	380291	0.63
		-5163	-0.01	17/04/2015	375128	0.63
		-2088	0.00	24/04/2015	373040	0.62
		-2850	0.00	01/05/2015	370190	0.62
		-5190	-0.01	08/05/2015	365000	0.61
		-37500	-0.06	15/05/2015	327500	0.55
		-5750	-0.01	22/05/2015	321750	0.54
		-4100	-0.01	29/05/2015	317650	0.53
		-3415	-0.01	05/06/2015	314235	0.52

		-1561	0.00	12/06/2015	312674	0.52
		-6135	-0.01	19/06/2015	306539	0.51
		-8809	-0.01	26/06/2015	297730	0.50
		-2508	0.00	30/06/2015	295222	0.49
		-8250	-0.01	03/07/2015	286972	0.48
		283389*	-	10/07/2015	570361	0.48
		-15837	-0.01	17/07/2015	554524	0.46
		-12000	-0.01	24/07/2015	542524	0.45
		-12000	-0.01	31/07/2015	530524	0.44
		-10520	-0.01	07/08/2015	520004	0.43
		-5000	0.00	14/08/2015	515004	0.43
		-2500	0.00	21/08/2015	512504	0.43
		-1625	0.00	28/08/2015	510879	0.43
		-2000	0.00	04/09/2015	508879	0.42
		-3500	0.00	11/09/2015	505379	0.42
		-1000	0.00	25/09/2015	504379	0.42
		-6000	0.00	30/09/2015	498379	0.42
		-500	0.00	02/10/2015	497879	0.41
		-7750	-0.01	16/10/2015	490129	0.41
		-1000	0.00	23/10/2015	489129	0.41
		-16950	-0.01	30/10/2015	472179	0.39
		-2957	0.00	06/11/2015	469222	0.39
		-2822	0.00	13/11/2015	466400	0.39
		-8805	-0.01	20/11/2015	457595	0.38
		-73	0.00	27/11/2015	457522	0.38
		-3000	0.00	04/12/2015	454522	0.38
		-10000	-0.01	18/12/2015	444522	0.37
		-4165	0.00	25/12/2015	440357	0.37
		-4500	0.00	31/12/2015	435857	0.36
		-500	0.00	08/01/2016	435357	0.36
		-1915	0.00	15/01/2016	433442	0.36
		-3605	0.00	22/01/2016	429837	0.36
		-1500	0.00	29/01/2016	428337	0.36
		-2000	0.00	05/02/2016	426337	0.36
		-4000	0.00	12/02/2016	422337	0.35
		-1000	0.00	19/02/2016	421337	0.35
		-6000	0.00	11/03/2016	415337	0.35
		-3775	0.00	18/03/2016	411562	0.34
		-1500	0.00	25/03/2016	410062	0.34
		-3250	0.00	31/03/2016	406812	0.34
	At the end of the year			31/03/2016	406812	0.34

5.	**JATINDER AGARWAL**					
	At the beginning of the year	355810	0.59	31/03/2015	355810	0.59
	Increase / Decrease in Shareholding during	500	0.00	15/05/2015	356310	0.59
	the year	356310*	-	10/07/2015	712620	0.59
	At the End of the Year			31/03/2016	712620	0.59
6.	**HSBC BANK (MAURITIUS) LIMITED A/C JWALAMUKHI INVEST**					
	At the beginning of the year	276082	0.46	31/03/2015	276082	0.46
	Increase / Decrease in Shareholding during					
	the year	276082*	-	10/07/2015	552164	0.46
	At the End of the Year			31/03/2016	552164	0.46
7.	**EICHER GOODEARTH PRIVATE LIMITED**					
	At the Beginning of the year	221595	0.37	31/03/2015	221595	0.37
	Increase / Decrease in Shareholding during					
	the year	221595*	-	10/07/2015	443190	0.37
	At the End of the Year			31/03/2016	443190	0.37
8.	**VIBGYOR INVESTORS AND DEVELOPERS PVT LTD**					
	At the beginning of the year	200000	0.33	31/03/2015	200000	0.33
	Increase / Decrease in Shareholding during					
	the year	200000*	-	10/07/2015	400000	0.33
	At the End of the Year			31/03/2016	400000	0.33
9.	**SBI SMALL AND MIDCAP FUND**					
	At the Beginning of the year	186609	0.31	31/03/2015	186609	0.31
	Increase / Decrease in Shareholding during	808	0.00	10/04/2015	187417	0.31
	the year	1422	0.00	01/05/2015	188839	0.31
		498161	0.83	08/05/2015	687000	1.14
		39528	0.07	15/05/2015	726528	1.21
		706528*	-	10/07/2015	1433056	1.19
		-3056	0.00	17/07/2015	1430000	1.19
		-9866	-0.01	31/07/2015	1420134	1.18
		25223	0.02	28/08/2015	1445357	1.20
		16301	0.01	25/09/2015	1461658	1.22
		8342	0.01	30/09/2015	1470000	1.22
		104455	0.09	23/10/2015	1574455	1.31
		25545	0.02	30/10/2015	1600000	1.33
		1264	0.00	11/12/2015	1601264	1.33
		77510	0.06	18/12/2015	1678774	1.40
		3030	0.00	31/12/2015	1681804	1.40
		10341	0.01	08/01/2016	1692145	1.41
		7855	0.01	15/01/2016	1700000	1.42
	At the End of the Year			31/03/2016	1700000	1.42

10.	**VALUEQUEST INDIA MOAT FUND LIMITED**					
	At the beginning of the year	102962	0.17	31/03/2015	102962	0.17
	Increase / Decrease in Shareholding during	102962*	-	10/07/2015	205924	0.17
	the year	43581	0.04	20/11/2015	249505	0.21
		7384	0.01	27/11/2015	256889	0.21
		41232	0.03	04/12/2015	298121	0.25
		6241	0.01	22/01/2016	304362	0.25
		1602	0.00	29/01/2016	305964	0.25
		7925	0.00	05/02/2016	313889	0.26
	At the End of the Year			31/03/2016	313889	0.26
11	**NUCO MERCHANDISE PVT LTD**					
	At the Beginning of the year	100000	0.17	31/03/2015	100000	0.17
	Increase / Decrease in Shareholding during	100000*	-	10/07/2015	200000	0.17
	the year	-100000	-0.08	04/12/2015	100000	0.08
		-50000	-0.04	04/03/2016	50000	0.04
		-50000	-0.04	11/03/2016	0	0.00
	At the End of the Year			31/03/2016	0	0.00

* Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year.

E) **Shareholding of Directors and Key Managerial Personnel:**

S. No.	Shareholding of Each Directors and Each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total Shares of the company
1.	**Ramesh Kumar Dua**					
	At the Beginning of the year	15736575	26.23	31/03/2015	15736575	26.23
	Increase in Shareholding due to Bonus issue					
	in the Ratio of 1:1 during the year	15736575	-	10/07/2015	31473150	26.23
	At the End of the Year			31/03/2016	31473150	26.22
2.	**Ramesh Kumar Dua (HUF)**					
	At the Beginning of the year	10000	0.01	31/03/2015	10000	0.01
	Increase in Shareholding due to Bonus issue					
	in the Ratio of 1:1 during the year	10000	-	10/07/2015	20000	0.01
	At the End of the Year			31/03/2016	20000	0.01
3.	**Mukand Lal Dua**					
	At the Beginning of the year	13385350	22.31	31/03/2015	13385350	22.31
	Increase in Shareholding due to Bonus issue					
	in the Ratio of 1:1 during the year	13385350	-	10/07/2015	26770700	22.31
	At the End of the Year			31/03/2016	26770700	22.30

4.	**Mukand Lal Dua (HUF)**					
	At the Beginning of the year	116000	0.19	31/03/2015	116000	0.19
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	116000	-	10/07/2015	232000	0.19
	At the End of the Year			31/03/2016	232000	0.19
5.	**Nikhil Dua**					
	At the Beginning of the year	2250225	3.75	31/03/2015	2250225	3.75
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	2250225	-	10/07/2015	4500450	3.75
	At the End of the Year			31/03/2016	4500450	3.75
6.	**Pankaj Shrimali**					
	At the Beginning of the year	11000	0.02	31/03/2015	11000	0.02
	Increase in Shareholding due to Bonus issue in the Ratio of 1:1 during the year	11000	-	10/07/2015	22000	0.02
	At the End of the Year			31/03/2016	22000	0.02
7.	**Deval Ganguly**					
	At the Beginning of the year	-	-	31/03/2015	-	-
	Increase / Decrease due to allotment and sale	2720	0.00	11/12/2015	2720	0.00
	of ESOP Shares during the year	-2720	0.00	21/03/2016	-	-
	At the End of the Year			31/03/2016	-	-
8.	**Sushil Batra**					
	At the Beginning of the year	7550	0.01	31/03/2015	7550	0.01
	Increase in Shareholding due to Bonus issue	7550	-	10/07/2015	15100	0.01
	in the Ratio of 1:1 & Allotment of ESOP Shares during the year	2460	-	11/12/2015	17560	0.01
	At the End of the Year			31/03/2016	17560	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	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**
Change in indebtedness during the Financial Year				
+ Addition	6000.00	302.00	-	**6302.00**
- Reduction	(2881.19)	(6074.77)	-	**(8955.96)**
Net Change	**3118.81**	**(5772.77)**	**-**	**(2653.96)**
Indebtedness at the end of the Financial Year				
i) Principal Amount	14677.38	-	-	**14677.38**
ii) Interest due but not paid	21.25	-	-	**21.25**
iii) Interest accrued but not due	136.42	-	-	**136.42**
Total (i+ii+iii)	**14835.05**	**-**	**-**	**14835.05**

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	65.41	84.37	**389.78**
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.40	0.40	2.65	3.03	**6.48**
	(c) Profits in lieu of salary under 17(3) of the Income-tax Act, 1961	-	-	-	-	**-**
2	Stock Option	-	-	-	9.46	**9.46**
3	Sweat Equity	-	-	-	-	**-**
4	Commission					
	- as % of profit	745.075	745.075	-	-	**1490.15**
	- Others	-	-	-	-	**-**
5	Others (Employers Contribution to Provident Fund)	14.40	14.40	3.02	3.68	**35.50**
	Total (A)	879.875	879.875	71.08	100.54	**1931.37**
	Ceiling as per the Act	10% of Net Profits of the Company as calculated under Section 198 of Companies Act, 2013 is ₹ 1931.37 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	
1	**Independent Directors**					
	Fee for attending Board / Committee meetings	3.80	2.30	3.85	2.10	12.05
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (1)	**3.80**	**2.30**	**3.85**	**2.10**	**12.05**
2	**Other Non-Executive Directors**					
	Fee for attending Board / Committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total B=(1+2)	**3.80**	**2.30**	**3.85**	**2.10**	**12.05**
	Ceiling as per the Act	1% of Net Profits of the Company as calculated under Section 198 of Companies Act, 2013 is ₹193.14 Lacs				
	Total Managerial Remuneration (A+B)					**1943.42**
	Overall Ceiling as per the Act	11% of Net Profits of the Company as Calculated under Section 198 of Companies Act, 2013 is ₹2124.51 Lacs				

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

(₹ in lacs)

S. No.	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-	16.04	88.77	104.81
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		0.69	3.03	3.72
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		-	-	-
2	Stock Option		-	8.32	8.32
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	- as % of profit		-	-	-
	- Others		-	-	-
5	Others (Employers Contribution to provident fund)		0.82	3.69	4.51
	Total	**-**	**17.55**	**103.81**	**121.36**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE -D

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis during Financial Year 2015-16 :

(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 for arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at arm's length basis during Financial Year 2015-16 :

(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 for 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, 14th May, 2016

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, 2016 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 : ₹ 102.48 Crores

4. Prescribed CSR Expenditure : ₹ 2.05 Crores

5. Details of CSR Spend for the Financial Year

(a) Total amount spent for the Financial Year : ₹ 1.63 Crores

(b) Amount unspent : ₹ 2.04 Crores*

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

(₹ in Crores)

S. No.	CSR project or activity identified	Sector in which the Project is covered	Location on where projects is undertaken State (Local area or district)	Amount Outlay (budget) project or program wise	Amount spent on the projects or programs		Cumulative Expenditure upto the reporting period	Amount spent direct or through implementing agency
					Direct Expenditure	Overheads		
1	Prime Ministers National Relief Fund	Prime Ministers National Relief Fund		1.62	1.62	-	1.62	Directly
2	Promoting Education, Skill Development and Sanitation by conducting projects and programs	Education & Sanitation	NCR	2.05	0.01	-	0.01	Relaxo Fondation
	Total			**3.67**	**1.63**	**-**	**1.63**	

*** Note :**

On the recommendation of CSR Committee Your Company has paid amount of ₹ 2.05 Crores to Relaxo Foundation for the Financial Year 2015-16, for carrying out CSR activities. The Relaxo Foundation has initiated the work and is at advance stage of awarding work order for implementation of above initiatives.

