

August 21, 2020

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

**Sub: Notice calling 36<sup>th</sup> Annual General Meeting (AGM) and Annual Report of the Company for the Financial Year 2019-20**

Dear Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 we are enclosing herewith the Annual Report for the Financial year 2019 - 20 along with Notice of AGM to be held on Thursday, September 24, 2020 at 10:30 AM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

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

Thanking You,

For Relaxo Footwears Limited



**Vikas Kumar Tak**  
Company Secretary and Compliance Officer  
Membership No.: FCS 6618

Encl. as above

## RELAXO FOOTWEARS LIMITED

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



The logo for Relaxo Footwears Limited. The word "RELAXO" is written in a bold, blue, italicized sans-serif font. A stylized orange and yellow swoosh is positioned between the "L" and "A", resembling a flame or a wing.

**RELAXO**

COMMITTED TO PROVIDE  
BEST-IN-CLASS FOOTWEAR


ANNUAL REPORT 2019-20  
RELAXO FOOTWEARS LIMITED



# BEST IN CLASS

The most important aspect you can bring to your leadership is to strive to be the best. That means setting high expectations and standards and refusing to accept anything less. This same principle applies to Relaxo, our company, our team, our products and the services we represent.

When you accept nothing less than the best you become the kind of leader who focuses his energy and the energy of others on achieving their best.



## 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
Deepa Verma	Independent Director
Rajeev Rupendra Bhadauria	Independent Director

### CHIEF FINANCIAL OFFICER

Sushil Batra

### COMPANY SECRETARY

Vikas Kumar Tak

### AUDITORS

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

### BANKERS

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

### SHARE TRANSFER AGENT

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

### REGISTERED OFFICE

Aggarwal City Square, Plot No. 10,  
Manglam Place, District Centre, Sector 3,  
Rohini, Delhi - 110 085  
CIN: L74899DL1984PLCO19097

### 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
RFL-IX	Plot No. SP-6 & 7 Kaharani, Bhiwadi Extn., Rajasthan

# CONTENTS

From MD's Desk	2
Financial Highlights	8
Director's Report	9
Corporate Governance Report	57
Management Discussion & Analysis	77
Business Responsibility Report	80
Independent Auditor's Report	88
Balance Sheet	96
Statement of Profit and Loss	97
Cash Flow Statement	98
Notes Forming Part of Financial Statements	102



## FROM THE MANAGING DIRECTOR'S DESK

Dear Stakeholders,

It gives me great pleasure to announce yet another year of growth despite the impact of nationwide lockdown and the resultant economic challenges. In the fiscal year, FY20, revenue increased by 5%, EBITDA by 26% and PAT by 29% marking marginal growth in the topline and good growth in bottom line despite the market uncertainties and COVID-19 impact.

Your Company recognizes that footwear industry has been gradually inclining towards fashion industry, which is inspiring us for constant product innovation, both in functionality and design. Through a robust market sensing & research process, feedback from our channel partners and access to renowned national & international design studios, your Company constantly strives to offer products that exceed consumer expectations. With its philosophy of 'Customer First', your Company regularly refreshed its product portfolio in line with consumer expectations and launched a slew of new products this year.

Your Company continued to strengthen its distribution network expansion in under-penetrated markets, while empowering its sales force and channel partners with innovative digitized solution for seamless efficiency. Use of sales force automation tools has enabled our team to service 25,000 outlets

directly and engage with our valued retail partners.

In a strategic move to come closer to the new age consumer, your Company chose to harness the digital space and established a strong brand presence on social media with curated content and digital campaigns. Your Company also set up an Online Reputation Management (ORM) system for real time customer sentiment analysis and management. To keep up with changing times we have tied up with leading e-commerce portals and more than 70% of portfolio is listed online for customers.

During the year, your Company consolidated growth in existing priority export markets while continuing to expand its global footprint. Your Company's efforts in maintaining a focus on promoting own brands, ensuring timely product availability to our international partners has further led to your Company being recognized as one of the top non-leather exporter from India.