6. Your Company has constituted a Society 'RELAXO FOUNDATION' during the year which will take up all the CSR activities in the forthcoming years on behalf of Company. 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, 14th May, 2016 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.

a) The steps taken or impact on conservation of energy :

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

- Servo motors on molding & cutting machines at few manufacturing plants.
- Variable frequency drive on air compressor.
- Insulation of steam lines in one of the manufacturing plants.
- Power analyzer in systems in few manufacturing plants for efficient power bidding.
- LED lights installed in manufacturing plants.
- T-5 lights installed in one of the warehouses.

2) The Company has started following initiatives at its retail outlets for energy conservation :-

- Company has been promoting awareness on regular basis to staff on efficient use of electrical equipment like Air conditioners, Lighting etc.
- Regular analysis of electricity bills of three phase connections is made for improving power factor.
- In all the new Company owned and operated Retail Outlets energy efficient LED fixtures are being installed.
- In the phased manner lighting has been upgraded by installing LED in the 15 old retail outlets in addition to 25 retail outlets upgraded in last year.

b) The steps taken by Company for utilizing alternate sources of energy :

In addition to various initiatives around energy efficiencies, the Company has successfully completed a pilot project to harness power by commissioning a solar unit of 75KVA in one of the plants in Jan'16.

c) The capital investment on energy conservation of energy :

During the year the Company has invested ₹ 51.17 lacs as capital investment for commissioning solar unit of 75KVA in one of the plants, for conservation of energy.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology

Company has adopted Metalisation process for TPU straps- producing non cracking surface which is generally a challenge in commercial production, which was resolved with adaptation of lacquering process & imported material.

ii) 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
- Import substitution

iii) Technology imported during last 3 years : None

iv) Expenditure on R & D - The Company has incurred expenditure of ₹ 1.93 Crores through respective heads of accounts on R & D

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

i) Activities relating to export initiatives taken to increase exports, development of new export for products and export plans:

Your Company regularly participate in prestigious international exhibition and has developed markets of Asia, Middle East, Europe, Australia, Africa, South America & Oceania and these markets will increase overall export of Company in coming years.

ii) Total Foreign Currency used and earned

(₹ in Crores)

Particulars	2015-16	2014-15
Used	229.43	240.53
Earned	38.42	30.72

ANNEXURE -G

EMPLOYEE STOCK OPTION PLAN (ESOP)

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

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

Disclosure as required under SEBI (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2016

S. No.	Particulars	ESOP Scheme
A	**Summary**	
1	Date of Share holders Approval	5th Aug, 2014
2	Total number of options approved under the scheme	1800180
3	Date of Grants	9th Aug, 2014 9th May, 2015 25th July, 2015 31st Oct, 2015
4	Options Granted	535000
5	Vesting Schedule	Four years from the date of Grant
6	Pricing Formula	Closing Market Price prior to the date of the meeting of Nomination and Remuneration Committee in which Options are granted, on the Stock Exchange on which the shares of the Company are listed. In case shares are listed on more than one Stock Exchange then the Stock Exchange where the highest trading volume is recorded on the said date shall be considered
7	Maximum Term of Options Granted	8 years from the date of Grant
8	Source of Shares	Primary
9	Variation in terms of Options	No Variations
10	Method used for Accounting of ESOP	Intrinsic Value Method
B	**Option Movement During the year**	
1	Options Outstanding at the Beginning of the year*	250800
2	Number of Options Granted during the year	33000
3	Number of options vested	45380
4	Number of options exercised during the year	27700
5	Total Number of shares arising as a result of exercise of options	27700
6	Number of options Cancelled & lapsed during the year	76160
7	Number of Options Outstanding at the end of the year	420440
8	Number of Options exercisable at the end of the year	16420
9	Money realised by exercise of options during the year (₹)	5556620
10	Loan repaid by the trust during the year from the exercised price received	0

C	**Employee-wise details of options granted to :**	
(i)	Senior managerial personnel	
	Name	**No. of Options granted**
	Nil	
(ii)	Employees who were granted options during the year, amounting to 5% or more of the options.	
	Name	**No. of Options granted**
	Ms. Gurpreet Kaur	6600
	Mr. Rajesh Kumar	3800
	Mr. B. S. Dagar	6800
	Mr. Sandeep Anand	3900
	Mr. Sandeep Singh	2900
	Mr. Raghubir Singh	4000
	Mr. Vijaykumar N Mysore	3400
(iii)	Identified employees who were granted options during the year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	
	Name	**No. of Options granted**
	Nil	
D	**The impact on the profits and EPS of the fair value method is given in the table below :**	
		2015-16
	Profit as reported (₹ in Lacs) (a)	12027.65
	Add - Intrinsic Value Cost	Nil
	Less : Employee Stock Compensation Expense as per Fair Value Method* (₹ in Lacs)	163.68
	Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (₹ in Lacs) (b)	11863.97
	Earnings per share based on earnings as per (a) above	
	- Basic (₹)	10.02
	- Diluted (₹)	10.00
	Earnings per share had fair value method been employed for accounting of employee stock options as per (b) above	
	- Basic (₹)	9.88
	- Diluted (₹)	9.87
E (i)	**Weighted average exercise price of Options granted during the year whose**	
(a)	Exercise Price equals market price (₹)	601.46
(b)	Exercise Price is greater than market price (₹)	Nil
(c)	Exercise Price is less than market price (₹)	Nil
E (ii)	**Weighted average fair value of options whose**	
(a)	Exercise Price equals market price (₹)	270.14
(b)	Exercise Price is greater than market price (₹)	Nil
(c)	Exercise Price is less than market price (₹)	Nil

F	**Method and Assumptions used to estimate the fair value of options granted during the year :**	
(a)	The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows	Weighted Average Assumptions
	Stock Price (₹)	601.46
	Volatility	46.04%
	Riskfree Rate	7.73%
	Exercise Price (₹)	601.46
	Time To Maturity (in Years)	3.91
	Dividend yield	0.11%
(b)	The company has incorporated the early exercise of options by calculating expected life on Past exercise behavior.	
(c)	The volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with expected life of the options and is based on the daily volatility of the Company's stock price on NSE.	
d)	There are no market conditions attached to the grant and vest.	
* Pre Bonus numbers		

MANAGEMENT DISCUSSION & ANALYSIS

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

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

Industry Structure & Development

The footwear industry is acknowledged as one of the prominent industries contributing extensively to the international market. The sector generates employment for nearly 2.5 million people, mostly from the backward or weaker sections of the society. With a ready availability of manpower and raw materials, this sector has shown a strong growth in the past few years.

Despite Indian footwear sector contributing less than 1% of the total GDP of the country, India continues to be the second largest footwear manufacturing hub of the world. India accounts for 9% of global annual footwear production (~22 billion pairs) as compared to China, whose share in global production is more than 60%. Of the 2.1 billion pairs produced annually, nearly 90% are consumed internally while the remaining are exported, primarily to European nations.

India's annual footwear consumption is the third largest globally after China & USA, recording a steady growth over the last decade. This growth is driven primarily by the rise in income levels, growing fashion consciousness and evolving customer needs due to globalization. However the average per capita footwear consumption continues to be low at nearly 1.66 pairs per annum in comparison to the global average of 3 pairs per annum and developed countries average of 6-7 pairs per annum. This gap coupled with increasing disposable income, rising middle class and changing consumer preferences provides a tremendous opportunity for the Indian footwear market to grow at a rapid pace going forward.

India's share in the global export market is a meagre 1.9% in value terms, making it much lower than the leading producer, China, which shares 40% of the global market.

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 estimated to have equal share of the overall domestic market in value terms. Unorganised sector dominates the market in sales volumes mainly due to its presence majorly in the low cost rubber / plastic footwear. 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. The footwear sector is expected to grow at a CAGR of 15% over the next 10 years, considering domestic demand of a rising population base and a huge potential for exports.

Operating Environment

The market sentiments have remained cautious for a major part of last year and consumer demand has been sluggish due to vulnerabilities in the domestic and international markets. Delay in implementation of GST has increased the uncertainty in the tax environment. The non-leather footwear industry itself has undergone a transformation in the last few years with the entry of international players, rapid change in lifestyle and income growth across levels. Indian footwear companies are seeing a growing demand for fashion, comfort, convenience, style and versatility in footwear. The industry is also witnessing a strong trend of online retail. Non-leather footwear manufacturers have witnessed a significant increase in demand with the rise of e-commerce and online shopping. This trend is expected to continue in the future as well.

With the surge in domestic demand, technology adoption, increased awareness and easy availability of stylish designs, the footwear industry is expected to continue to grow in the near future.

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 expectations of the Indian consumer. There are significant changes that can be seen in the purchasing behavior of an Indian customer. A typical upper middle class young consumer is looking beyond the utility aspect of a product and seeks intangibles like brand and a strong fashion statement from his footwear. 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 very selective in their purchases.

Opportunities & Threats

A stable government at the center has resulted in an overall improvement in the economy and business. The Central Government has shown its intent in furthering the reform momentum to revive investments and improve governance. The global commodity cycle is expected to be benign with consumption demand from the Chinese economy slowing down, reducing input costs. Taking cues from the inflationary trend, the Central Bank has already eased the monetary cycle and is expected to bring out more interest rate cuts going forward. Such favorable internal and external conditions provide an excellent

opportunity for sustained economic activity in FY 16-17.

Opportunities for footwear companies also exist in developing a robust product portfolio, ensuring product availability and maintaining internal efficiencies. An enhanced, customer centric product portfolio would enable greater customer satisfaction. The products need to be made available to the consumer at their convenience, which is where reach and availability will play a major role. Improving internal efficiency and building systems will enable the industry to capitalize on the opportunities available in the market. With the growing trend of online shopping, the e-commerce platforms also present a valuable opportunity and is expected to be a key growth driver in the future.