Despite external pressures, your Company demonstrated good growth in the retail network by expanding its store footprint to 390 stores and shifting the store assortment to higher ASP articles. All this while your Company has kept a firm focus on improving the in store customer experience with range availability and regular staff training.

Your Company continued to extend its technology IT solutions like robust SFA and DMS solutions, focussed on providing better service to its channel partners.

Footwear has been identified as one of the key sectors under various 'Make in India' initiatives to strengthen manufacturing sector in India and Government is taking various initiatives to boost Indian footwear industry. With its existing plants and potential to quickly ramp up capacity, your Company is ideally placed to take advantage of such situation.

Your Company, recognising employees among its core assets, has continued to strengthen bond with them through reward & recognition initiatives, trainings and ESOP plans during the year.

The COVID-19 pandemic has had a profound impact on socio-economic conditions all over the world impacting all industries including fashion and footwear. While there has been a deep short-term impact in the first three months, the after-effects of the pandemic are expected to last well beyond this period and have an adverse impact on both consumer and trade sentiment as well as purchasing power.

The economic impact of coronavirus pandemic in India has been largely disruptive. Under complete lockdown, your Company had to suspend operations in last ten days of March and April 2020 leading to substantial revenue loss. With continuing restrictions on sale of non-essential (footwear) products in May in several markets, the quarterly performance of the company is expected to take a setback in Q1 FY 21.

Various initiatives taken by the government to counter this unprecedented event are heartening and

are expected to have an impact over the medium term. As the world battles the on-going pandemic, there is also tremendous effort to put the business back on rails, with your Company taking many initiatives to realign work operations and manage experiences to the new consumer expectations and trends.

Given the company's four decades of experience in manufacturing and marketing of footwear, it would be better placed than its peers during this uncertain times.

Your Company is proactively engaged in taking appropriate steps on manufacturing, supply chain and distribution to tap available opportunities and mitigate existing or future risks in order to improve its market share. Various initiatives have been taken for the well-being and safety of our employees, which are fundamental for the growth of the company. There seems to be lot of challenges in this year, but COVID-19 has posed us an opportunity to evaluate ourselves and identify any loopholes or improvement opportunities on both process and cost front and to emerge stronger and tougher to achieve new heights.