Scarcity of skilled labour and stagnant socio – economic reforms will be some of the key concern areas for the 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, below normal monsoon 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 a 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 Company and accordingly, the quality and the extent of the Company's activities. Standard Operating Procedure (SOPs) have been implemented which also streamline the internal processes to great extent and enhance efficiency, optimize cost and resource utilization and various other operational benefits. The Company has developed a very comprehensive legal compliance software tool with the help of external expert agency which drills down the responsibility of compliance from top management to executive level. This process is fully automated and generate alerts for proper and timely compliance with regular MIS.

Human Resources / Industrial Relation

Over the last year, 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, 2016 the total no of employees of the Company is 5026 against 4655 on 31st March, 2015.

Financial Performance of The Company

In the Financial Year 2015-16, 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 1, 2 & 3 of the Director's Report.

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

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.

Our focused approach helped us deliver a strong performance with a revenue growth of 15.80% for Financial Year 2015-16. In the last few years, the Company has revamped its distribution system and has also opened Company-owned retail outlets to boost its sales. The total number of Company owned stores pan India as on 31.03.2016 is 250.

Your Company will continue to focus on delivering superior financial performance, innovation and industry leadership in its product range.

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

Composition of the Board of Directors

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

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

Details of Board Meetings

During the Financial year 2015-16 the Board of Directors met six times.

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

Date of Meeting	No. of Directors present	Total Strength of the Board
09.05.2015	7	8
03.07.2015	5	8
25.07.2015	7	8
31.10.2015	8	8
30.01.2016	6	8
29.03.2016	8	8

Attendance record of the Directors at Board Meetings and at the Annual General Meeting (AGM) during the Financial Year 2015 - 16 is as under:

Name of Directors	No. of Board Meetings attend	Attendance in AGM held on 24th September, 2015	Number of other Companies in which Directorship held
Mr. Ramesh Kumar Dua	6	Present	3
Mr. Mukand Lal Dua	5	Present	2
Mr. Nikhil Dua	4	Present	-
Mr. Vivek Kumar	6	Present	1
Mr. Pankaj Shrimali	6	Present	4
Mr. Kuruvila Kuriakose	4	Present	6
Mr. Deval Ganguly	6	Present	-
Ms. Deepa Verma	4	Absent	-

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc., through various programmes.

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

3. COMMITTEES OF THE BOARD OF DIRECTORS

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

I. AUDIT COMMITTEE

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

The role of Audit Committee is as follows:

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

Composition and Attendance

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

The details of the meetings and the attendance of members of the Committee in the meetings held during the Financial Year 2015-16 is given below:

Name of Members	No. of Meetings held	No. of Meetings attended
Mr. Pankaj Shrimali	4	4
Mr. Nikhil Dua	4	3
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 of three Directors, Mr. Vivek Kumar, Non-Executive Independent Director and Chairman of the Committee, Mr. Ramesh Kumar Dua, Managing Director and Mr. Mukand Lal Dua, Whole Time Director.

During the Financial Year 2015-16, three meetings of the Committee were held and the attendance of members at the meetings is given below:

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

Company received 49 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, 2016.

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 of three Non-Executive cum Independent Directors, Mr. Pankaj Shrimali, Chairman of the Committee, Ms. Deepa Verma and Mr. Vivek Kumar, members of the Committee. During the Financial Year 2015-16, four meeting of the Committee were held and the attendance of members at the meetings is given below :-

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

NOMINATION AND REMUNERATION POLICY OF THE COMPANY

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

remuneration-policy.pdf.

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

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

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

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

IV. CORPORATE SOCIAL 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 available on the website of the Company at http://www.relaxofootwear.com/pdf/Corporate-Social-Responsibility-policy.pdf. The Annual Report on CSR activities for the year 2015-16 forms a part of the Directors' Report.

COMPOSITION AND ATTENDANCE

The Committee comprised of four directors, Mr. Ramesh Kumar Dua, Managing Director and Chairman of the Committee, Mr. Mukand Lal Dua, Whole Time Director, Ms. Deepa Verma and Mr. Pankaj Shrimali Non-Executive cum Independent Directors. During the Financial Year 2015-16, one meeting of the Committee was held on 03.07.2015 and the attendance of members at the meeting is given below:-

Name of Members	No. of Meetings held	No. of Meetings attended
Mr. Ramesh Kumar Dua	1	1
Mr. Mukand Lal Dua	1	1
Mr. Pankaj Shrimali	1	1
Ms. Deepa Verma	1	0

4. DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE FINANCIAL YEAR 2015-16

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 2015-16 is as follows:

(₹ in lacs)

Name of Directors	Designation	Salary	Commission	Total
Mr. Ramesh Kumar Dua	Managing Director	134.80	745.075	879.875
Mr. Mukand Lal Dua	Whole Time Director	134.80	745.075	879.875
Mr. Nikhil Dua	Whole Time Director	71.08	-	71.08
Mr. Deval Ganguly	Whole Time Director	100.54	-	100.54

Mr. Ramesh Kumar Dua, Managing Director and Mr. Mukand Lal Dua, Whole-time Director of the Company were appointed with effect from 01.04.2014 for a period of five years and are related to each other. Mr. Nikhil Dua, Whole-time Director was appointed with effect from 01.10.2013 for a period of three years and is related to Mr. Mukand Lal Dua.

Mr. Deval Ganguly, Whole-time Director was reappointed vide the resolution passed by the shareholders for another term of three years with effect from 05.11.2015. Mr. Deval Ganguly was granted 13600 ESOP options by the Nomination and Remuneration Committee in its meeting held on 09.08.2014. However, after giving effect of the Bonus Issue declared on 03.07.2015 the options were doubled to 27200. No other director except Mr. Deval Ganguly has been granted any ESOP options. During the year 2720 options were vested and exercised by Mr. Deval Ganguly.

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

ii) **Non Executive Directors:** - The sitting fee paid to Non-Executive Directors for the Financial Year 2015-16 was ₹3,80,000/-to Mr. Pankaj Shrimali, ₹3,85,000/-to Mr. Vivek Kumar, ₹2,30,000/- to Mr. Kuruvila Kuriakose and ₹2,10,000/- to Ms. Deepa Verma for attending the meetings.

5. VENUE & TIME OF ANNUAL GENERAL MEETINGS

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

Year	Venue	No. of Special Resolution	Day and Date	Time
2014-15	Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi-110 003	1	Thursday, 24th September, 2015	10.30 a.m.
2013-14	-- do --	13	Thursday, 18th September, 2014	10.30 a.m.
2012-13	-- do --	6	Thursday, 19th September, 2013	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 matter which was duly approved by the Shareholders of the Company as per the requirements of Companies Act, 2013 in the Financial Year 2015-16:

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
Issue of Bonus Shares in the ratio of 1:1	136	45282006	0	0	100	0

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 resolution was 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 subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. However all related party transactions have been reported and forms part of the Notes to Accounts of the Balance Sheet. The Company does not have any subsidiary. The policy for dealing with related parties is available at the site of the Company at the following link http://www.relaxofootwear.com/pdf/Policy-for-Transactions-with-related-Parties.pdf.

b) Disclosure of Accounting Treatment

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

c) Non-Compliance by the Company

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

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

d) Compliance of Clause 49 of Listing Agreement and Regulation 27 of the SEBI (LODR) Regulations 2015

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement and Regulation 27 of the SEBI (LODR) Regulations 2015.

e) Policy for Prevention of Insider Trading

With a view to prevent trading of shares of the Company by an insider on the basis of unpublished price sensitive information, the Board has approved Policy for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Sensitive Information in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Under the Policy, insiders are prohibited to deal in the Company's shares while in possession of unpublished price sensitive information.

f) Vigil Mechanism/ Whistle Blower Policy

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

g) Non-Mandatory Requirements

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

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

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

During Financial Year 2015-16, Company had foreign exchange exposure towards the Term & Working Capital Loans, Imports and Exports. However the Company has hedged all its term loans and as a policy hedges major part of the import and export transactions.

8. RECONCILIATION OF SHARE CAPITAL

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

9. CODE OF CONDUCT

The Company has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. The Code of Conduct is available on the web-site of the Company at www.relaxofootwear.com. All Board Members and Senior Management personnel have affirmed compliance with Code of Conduct. A declaration signed by the Managing Director is given below.

All the Board Members and Senior Management Personnel have affirmed compliance with the provisions of the Code of Conduct of Relaxo Footwears Limited for the Financial Year ended on 31st March, 2016.

Ramesh Kumar Dua

Delhi, 14th May, 2016 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 & Annual presentation on the Financial Performance of the Company for analysts and shareholders.

11. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting

Date : 15.09.2016
Time : 10.30 a.m.
Venue : Sri Sathya Sai International Centre
Lodhi Road, Institutional Area, Pragati Vihar,
New Delhi-110 003

b) Financial Year

1st April, 2015 – 31st March, 2016

c) Book Closure Date:

Friday, 09.09.2016 to Wednesday, 14.09.2016 (both days inclusive)

d) Dividend Payment Date:

On or before 14th, October, 2016, (Subject to the approval of the Shareholders in AGM)

e) Registered Office:

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

f) Listing on Stock Exchanges:

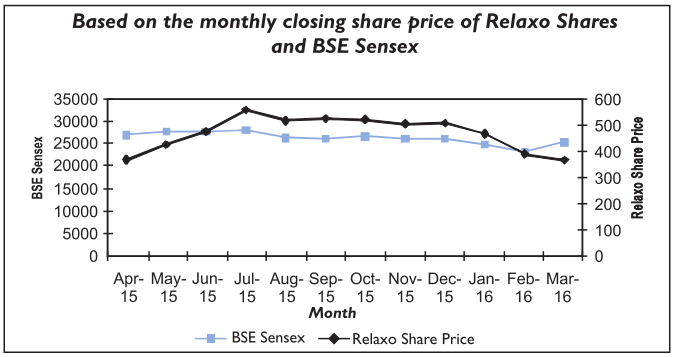
National Stock Exchange of India Limited,
Exchange Plaza C-1, Block - G, Bandra-Kurla Complex, Bandra (E) Mumbai-400 051.
Stock Symbol : NSE-**RELAXO**
(The annual listing fee for the Year has been paid to NSE).

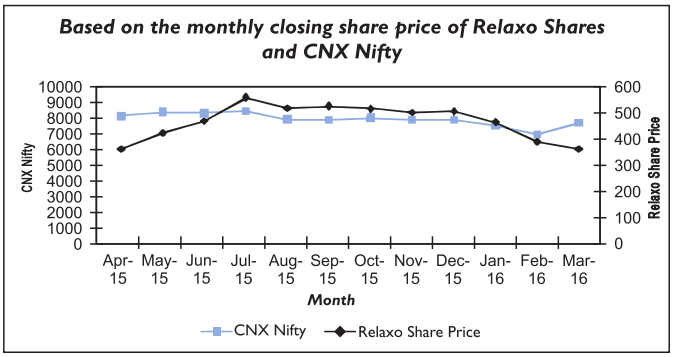
Bombay Stock Exchange Limited,
Phirozee Jeejeebhoy Towers, Dalal Street,
Mumbai-400 001.
Stock Code : BSE-**530517**.
(The annual listing fee for the Year has been paid to BSE).

g) Market Price Data

Table showing monthly price movement on BSE & NSE during the Financial Year 2015-16

Month & Year	BSE			NSE		
	High (in ₹)	Low (in ₹)	Close (in ₹)	High (in ₹)	Low (in ₹)	Close (in ₹)
Apr-15	385.00	325.00	364.50	384.38	323.98	363.78
May-15	443.63	340.50	424.75	444.00	335.15	424.90
Jun-15	482.50	417.50	475.15	480.05	415.88	472.45
Jul-15	614.55	479.05	562.25	614.95	477.20	563.10
Aug-15	599.50	451.00	519.20	600.00	450.00	521.65
Sep-15	547.20	445.95	528.85	544.95	444.00	529.55
Oct-15	565.90	441.15	523.95	564.40	517.60	519.40
Nov-15	545.25	466.00	507.00	548.00	461.25	505.30
Dec-15	531.00	475.00	508.50	529.70	476.00	508.45
Jan-16	512.00	405.05	467.25	511.00	402.30	467.35
Feb-16	500.00	376.00	387.55	485.00	376.25	391.15
Mar-16	425.00	360.00	364.00	426.85	357.65	364.40





h) 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

i) Share Transfer System

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

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

j) Distribution Pattern as on 31st March, 2016

i) Shareholding pattern (in form of size):

S. No.	No. of Equity Shares held	2016				2015			
		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	10500	97.96	2817673	2.35	5624	97.80	1661825	2.77
2	5001-10000	106	0.99	804010	0.67	50	0.87	365241	0.61
3	10001-20000	40	0.37	607579	0.51	31	0.54	435399	0.73
4	20001-30000	21	0.19	532426	0.44	5	0.09	124456	0.21
5	30001-40000	5	0.05	176915	0.15	4	0.07	146780	0.24
6	40001-50000	2	0.02	85104	0.07	4	0.07	182564	0.30
7	50001-100000	13	0.12	986686	0.82	12	0.21	939775	1.57
8	100001 & Above	32	0.30	114029307	94.99	20	0.35	56149960	93.57
	Total	**10719**	**100.00**	**120039700**	**100.00**	**5750**	**100**	**60006000**	**100.00**

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

S. No.	Category	2016				2015			
		No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
1	Promoters	12	0.11	90009000	74.98	12	0.21	45004500	75.00
2	Bodies Corporate	298	2.78	17796517	14.83	189	3.29	9594013	15.99
3	Resident individuals	9862	92.00	6537498	5.45	5372	93.43	3566293	5.94
4	HUF	197	1.84	235478	0.20	-	-	-	-
5	Clearing Members	34	0.32	17624	0.01	20	0.34	2679	0.01
6	Non-resident Indians	263	2.45	349270	0.29	134	2.33	152808	0.25
7	Foreign Institutional Investors	5	0.05	268188	0.22	16	0.28	1464951	2.44
8	Others	48	0.45	4826125	4.02	7	0.12	220756	0.37
	Total	**10719**	**100.00**	**120039700**	**100.00**	**5750**	**100.00**	**60006000**	**100.00**

k) Dematerialization of Shares:

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

i) National Securities Depository Limited (NSDL)

ii) 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 31.3.2016

Particulars	No. of Shares	% of Paid up Capital	No. of Shareholders
1. National Securities Depository Limited	117519682	97.90	7003
2. Central Depository Services (India) Limited	1484683	1.24	3392
SHARES IN DEMAT FORM	119004365	99.14	10395
SHARES IN PHYSICAL FORM	1035335	0.86	324
TOTAL	**120039700**	**100.00**	**10719**

l) Investors Correspondence:

All enquiries, clarifications and correspondence should be addressed to the Compliance Officer at the following address:
CS Vikas Kumar Tak, Company Secretary & Compliance Officer,
Relaxo Footwears Limited
Aggarwal City Square, Plot No. 10, Manglam Place, District Centre, Sector-3, Rohini, Delhi -110085
E-mail: vikastak@relaxofootwear.com

The Company addresses all complaints, suggestions, grievances and other correspondence expeditiously and replies are sent usually within 7-10 days except in case of other impediments. The Company endeavours to implement suggestions as and when received from the investors. During the year under review, a total of 49 investors' complaints were received and resolved.

m) Plant Locations

Location of Plants of the Company is given below :-

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

n) Corporate Identity Number (CIN): L74899DL1984PLC019097

o) Per Share Data

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
Net Earning (₹ in lacs)	12027.65	10304.99	6563.64	4480.82	3990.50	2671.31	3769.22
Cash Earning (₹ in lacs)	16739.52	14294.60	9680.11	7030.64	7662.94	5649.91	6924.80
EPS - Basic (in ₹)	10.02	17.17	10.94	37.34	33.25	22.26	31.41
Dividend (including Interim Dividend per share) (in ₹)	0.60	1.00*	0.50	2.00	1.50	1.50	1.50
Dividend Pay out (%)	5.99	5.82	4.57	5.36	4.51	6.74	4.78
Book Value Per Share (in ₹)	39.99	61.30	46.09	178.68	143.68	112.18	91.60
Face value per Share (in ₹)	1.00	1.00	1.00	5.00	5.00	5.00	5.00

*Pre-Bonus

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

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

Pursuant to the provisions of Section 205A, 205C and other 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 ₹ 48243/- to the Investor Education and Protection Fund in respect of unpaid dividend of Financial Year ended on 31.03.2008.

r) 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 complaint shall be lodged with the Police Station and an intimation shall be sent to the Company along with original or certified copy of FIR / acknowledgement of the Complaint.

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 dividend warrants.

v) Members holding shares in physical form, are requested to notify to the Company, change in their Address/Pin Code Number and Bank Account details promptly.

vi) Beneficial owners of shares in demat form, are requested to send their instructions regarding change of address, bank details, nomination, power of attorney etc. directly to their DP as the same are maintained by them.

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

For and on behalf of the Board of Directors

Ramesh Kumar Dua — Managing Director

Mukand Lal Dua — Whole Time Director

Delhi, 14th May. 2016

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, 2016.
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	**Sushil Batra**
Delhi, 14th May, 2016	Managing Director	Chief Financial Officer

INDEPENDENT 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, 2016, as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations').

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 applicable provisions of the Regulations.

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's Registration No.003849N

CA. **Mukesh Dua**
Partner
Membership No.085323

Delhi, 14th May, 2016

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, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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. 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, 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164 (2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B' and
   (g) with respect to the other matters to be included in the 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 28 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; and

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's Registration No.003849N

CA. Mukesh Dua
Partner
Delhi, 14th May, 2016 Membership No.085323

Annexure 'A' to the Independent Auditor's Report - 31st March, 2016

RELAXO FOOTWEARS LIMITED

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

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

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

(c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.

(ii) The inventories, except goods in transit, have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventories lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.

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

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. In respect of investments made by the company, the provisions of Section 186 of the Act have been complied with.

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

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

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

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, 2016 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 ₹85.59 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	Amount	Period to which the amount relates	Forum where dispute is pending	Remarks
1.	Haryana General Sales Tax Act, 1973	Purchase Tax	19.92 14.73	2001-02 2002-03	Jt. Excise & Taxation Commissioner Jt. Excise & Taxation Commissioner	
2.	Delhi Value Added Tax, 2005	Input Tax	3.45	2005-06	Appellate Tribunal, Delhi	
3.	Income Tax Act, 1961	Regular Demand	15.51	2009-10	Income Tax Appellate Tribunal	
4.	Central Excise Act, 1944	Interest, Fine, Penalty	31.98	2015-16	Commissioner, Central Excise	
	Total		**85.59**			

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

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

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

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

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

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

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

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

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

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

CA. Mukesh Dua
Partner
Membership No.085323

Delhi, 14th May, 2016

Annexure 'B' to the Independent Auditor's Report - 31st March, 2016

RELAXO FOOTWEARS LIMITED

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

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

We have audited the internal financial controls over financial reporting of RELAXO FOOTWEARS LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA. Mukesh Dua
Partner
Membership No.085323

Delhi, 14th May, 2016

BALANCE SHEET AS AT 31st MARCH, 2016

(₹ in lacs)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	1200.40	600.06
Reserves and Surplus	2	46797.73	36181.71
		47998.13	**36781.77**
Non Current Liabilities			
Long Term Borrowings	3	11298.82	14450.15
Deferred Tax Liabilities (Net)	4	2701.13	2490.75
Other Long Term Liabilities	5	1023.11	548.49
Long Term Provisions	6	528.25	389.74
		15551.31	**17879.13**
Current Liabilities			
Short Term Borrowings	7	8960.78	6647.79
Trade Payables			
Micro and Small Enterprises (Refer Note 36)		539.06	470.47
Others		11698.33	8787.81
		12237.39	**9258.28**
Other Current Liabilities	8	11811.24	11341.53
Short Term Provisions	9	3115.83	2214.41
		36125.24	**29462.01**
TOTAL		**99674.68**	**84122.91**
ASSETS			
Non Current Assets			
Fixed Assets	10		
Tangible Assets		46261.68	46692.46
Intangible Assets		6791.80	478.11
Capital Work-in-Progress		2799.23	126.86
Intangible Assets under Development		23.69	84.19
		55876.40	**47381.62**
Non Current Investments	11	50.00	6.01
Long Term Loans and Advances	12	1905.47	1212.05
Other Non Current Assets	13	0.49	0.74
		57832.36	**48600.42**
Current Assets			
Inventories	14	28584.41	24868.40
Trade Receivables	15	10804.50	8208.28
Cash and Bank Balances	16	237.41	448.86
Short Term Loans and Advances	17	1921.33	1413.18
Other Current Assets	18	294.67	583.77
		41842.32	**35522.49**
TOTAL		**99674.68**	**84122.91**
Significant Accounting Policies	27		

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, 14th May, 2016

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

Vikas Kumar Tak
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(₹ in lacs)

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
REVENUE			
Revenue from Operations (Gross)	19	173443.93	149998.28
Less: Excise Duty [(Refer Note 29(h)]		2142.32	1916.86
Revenue from Operations (Net)		171301.61	148081.42
Other Income	20	225.42	39.17
TOTAL		**171527.03**	**148120.59**
EXPENSES			
Cost of Materials Consumed [Refer Note 29(b)]		59626.51	61390.72
Purchases of Stock-in-Trade [Refer Note 29(a)]		14548.56	10446.00
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	21	(3381.98)	(7292.88)
Employee Benefits Expense	22	16084.49	13450.44
Selling and Distribution Expense	23	26788.58	21829.86
Finance Costs	24	2289.26	1848.36
Depreciation and Amortization Expense	10	4711.87	3989.61
Other Expenses	25	33527.13	28193.55
TOTAL		**154194.42**	**133855.66**
Profit Before Exceptional Items & Tax		**17332.61**	**14264.93**
Exceptional Items			
Gain on Sale of Non-Current Investment		426.45	-
Profit Before Tax		**17759.06**	**14264.93**
Tax Expense			
Current Tax		5521.03	3872.21
Deferred Tax		210.38	87.73
		5731.41	**3959.94**
Profit for the Year		**12027.65**	**10304.99**
Earnings Per Equity Share of Face Value of ₹ 1/- each (In ₹) (Refer Note 34)			
Basic		10.02	8.59
Diluted		10.00	8.58
Significant Accounting Policies	27		