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

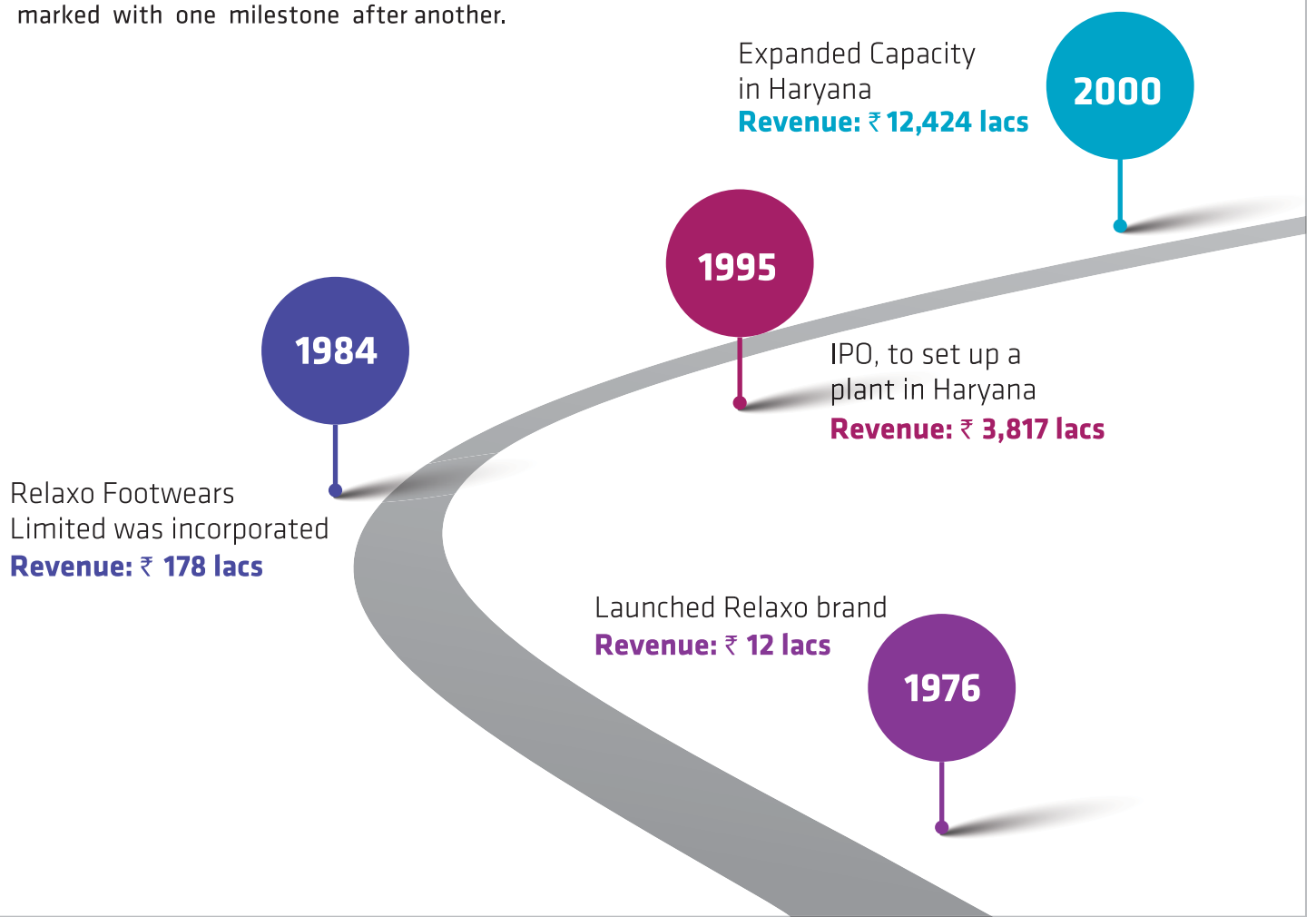
With Best Regards,

**Ramesh Kumar Dua**

Managing Director

# BEST IN PERFORMANCE

Commitment is an intangible bond you make with yourself. At Relaxo, we strive to score distinction by taking bold new steps, every day, every year. Pursuing excellence at every turn, our journey gets marked with one milestone after another.