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, 14th May, 2016

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

Vikas Kumar Tak
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

(₹ in lacs)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Cash Flow from Operating Activities		
Profit Before Tax	17759.06	14264.93
Adjustments for		
Depreciation and Amortization (Refer Note 10)	4711.87	3989.61
Interest and Other Finance Costs (Refer Note 24)	2289.26	1848.36
Gain on Sale of Non-Current Investment	(426.45)	-
Net Unrealized Foreign Exchange Loss	59.19	70.86
Interest Income	(26.69)	(23.34)
Net Gain on Sale of Current Investments	(9.64)	(15.83)
Net Sundry Balances Written Off / (Written Back)	(43.55)	1.74
Bad Debts Written off	0.73	18.14
Provision no Longer Required Written Back	(18.87)	(33.05)
Provision for Doubtful Debts	66.17	28.18
Net Loss on Disposal / Write off of Fixed Assets	32.07	17.51
Operating Profit Before Working Capital Changes	**24393.15**	**20167.11**
Adjustments for		
Trade Receivables and Other Assets	(3336.73)	(2111.98)
Inventories	(3716.01)	(8468.47)
Trade Payables and Other Liabilities	4028.42	4921.01
Cash Generated From Operations	**21368.83**	**14507.67**
Tax Paid*	(5425.63)	(3759.35)
Net Cash Flow From Operating Activities	**15943.20**	**10748.32**
Cash Flow from Investing Activities		
Capital Expenditure on Fixed Assets, including Capital Advances	(13478.83)	(13129.25)
Proceeds from Sale of Fixed Assets	35.57	110.74
Investment in Bonds	(50.00)	-
Proceeds from Sale of Non-Current Investments	432.46	-
Interest Income Received	25.46	22.72
(Purchase) / Sale of Current Investments (Net)	9.64	15.83
Net Cash Flow Used in Investing Activities	**(13025.70)**	**(12979.96)**
Cash Flow from/ (Used in) Financing Activities		
Proceeds from Issuance of Equity Shares under "RFL Employee Stock Option Plan 2014"	0.28	-
Share Premium on Issuance of Equity Shares under "RFL Employee Stock Option Plan 2014"	55.29	-
Proceeds from Borrowings	8312.99	7666.95
Repayments of Borrowings	(8613.54)	(3563.51)
Change in Earmarked Balances with Banks	(1.99)	(3.35)
Dividend Paid	(598.77)	(298.92)
Tax on Dividend	(122.16)	(50.99)
Interest and Other Finance Costs Paid	(2163.04)	(1639.45)
Net Cash Flow from / (Used in) Financing Activities	**(3130.94)**	**2110.73**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(213.44)**	**(120.91)**
Cash and Cash Equivalents at the Beginning of the Year	437.34	558.25
Cash and Cash Equivalents at the End of the Year (Refer Note 16)	**223.90**	**437.34**
Earmarked Balances with Banks	13.51	11.52
Cash and Bank Balances (Refer Note 16)	**237.41**	**448.86**
Significant Accounting Policies (Refer Note 27)		

* Tax Paid is treated as arising from Operating Activities and is not bifurcated between Investing and Financing Activities.

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, 14th May, 2016

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

Vikas Kumar Tak
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Note 1 Share Capital		
Authorised		
200000000 (Previous year 200000000) Equity Shares of ₹ 1/- each	2000.00	2000.00
Issued, Subscribed and Fully Paid up		
120039700 (Previous year 60006000) Equity Shares of ₹ 1/- each	1200.40	600.06

Reconciliation of Equity Shares

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year Equity Shares of face value of ₹ 1/- each	60006000	600.06	60006000	600.06
Addition in Share Capital Equity Shares of face value of ₹1/- each issued as Bonus Shares in 1:1 ratio*	60006000	600.06	-	-
Equity Shares of face value of ₹ 1/- each issued under "RFL Employee Stock Option Plan 2014" (Refer Note 33)	27700	0.28	-	-
At the end of the year Equity Shares of face value of ₹ 1/- each	120039700	1200.40	60006000	600.06

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

Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a face value ₹ 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.

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, 2016		As at 31st March, 2015	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Ramesh Kumar Dua	31473150	26.22%	15736575	26.23%
Mukand Lal Dua	26770700	22.30%	13385350	22.31%
VLS Finance Limited	8057760	6.71%	4523528	7.54%
VLS Securities Limited	8150000	6.79%	4075000	6.79%

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Note 2 Reserves and Surplus		
Capital Reserve		
Balance as per Last Financial Statements	45.36	45.36
Less : Utilized for issuance of Bonus Shares	45.36	-
	-	**45.36**
Securities Premium Account		
Balance as per Last Financial Statements	73.94	73.94
Add : Share Premium received on issuance of Equity Shares under "RFL Employee Stock Option Plan 2014"	55.29	-
Less : Utilized for issuance of Bonus Shares	73.94	-
	55.29	**73.94**
General Reserve		
Balance as per Last Financial Statements	35956.56	26413.74
Less : Adjustment pursuant to Transitional Provisions of Schedule II to the Companies Act, 2013 (Net of Tax)	-	457.18
Less : Utilized for issuance of Bonus Shares	480.76	-
Add : Transferred from Surplus in Statement of Profit and Loss	11000.00	10000.00
	46475.80	**35956.56**
Surplus in Statement of Profit and Loss		
Balance as per Last Financial Statements	105.85	523.08
Add : Profit for the year transferred from Statement of Profit and Loss	12027.65	10304.99
Less : Appropriations		
Transferred to General Reserve	11000.00	10000.00
Proposed Dividend on Equity Shares *	720.24	600.06
Tax on Proposed Dividend	146.62	122.16
	266.64	**105.85**
	46797.73	**36181.71**

* For the Year ended 31st March, 2016, the Board of Directors has proposed a Dividend of ₹ 0.60 per share of face value of ₹ 1/- each (Previous year ₹ 1.00 per share of face value of ₹ 1/- each on Pre-Bonus Capital)

Note 3 Long Term Borrowings

Secured Loans		
Term Loans from Banks	14677.38	11518.15
Less : Current Maturities of Terms Loans (Refer Note 8)	3378.56	2840.77
	11298.82	**8677.38**
Unsecured Loans		
Related Parties	-	5721.50
Others	-	51.27
	-	**5772.77**
	11298.82	**14450.15**

Nature of Securities and Terms of Repayment

(₹ in lacs)

Particulars of Loans	As at 31st March, 2016	As at 31st March, 2015	Nature of Securities
Repaid in 16 quarterly installments with last installment paid on 24th August, 2015 alongwith interest @ 10.05% per annum.	-	125.00	
Repayable in 16 quarterly installments with last Payment due on 17th February, 2021 alongwith interest @ 9.10% per annum.	6000.00	-	Exclusive Charge on Immovable and Movable Assets at Plot Nos. SP-6 & SP-7, Industrial Area, Kaharani (Bhiwadi Extension), District Alwar, Rajasthan and Personal Guarantee of Managing Director and Whole Time Director.
Repaid in 16 quarterly installments with last installment paid on 15th October, 2015 alongwith interest @ 9.25% per annum.	-	365.27	
Repayable in 16 quarterly installments with last payment due on 16th November, 2016 alongwith interest @ 10.25% per annum.	353.91	920.16	Exclusive Charge on Immovable and Movable Assets at Plot No. 37, Sector 4B, Bahadurgarh, Haryana and Plot No. A-1130 & 1130 (A), RIICO Industrial Area, Phase-III, Bhiwadi, Rajasthan and Personal Guarantee of Managing Director and Whole Time Director.
Repayable in 16 quarterly installments with last payment due on 13th August, 2017 alongwith interest @ 10.90% per annum.	619.87	1033.12	
Repayable in 16 quarterly installments with last Payment due on 14th February, 2018 alongwith interest @ 10.25 % per annum.	2742.00	4113.00	
Repayable in 16 quarterly installments with last Payment due on 25th February, 2020 alongwith interest @ 9.66% per annum.	4961.60	4961.60	Exclusive Charge on Immovable and Movable Assets at Plot No. 342-343, Footwear Park, Industrial Estate, Sector-17, Bahadurgarh, Haryana and Personal Guarantee of Managing Director and Whole Time Director.
	14677.38	**11518.15**	

Particulars	As at 31st March, 2016	As at 31st March, 2015
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	4347.22	3751.33
Tax effect of items constituting Deferred Tax Assets		
Entry Tax	1308.39	1060.31
Unavailed Leaves and Other Employee Benefits	304.56	173.72
Doubtful Debts	33.14	16.77
Short Term Capital Loss	-	9.78
	1646.09	1260.58
Deferred Tax Liabilities (Net)	**2701.13**	**2490.75**
Note 5 Other Long Term Liabilities		
Retention Money	58.71	4.40
Security Deposits	964.40	544.09
	1023.11	**548.49**

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Note 6 Long Term Provisions		
Provision for Employee Benefits		
Unavailed Leaves [Refer Note 32(b)]	501.84	389.74
Gratuity [Refer Note 32(c)]	26.41	-
	528.25	**389.74**
Note 7 Short Term Borrowings		
Secured Working Capital facilities from Banks		
Loans Repayable on Demand	8574.34	4166.08
Buyer's Credit (Refer Note 35)	386.44	2481.71
	8960.78	**6647.79**

Nature of Securities

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

Note 8 Other Current Liabilities		
Current Maturities of Term Loans (Refer Note 3)	3378.56	2840.77
Interest Accrued but not Due on Borrowings	136.42	188.02
Interest Accrued and Due on Borrowings	21.25	10.07
Advances from Customers	315.51	382.67
Payable to Employees	1448.95	1090.62
Director's Commission Payable	1490.15	1163.65
Payable for Forward Contracts (Net)	24.88	64.87
Retention Money	10.52	22.63
Payable for Capital Goods	323.12	1720.78
Statutory Liabilities		
Entry Tax	3780.61	3063.77
Others	873.33	787.03
Unpaid Dividends * (Refer Note 16)	7.94	6.65
	11811.24	**11341.53**

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

Note 9 Short Term Provisions		
Provision for Employee Benefits		
Unavailed Leaves [Refer Note 32(b)]	154.69	104.51
Gratuity [Refer Note 32(c)]	8.08	-
Performance Linked Incentives	375.35	364.59
Provision for Others		
Income Tax (Net of Advance Tax)	266.91	171.51
Interest on Income Tax	11.30	10.82
Wealth Tax	-	5.87
Proposed Dividend	720.24	600.06
Dividend Distribution Tax	146.62	122.16
Sales Promotion Schemes	1364.93	834.89
Mark to Market Loss on Outstanding Derivative Instruments with firm commitments (Refer Note 25)	67.71	-
	3115.83	**2214.41**

Note 10 Fixed Assets

(₹ in lacs)

Particulars	Gross Block				Depreciation / Amortization / Adjustment				Net Block
	As at 1st April, 2015	Additions	Deletions/ Adjustments	As at 31st March, 2016	As at 1st April, 2015	For the Year	Deletions/ Adjustments	As at 31st March, 2016	As at 31st March, 2016
Tangible Assets									
Land									
Free Hold	3375.07	-	14.10	3360.97	-	-	-	-	3360.97
Leasehold *	5330.03	23.24	-	5353.27	14.40	87.63	-	102.03	5251.24
Buildings	15455.70	451.20	-	15906.90	2213.36	506.43	-	2719.79	13187.11
Leasehold Improvements	793.49	422.06	20.36	1195.19	158.81	112.80	3.90	267.71	927.48
Plant and Machinery	24956.48	1134.66	124.61	25966.53	8038.68	1512.70	107.82	9443.56	16522.97
Moulds	5282.74	867.03	0.16	6149.61	3813.59	888.71	0.16	4702.14	1447.47
Computers	1027.18	278.70	49.70	1256.18	737.27	157.29	46.37	848.19	407.99
Motor Vehicles-Other	930.57	27.87	36.85	921.59	302.55	110.72	28.56	384.71	536.88
Motor Vehicles-Transport	413.95	29.25	6.37	436.83	208.60	43.37	3.52	248.45	188.38
Furniture and Fittings	1184.03	205.18	9.27	1379.94	397.51	140.27	4.28	533.50	846.44
Electrical Fittings	1875.82	146.32	1.63	2020.51	678.52	206.13	0.57	884.08	1136.43
Office Equipments	1223.88	104.44	63.59	1264.73	492.34	184.47	50.36	626.45	638.28
Wooden Structure	196.60	61.84	4.99	253.45	149.35	30.38	4.35	175.38	78.07
Wind Mills	3523.93	-	-	3523.93	1672.03	119.93	-	1791.96	1731.97
	65569.47	**3751.79**	**331.63**	**68989.63**	**18877.01**	**4100.83**	**249.89**	**22727.95**	**46261.68**
Intangible Assets									
Computer Software	1084.56	330.41	-	1414.97	692.83	156.37	-	849.20	565.77
Technical Know-how	7.53	-	-	7.53	7.53	-	-	7.53	-
Trade Marks	117.24	6594.32	-	6711.56	30.86	454.67	-	485.53	6226.03
	1209.33	**6924.73**	**-**	**8134.06**	**731.22**	**611.04**	**-**	**1342.26**	**6791.80**
Capital Work-in-Progress **	126.86	2792.93	120.56	2799.23	-	-	-	-	2799.23
	126.86	**2792.93**	**120.56**	**2799.23**	**-**	**-**	**-**	**-**	**2799.23**
Intangible Assets under Development	84.19	8.95	69.45	23.69	-	-	-	-	23.69
	84.19	**8.95**	**69.45**	**23.69**	**-**	**-**	**-**	**-**	**23.69**
	66989.85	**13478.40**	**521.64**	**79946.61**	**19608.23**	**4711.87**	**249.89**	**24070.21**	**55876.40**

* Refer Note 39

** Includes Capital Goods in transit ₹ 6.40 lacs (Previous year ₹ 6.57 lacs)

Note 10 Fixed Assets (Contd.)

(₹ 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
Tangible Assets										
Land										
Free Hold	3375.07	-	-	3375.07	-	-	-	-	-	3375.07
Leasehold	560.61	4769.42	-	5330.03	12.00	2.40	-	-	14.40	5315.63
Buildings	13003.07	2454.13	1.50	15455.70	1746.39	467.66	0.69	-	2213.36	13242.34
Leasehold Improvements	536.44	257.05	-	793.49	66.28	92.53	-	-	158.81	634.68
Plant and Machinery	19125.24	6086.03	254.79	24956.48	6999.55	1177.80	177.32	38.65	8038.68	16917.80
Moulds	5195.68	879.08	792.02	5282.74	3156.24	1037.25	785.16	405.26	3813.59	1469.15
Computers	920.58	123.75	17.15	1027.18	545.76	156.18	16.60	51.93	737.27	289.91
Motor Vehicles-Other	875.06	134.73	79.22	930.57	221.05	104.19	49.64	26.95	302.55	628.02
Motor Vehicles-Transport	383.65	30.30	-	413.95	162.82	40.71	-	5.07	208.60	205.35
Furniture and Fittings	1081.50	111.14	8.61	1184.03	253.33	143.95	3.31	3.54	397.51	786.52
Electrical Fittings	1660.85	215.03	0.06	1875.82	377.46	234.08	0.02	67.00	678.52	1197.30
Office Equipments	1093.53	154.72	24.37	1223.88	208.73	212.30	16.73	88.04	492.34	731.54
Wooden Structure	167.00	29.60	-	196.60	129.32	20.03	-	-	149.35	47.25
Wind Mills	3523.93	-	-	3523.93	1566.46	105.57	-	-	1672.03	1851.90
	51502.21	**15244.98**	**1177.72**	**65569.47**	**15445.39**	**3794.65**	**1049.47**	**686.44**	**18877.01**	**46692.46**
Intangible Assets										
Computer Software	996.63	87.93	-	1084.56	503.15	183.53	-	6.15	692.83	391.73
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
	1057.22	**152.11**	**-**	**1209.33**	**530.11**	**194.96**	**-**	**6.15**	**731.22**	**478.11**
Capital Work-in-Progress	2315.81	126.86	2315.81	126.86	-	-	-	-	-	126.86
	2315.81	**126.86**	**2315.81**	**126.86**	**-**	**-**	**-**	**-**	**-**	**126.86**
Intangible Assets under Development	105.88	69.45	91.14	84.19	-	-	-	-	-	84.19
	105.88	**69.45**	**91.14**	**84.19**	**-**	**-**	**-**	**-**	**-**	**84.19**
	54981.12	**15593.40**	**3584.67**	**66989.85**	**15975.50**	**3989.61**	**1049.47**	**692.59**	**19608.23**	**47381.62**

* Adjustment pursuant to Transitional Provisions of Schedule II to the Companies Act, 2013

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Note 11 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
Investment in Bonds (Long Term)		
500 (Previous Year Nil) 6% Non-Convertible Redeemable Taxable Bonds of face value of ₹ 10000/- each, maturing on 31st January, 2019 of National Highways Authority of India (Unquoted) (Other than Trade)(At Cost)	50.00	-
	50.00	**6.01**
Note 12 Long Term Loans and Advances		
Unsecured, Considered good		
Capital Advances	324.49	75.36
Security Deposits [For Related Parties Refer Note 30(e)]	1370.72	1065.86
Loans and Advances to Employees	0.60	3.30
Prepaid Expenses	189.66	47.53
Share Application Money	20.00	20.00
	1905.47	**1212.05**
Note 13 Other Non Current Assets		
Balances with Bank held as Margin Money on Letter of Credit, Bank Guarantees and Other Commitments	0.49	0.74
Note 14 Inventories (Valued at Lower of Cost or Net Realisable Value)		
Raw Materials (Includes in transit ₹ 100.03 lacs, Previous year ₹ 542.47 lacs)	5546.91	5286.84
Work-in-Progress (Includes in transit ₹ 2.91 lacs, Previous year ₹ 17.02 lacs)	3967.66	3503.57
Finished Goods	13449.00	11904.20
Stock-in-Trade	4611.25	3257.26
Stores and Spares (Includes in transit ₹ 8.09 lacs, Previous year ₹ 8.16 lacs)	689.20	568.13
Packing Materials (Includes in transit ₹ 8.20 lacs, Previous year ₹ 10.90 lacs)	320.39	348.40
	28584.41	**24868.40**
Note 15 Trade Receivables		
Receivables Outstanding for a Period Exceeding Six Months from the date they are due for Payment (Unsecured)		
Considered, Good	112.17	89.76
Doubtful	95.75	48.45
	207.92	138.21
Less : Provision for Doubtful Debts	95.75	48.45
	112.17	**89.76**
Other Receivables		
Secured, Considered Good	46.24	268.18
Unsecured, Considered Good	10646.09	7850.34
	10692.33	**8118.52**
	10804.50	**8208.28**

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Note 16 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with Banks	74.69	327.14
Cash on Hand	149.21	110.20
	223.90	**437.34**
Other Bank Balances (Earmarked)		
Balances with Bank held as Margin Money on Letter of Credit, Bank Guarantees and Other Commitments	5.57	4.87
Unpaid Dividend Accounts (Refer Note 8)	7.94	6.65
	13.51	**11.52**
	237.41	**448.86**
Note 17 Short Term Loans and Advances		
Unsecured, Considered Good		
Loans and Advances to Employees	28.54	19.25
Advance to Suppliers	783.75	699.53
Prepaid Expenses	769.95	481.27
Balances with Statutory / Government Authorities	339.09	213.13
	1921.33	**1413.18**
Note 18 Other Current Assets		
Interest Accrued but not Due on Deposits	0.64	0.62
Interest Accrued and Due on Bonds	0.59	-
Export Incentives Receivable	207.76	267.17
Unamortised Premium on Forward Contracts	19.59	64.88
Insurance Claims Receivable	21.29	-
Duty Credit Scripts	44.80	251.10
	294.67	**583.77**

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Note 19 Revenue from Operations (Gross)		
Sale of Products (Manufactured and Traded)		
Footwear	171560.75	147835.05
Power	289.24	292.79
Others	709.89	1066.80
	172559.88	**149194.64**
Other Operating Revenue		
Scrap Sale	501.01	525.53
Export Incentives	262.28	222.88
Miscellaneous Income	120.76	55.23
	884.05	**803.64**
	173443.93	**149998.28**
Note 20 Other Income		
Interest Income on Fixed Deposits, Security Deposits and Bonds	26.69	23.34
Net Gain on Sale of Current Investments	9.64	15.83
Net Gain on Foreign Currency Translation and Transactions	189.09	-
	225.42	**39.17**

(₹ in lacs)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Note 21 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		
Inventories at the end of the year		
Finished Goods	13449.00	11904.20
Stock-in-Trade	4611.25	3257.26
Work-in-Progress	3967.66	3503.57
	22027.91	**18665.03**
Inventories at the beginning 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**
Net (Increase) / Decrease		
Finished Goods	(1544.80)	(5522.44)
Stock-in-Trade	(1353.99)	(818.00)
Work-in-Progress	(464.09)	(958.29)
	(3362.88)	**(7298.73)**
Change in Excise Duty [Refer Note 29(h)]	(19.10)	5.85
	(3381.98)	**(7292.88)**
Note 22 Employee Benefits Expense*		
Salaries & Wages	13887.69	11642.31
Contribution to Provident and Other Funds (Refer Note 32)	1471.53	1157.05
Staff Welfare Expenses	725.27	651.08
	16084.49	**13450.44**
Note 23 Selling and Distribution Expense		
Advertisement and Publicity	6611.59	5336.94
Sales Promotion Schemes	9060.52	6454.35
Cash Discount	4411.50	3999.06
Freight and Forwarding Charges	6704.97	6039.51
	26788.58	**21829.86**
Note 24 Finance Costs		
Interest Expense*	2138.30	1783.70
Other Borrowing Costs	6.46	25.77
Net Loss on Foreign Currency Translation and Transactions to the extent recognised as Borrowing Cost	144.50	38.89
	2289.26	**1848.36**

* For Employee Stock Option Plan (Refer Note 33)

*Includes Interest on Income Tax ₹ 11.30 lacs (Previous year ₹ 10.82 lacs) and excludes ₹ 44.59 lacs (Previous year Nil) capitalized during the year.

(₹ in lacs)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Note 25 Other Expenses		
Power and Fuel	5042.11	4926.94
Stores Consumed	585.89	642.12
Contract Processing and Handling Charges	13549.21	11351.30
Repairs		
Building	140.75	67.87
Machinery (Including Spares)	1369.89	1057.91
Others	1000.62	852.61
Rent (Refer Note 31)	3852.62	3351.29
Insurance	223.33	167.13
Rates and Taxes	53.91	43.60
Printing and Stationery	126.87	116.98
Travelling and Conveyance	1476.87	1249.43
Communication Expenses	371.54	332.19
Legal and Professional Expenses (Refer Note 37)	3766.04	2873.32
Security Expenses	721.07	536.06
Provision for Doubtful Debts	66.17	28.18
Bad debt Written off	0.73	18.14
Net Loss on Disposal/Write off of Fixed Assets	32.07	17.51
Net Loss on Foreign Currency Translation and Transactions	-	33.65
Mark to Market Loss on Outstanding Derivative Instruments with firm commitments (Refer Note 9)	67.71	-
Contribution towards CSR	366.95	-
Miscellaneous Expenses	712.78	527.32
	33527.13	**28193.55**

Company Information and Significant Accounting Policies

26 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). 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.

27 Significant Accounting Policies

(a) Basis of Preparation of Financial Statements

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

Use of Estimates

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

Presentation and Disclosure of Financial Statements

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

(b) Tangible Fixed Assets

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

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

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

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

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

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.

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

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

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

(d) Depreciation and Amortisation

Depreciation is provided pro-rata to the period of use on Straight Line Method (SLM) based on the estimated useful lives of the assets, which have been determined as per Schedule II of Companies Act, 2013, 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. Components having useful lives different from the life of

parent assets are depreciated over the useful life of the components.

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

Intangible assets are amortised on straight line basis. Trade Marks and Technical Know-how are amortised over their useful life, not exceeding ten years. Softwares are being amortised over the period of five years.

(e) Impairment of Assets

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

(f) Investments

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

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, Stores and Spares

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

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

Work- in- Progress and Finished Goods

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

(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.

Income from Energy Generation

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

Interest Income

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

Dividend Income

Dividend income is 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 asset is reduced from the cost of fixed asset.

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

(k) Foreign Currency Transaction

Initial Recognition

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

Subsequent Recognition

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

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

Forward Exchange Contracts

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

Derivative Transactions

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

(l) Employee Benefits

Defined Contribution Plan

Provident Fund and Employee State Insurance

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

Defined Benefit Plan

Leave Encashment (Compensated Absences) and Gratuity

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

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

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

(m) Employee Share Based Payments

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

(n) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, until such assets are ready for their intended use. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

(o) Leases

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

(p) Earnings Per Share

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

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

(q) Tax on Income

Current tax is determined on the basis of estimated taxable income computed in accordance with the provisions of

Income Tax Act, 1961.

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

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

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal Income Tax during the specified period. In the period/year in which the MAT credit becomes eligible to be 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 28 Contingent Liabilities and Commitments

(₹ in lacs)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Contingent Liabilities		
Claims against the company not acknowledged as debt		
Sales Tax Matters	38.10	38.10
Income Tax Matters	22.73	48.27
Central Excise Matters	31.98	-
	92.81	86.37
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	2239.82	1431.49
- Interest on Entry Tax, Rajasthan - Under dispute and Company's appeal is pending before Hon'ble Supreme Court of India	5.31	2.83
	2245.13	1434.32
Commitments		
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	4274.82	554.15
Others**		
Total Export obligation against total duty saved of ₹1590.99 lacs (Previous year ₹1590.99 lacs)	12727.92	12727.92

* 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 eight years.

Note 29 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	15077.62	14064.01	171560.75	17950.35
	(8738.64)	(9940.82)	(147835.05)	(15077.62)
Others - Manufactured / Traded	83.84	484.55	709.89	109.90
	(82.38)	(505.18)	(1066.80)	(83.84)
Power	-	-	289.24	-
	-	-	(292.79)	-
	15161.46	**14548.56**	**172559.88**	**18060.25**
	(8821.02)	**(10446.00)**	**(149194.64)**	**(15161.46)**

Previous year figures are given in brackets.

(b) Materials Consumed

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Raw Rubber	4697.97	5822.99
EVA	14311.45	16795.04
Synthetic Rubber	455.15	588.11
Packing Material	9352.48	8818.78
Others	30809.46	29365.80
	59626.51	**61390.72**

(c) Value of Materials, Spares and Stores Consumed

(₹ in lacs)

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	%	Value	%	Value
Imported	32.35	19857.69	31.09	19530.38
Indigenous	67.65	41523.25	68.91	43289.96

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

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Materials	16125.20	16589.01
Capital Goods	1163.56	4351.01
Traded Goods	4939.42	2646.66
Stores and Spares	321.45	216.86

(e) Expenditure in Foreign Currency

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Travelling Expenses	33.06	30.35
Interest	382.04	305.16
Professional and Consultation Fees	2.01	7.21
Others	191.44	120.83

(f) Remittance in Foreign Currency on Account of Dividend

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

(g) Earnings in Foreign Exchange

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Export of goods (FOB value)	3842.17	3071.95

(h) Excise Duty

Excise duty on sales amounting to ₹ 2142.32 lacs (Previous year ₹ 1916.86 lacs) has been reduced from sales in Statement of Profit and Loss. Excise duty relating to changes in inventories is shown as part of changes in inventories (Refer Note 21).

Note 30 Related Party Disclosures

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

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

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

(b) Key Management Personnel (KMP)

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

(c) Entitles where individuals and Key Management Personnel (KMP) as defined in note 30(a) and 30(b) above Exercise Significant Influence

Marvel Polymers Private Limited
Relaxo Rubber Private Limited
Patel Oil Mills
Sh. Ramesh Kumar Dua (H.U.F)
Sh. Mukand Lal Dua (H.U.F)
Sh. Mool Chand Dua (H.U.F)
Relaxo Foundation

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

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

(e) Related Party Transactions

(₹ in lacs)

Transactions	Associates**	Entities where KMP and Individuals exercise Significant Influence	Individuals having Significant Influence over the Company and KMP	KMP	Relatives of Individuals and KMP	Total
In Relation to Statement of Profit and Loss						
Purchase of Goods	-	-	-	-	-	-
	-	(0.16)	-	-	-	(0.16)
Rent	-	696.60	98.01	66.09	266.84	1127.54
	(310.84)	(363.76)	(104.10)	(64.81)	(262.38)	(1105.89)
Dividend	-	1.26	291.22	22.50	135.06	450.04
	-	(0.63)	(145.61)	(11.25)	(67.53)	(225.02)
Salary / Perquisites*	-	-	269.60	171.62	252.76	693.98
	-	-	(269.60)	(140.78)	(198.80)	(609.18)
Commission	-	-	1490.15	-	-	1490.15
	-	-	(1163.65)	-	-	(1163.65)
Interest on Unsecured Loans	-	96.72	149.38	12.22	234.28	492.60
	-	(109.42)	(144.80)	(12.46)	(296.64)	(563.32)
Contribution towards CSR	-	204.95	-	-	-	204.95
	-	-	-	-	-	-
In Relation to Balance Sheet						
Sale of Investment	-	-	-	-	432.46	432.46
	-	-	-	-	-	-
Purchase of Assets	-	-	-	-	-	-
	-	(0.17)	-	-	-	(0.17)
Security Deposits (As at 31st March)***	-	-	-	-	-	-
	(38.40)	(39.58)	(5.72)	-	(2.86)	(86.56)
Loans (As at 31st March)	-	-	-	-	-	-
	-	(1088.50)	(1939.59)	(133.22)	(2560.19)	(5721.50)
Issue of Bonus Shares (In No.)	-	126000	29121925	2250225	13506350	45004500
	-	-	-	-	-	-
Issue of Shares under "RFL Employee Stock Option Plan 2014" (In No.)	-	-	-	2720	-	2720
	-	-	-	-	-	-
Guarantees and Collaterals Taken	-	-	44768.60	-	-	44768.60
	-	-	(38341.36)	-	-	(38341.36)

Previous year figures are given in brackets

* Perquisites includes Employer's Provident Fund Contribution

** During the year, Relaxo Rubber Private Limited is an Entity where KMP and Individuals exercise significant influence, while it was an Associate of the Company in previous year.

*** Refer Note 12

Note 31 Disclosure on Operating Leases

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

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

(₹ in lacs)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Lease Rentals charged to Statement of Profit and Loss (Refer Note 25)	3852.62	3351.29
Obligations on non-cancellable leases		
Not later than one year	208.10	365.70
Later than one year but not later than five years	55.12	47.94
Later than five years	-	-
	263.22	**413.64**

Note 32 Disclosure on Employee Benefits

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

(a) Defined Contribution Plan

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

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Employer's Contribution to Provident and Other Fund	832.49	704.85
Employer's Contribution to ESIC Scheme	202.85	186.58

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

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

Particulars : Leave Encashment (Unfunded)	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Reconciliation of opening and closing balances of Defined Benefit Plan		
Present Value of Obligation as at the beginning of the year	494.25	396.31
Current Service Cost	171.38	137.22
Interest Cost	38.55	34.87
Actuarial (gain) / loss on obligations	37.36	(7.18)
Benefit Paid	(85.01)	(66.97)
Present Value of Obligation as at the end of the Year	656.53	494.25
Reconciliation of Fair value of assets and obligations		
Fair Value of Plan Assets	-	-
Present value of obligation	656.53	494.25
Amount recognised in Balance Sheet as Liability*	656.53	494.25
Expenses Recognised during the year		
Current Service Cost	171.38	137.22
Interest Cost	38.55	34.87
Expected Return on Plan Assets	-	-
Net actuarial (gain) / loss on obligations	37.36	(7.18)
Expenses recognised in the Statement of Profit and Loss	247.29	164.91
Actuarial assumptions		
Interest rate for discounting (per annum)	7.70%	7.80%
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.

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

* An amount of ₹154.69 lacs (Previous year ₹104.51 lacs) recognised in Short Term Provisions (Refer Note 9) and ₹501.84 lacs (Previous year ₹389.74 lacs) recognised in Long Term Provisions (Refer Note 6).

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

(₹ in lacs)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Defined Benefit Plan: Leave Encashment					
Defined Benefit Obligation	656.53	494.25	396.31	408.66	379.61
Plan Assets	-	-	-	-	-
Surplus/ (Deficit)	(656.53)	(494.25)	(396.31)	(408.66)	(379.61)
Experience Adjustments on Plan Liabilities- (Loss) /Gain	(34.78)	23.85	(15.75)	1.68	(11.09)
Experience Adjustments on Plan Assets- (Loss) /Gain	-	-	-	-	-

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

Particulars : Gratuity (Funded)	For the year ended 31st March, 2016
Present Value of Defined Benefit Obligations	
Present Value of Obligation as at the beginning of the year	1385.99
Current Service Cost	364.99
Interest Cost	106.72
Actuarial (gain)/ loss on obligations	5.71
Benefit Paid	(52.60)
Present Value of Obligation as at the end of the Year	1810.81
Fair Value of Plan Assets	
Fair Value of Plan Assets at the beginning of the Year	1314.53
Expected Return on Plan Assets	118.31
Actuarial gain/ (loss) on plan assets	(10.17)
Contribution by the Company	406.25
Benefits Paid	(52.60)
Fair Value of Plan Assets at the end of the Year	1776.32
Major Category of Plan Assets as % to Total Plan Assets	
Life Insurance Corporation of India (LIC)	100.00%
Assets and Liabilities Recognised in the Balance Sheet	
Present Value of Defined Benefit Obligations	1810.81
Fair Value of the Plan Assets	1776.32
Amount Recognised in Balance Sheet as Liability	34.49
Amount Recognised as Liability under:	
Long Term Provisions (Refer Note 6)	26.41
Short Term Provisions (Refer Note 9)	8.08
Expenses Recognised in the Statement of Profit and Loss	
Current Service Cost	364.99
Interest Cost	106.72
Expected Return on Plan Assets	(118.31)
Net actuarial (gain)/ loss	15.88
Expenses recognised in the Statement of Profit and Loss	369.28
Expected Contribution to the Fund in the next year	
Gratuity	424.53

Actuarial assumptions	
Interest rate for discounting (per annum)	7.70%
Rate of Return on Plan Assets	8.35%
Rate of escalation in salary (per annum)	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.

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

During the year, company has changed the treatment of gratuity from 'Defined Contribution Plan' to 'Defined Benefit Plan' hence, the actuarial valuation has been carried out first time, therefore, previous year figures have not been disclosed.

Note 33 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	1800180
Persons Entitled	Whole-Time Director and Employees
Options Grant Date	9th August, 2014, 9th May, 2015, 25th July, 2015, 31st October, 2015
Vesting Period	1-4 years from Grant Date
Exercise Period	Maximum 4 years from the date of vesting of Options
Lock-in-Period	No Lock-in-Period after Exercise

* Refer Note 1

Particulars	Options Granted on 31st October, 2015	Options Granted on 25th July, 2015	Options Granted on 9th May, 2015	Options Granted on 9th August, 2014
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
Vesting Schedule				
- 20% of total no. of options	31st August, 2016	31st August, 2016	31st August, 2016	-
- 80% of total no. of options	31st August, 2017	31st August, 2017	31st August, 2017	-
Exercise Price (In ₹)	519.40	570.20	705.55	401.15
Market price on the date of grant (In ₹)	519.40	570.20	705.55	401.15

The details of activity under the scheme are summarized below:

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	No. of Options	WAEP (₹)	No. of Options	WAEP (₹)
Outstanding at the beginning of the period	250800	401.15	-	-
Granted during the year	33000	490.29	261500	401.15
Vested during the year	45380	200.60	-	-
Forfeited during the year	76160	227.12	10700	401.15
Exercised during the year	27700	200.60	-	-
Outstanding at the end of the year	420440	218.53	250800	401.15
Exercisable at the end of the year	16420	200.60	-	-

The weighted average remaining contractual life for the stock options outstanding as at 31st March, 2016 is 4.99 years (Previous year 5.97 years). The Weighted Exercise Price for options outstanding as at 31st March, 2016 is ₹ 218.53 (Previous year ₹ 401.15).

The weighted average Fair Value of stock options granted during the year ended on 31st March, 2016 is ₹ 270.14 per option (Previous year ₹ 209.81 per option).

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

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Stock Price (In ₹)	601.46	401.15
Volatility (%)	46.04	50.06
Risk free Rate (%)	7.73	8.85
Exercise Price (In ₹)	601.46	401.15
Time to Maturity (In years)	3.91	4.61
Dividend Yield (%)	0.11	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, 2016	For the year ended 31st March, 2015
Profit after Tax as reported	12027.65	10304.99
Add: ESOP cost using Intrinsic Value method	-	-
Less: ESOP cost using Fair Value method	163.68	144.92
Proforma Profit after Tax	11863.97	10160.07
Earnings per Share (In ₹)		
Basic	9.88	8.47
Diluted	9.87	8.46

Note 34 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, 2016	For the year ended 31st March, 2015
Profit for the Year	12027.65	10304.99
Weighted average number of shares outstanding* (Equity Shares of ₹1/- each)	120023579	60006000
Earnings Per Equity Share of ₹1/- each* (In ₹)		
Basic	10.02	8.59
Diluted**	10.00	8.58

* Given effect of Bonus Shares in calculating EPS for Previous year.

**120250832 (Previous year 120092821) number of shares for diluted EPS.

Note 35 Foreign Currency Exposure

(Amount in lacs)

Purpose	Foreign Currency			Local Currency (INR)	
	UoM	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
(a) Unhedged Foreign Currency Exposure					
Import Payables	USD	15.43	3.23	1023.26	201.88
Import Payables	EURO	0.05	0.01	3.46	0.60
Export Receivables	USD	11.88	14.42	787.82	901.25
Export Receivables	GBP	0.59	-	56.01	-
(b) Hedged Foreign Currency Exposure					
Forward Contracts - Import Payables	USD	32.80	22.06	2175.79	1378.75
Forward Contracts - Import Payables	EURO	-	14.28	-	957.65
Forward Contracts - Import Orders	USD	52.50	13.07	3482.51	816.88
Forward Contracts - Export Receivables	USD	2.00	2.16	132.67	135.00
Forward Contracts - Export Order	USD	-	1.11	-	69.38
Forward Contracts - Buyer's Credit*	USD	5.73	40.04	386.44	2481.71
Currency and Interest Rate Swaps	USD	149.06	201.88	9887.75	12617.20

*Refer Note 7

Note 36 The Micro, Small and Medium Enterprises Development Act, 2006

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

Note 37 Payments to Auditors* (Inclusive of Service Tax)

(₹ in lacs)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Statutory Auditors		
Statutory Audit Fee	9.16	5.62
Tax Audit	3.45	2.19
Limited Review and Other Services	8.00	5.05
	20.61	**12.86**

*Included in Legal and Professional Expenses (Refer Note 25)

Note 38 Segment Reporting

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

Note 39 Change in Accounting Policy

The Company had the accounting policy of not amortising leasehold land (except for leasehold land of Wind Mill) till previous year. During the year, Company has changed the accounting policy with retrospective effect for amortisation of leasehold land, which will give a uniform basis of amortisation of leasehold land. Had the Company not changed the accounting policy, the Profit After Tax for the year and quarter ended 31st March, 2016 would have been higher by ₹ 85.23 lacs.

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, 14th May, 2016

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

Vikas Kumar Tak
Company Secretary

Quality Par Excellence

RELAXO FOOTWEARS LIMITED

Corporate Identity No. L74899DL1984PLC019097

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

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

PROXY FORM

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

Name of Member :
Registered Address :

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

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

(1) Name: _____ Address: _____

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

(2) Name: _____ Address: _____

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

(3) Name: _____ Address: _____

E-mail Id: _____ Signature: _____

as my/ our Proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the THIRTY SECOND ANNUAL GENERAL MEETING of the Company, to be held on Thursday, the 15th September, 2016 at 10.30 a.m. at Sri Sathya Sai International Centre, Lodhi Road Institutional Area, Pragati Vihar, New Delhi -110 003 and at any adjournment thereof in respect of the resolutions as are indicated below :

Resolution No.	Resolution
Ordinary Business	
1	Adoption of Audited Financial Statements, Directors' and Auditors' Reports for the Financial Year ended 31st March, 2016
2	Declare Final Dividend for the year 2015-16 on Equity Shares
3	Reappointment of Mr. Nikhil Dua, who retires by rotation
4	Reappointment of Statutory Auditor of the Company and fix their remuneration
Special Business	
5	Reappointment of Mr. Nikhil Dua as Whole Time Director of the Company

Signed this _____ day of _____ 2016

Signature of Shareholder: _____

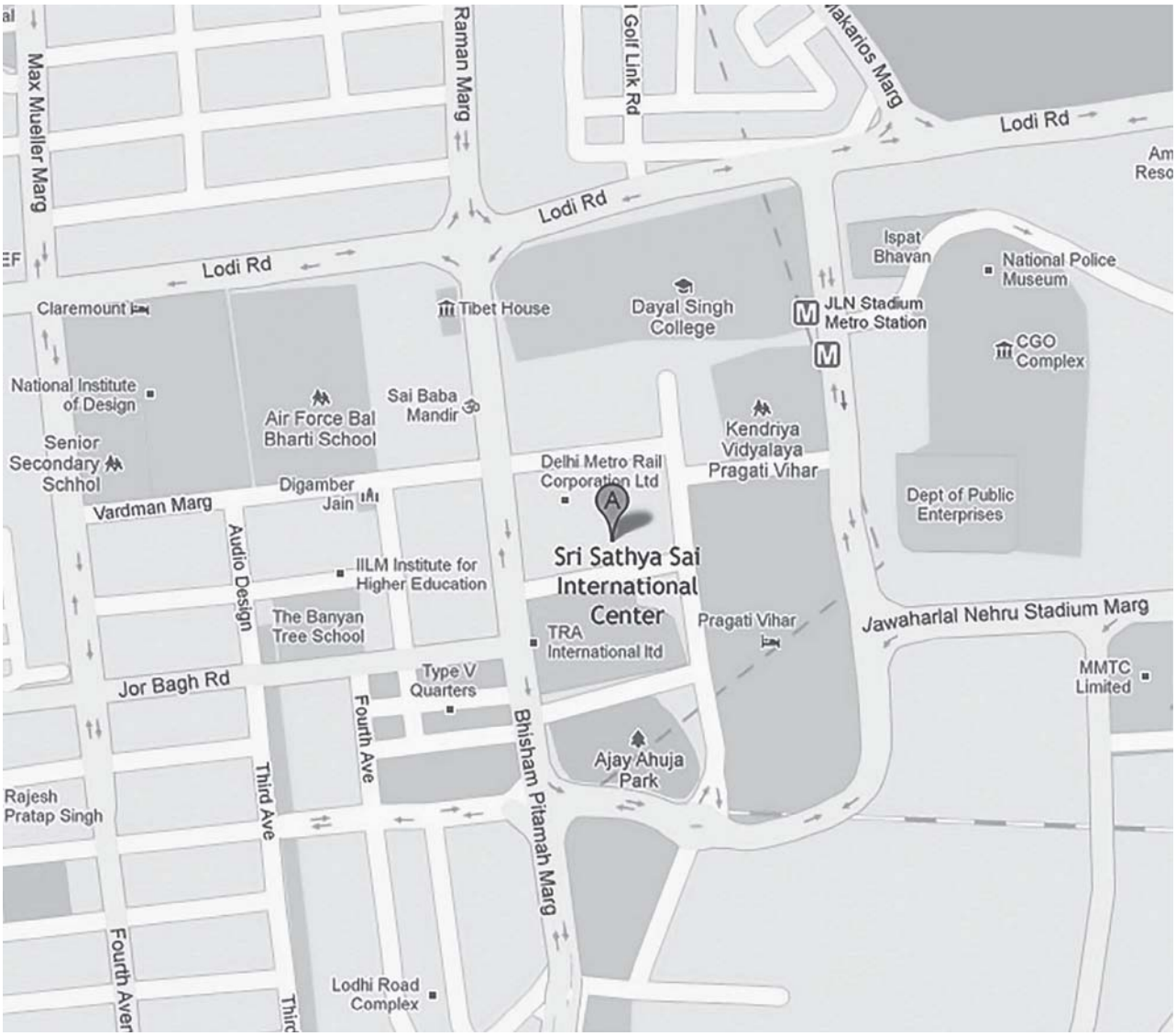
Signature of Proxyholder: _____

Affix Revenue Stamp

NOTES:

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

Route Map of AGM Venue



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

NOTES

Quality Par Excellence

RELAXO FOOTWEARS LIMITED

Corporate Identity No. L74899DL1984PLC019097
Registered Office : Aggarwal City Square Plot No. 10 Manglam Place, District Centre, Sector-3 Rohini Delhi -110085
Tel. No.: +91-11-46800500, 46800600 Fax No.: 91-11-46800692 E-mail address: rfl@relaxofootwear.com, Website: www.relaxofootwear.com

ATTENDANCE SLIP

32nd Annual General Meeting – Thursday, 15th September, 2016 at 10.30 a.m.

Name and Registered Address of the sole/ first member:

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

Number of Shares held :

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

I/We hereby record my/our presence at the 32nd Annual General Meeting of the Company at Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi-110003 on Thursday, the 15th September, 2016 at 10.30 a.m.

Signature of First Proxy/Holder	Signature of Second Proxy/Holder	Signature of Third Proxy/ Holder

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

FOR IMMEDIATE ATTENTION OF THE MEMBERS

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

Electronic Voting Particulars

EVEN (E- Voting Event Number)	USERID	PASSWORD

NOTES:-

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

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SS-446



SS-447



SS-451



SS-112



SS-705

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RELAXO FOOTWEARS LIMITED

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

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