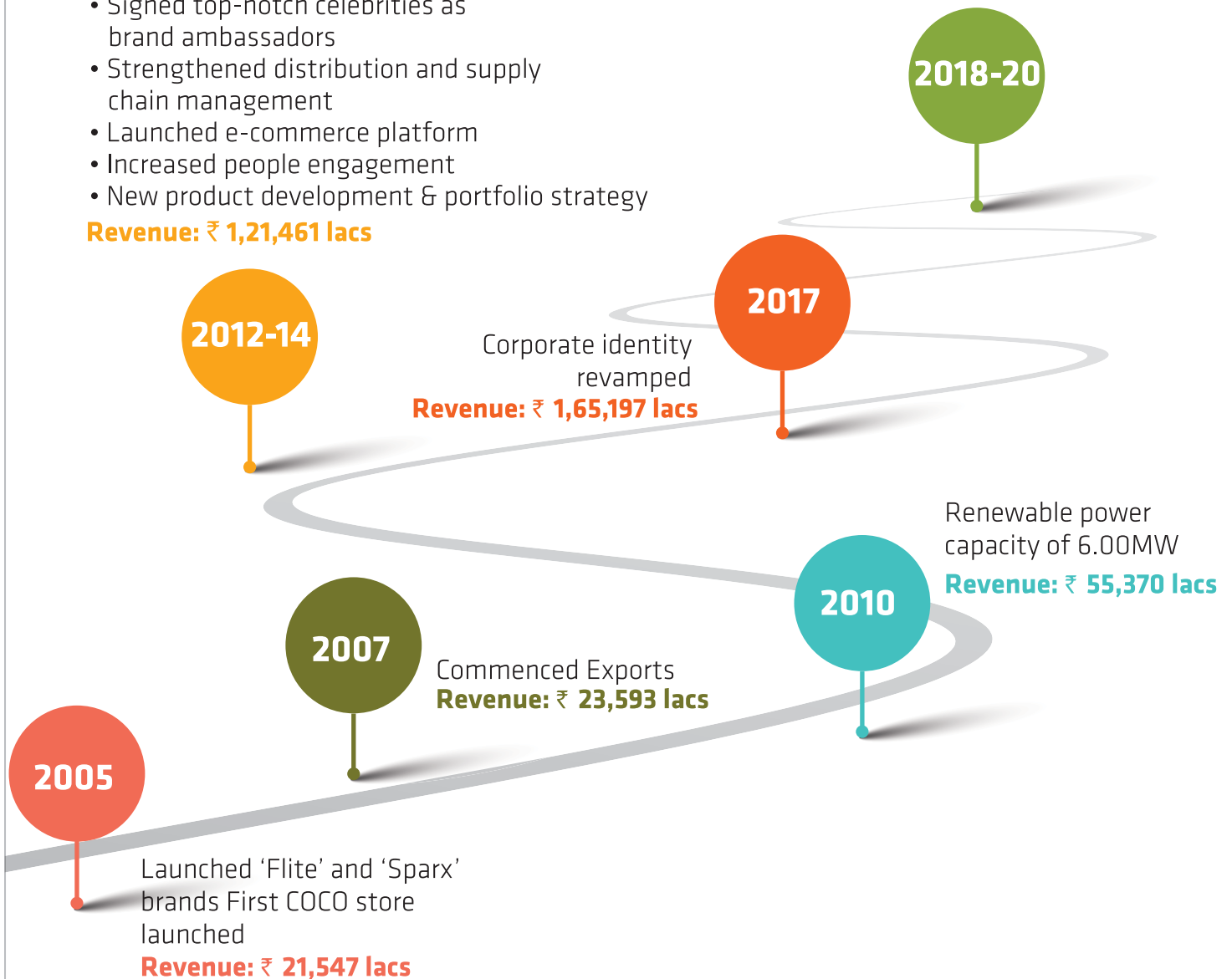
## Business Transformation Initiatives

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

**Revenue: ₹ 1,21,461 lacs**

- Set up 8th plant in Rajasthan
- Merger of 'RRPL' and 'MPPL' with your Company

**Revenue: ₹ 2,41,048 lacs**





# BEST IN BRANDS

Being the best is a conviction that has to be demonstrated every day. At Relaxo, our products speak for themselves, embodying class, quality and comfort at every step. A household name in India, Relaxo's commitment of introducing many brands to a cross-section of consumers is a never-ending commitment. The rich tapestry combines quality, style, comfort and value for money. With an individual promise for each, today, we offer some of the most loved footwear brands to our consumers.



**RELAXO**

A brand that epitomises value and quality, Relaxo Hawaii has earned the trust of people over decades, spanning all economic sections of India.



**FLITE**

When it comes to everyday style, comfort and durability, Flite has captured the essence of India in its brand communication thought - India Lega Flite with bollywood youth icon Ranveer Singh.



**sparx**  
GO FOR IT

Ambition. Passion. Performance. The three tenets that drive the adrenaline surge can be best exemplified by Sparx. The brand, endorsed by bollywood superstar Akshay Kumar, offers a range of sports shoes and casual footwear for aspiring sports persons and fitness enthusiasts. For restless young children, the brand has Sparx School Shoes which offer the ideal platform to explore with utmost comfort and confidence.



## Bahamas

Relaxo Bahamas is a popular youth brand when it comes to casual streetwear. A unisex brand offering a range of exciting designs, Relaxo Bahamas brings out the fun quotient through its communication pegged on “Keep Chillin- Keep Flippin” endorsed by bollywood personality Salman Khan.



## BOSTON

A brand that combines craft and comfort for men who want to take the right step towards success in their profession, every day.



## Casualz

A life studded with trials and tribulations, Casualz offers the perfect cushion of comfort and durability, in everyday step.



The immeasurable energy of a child finds its perfect springboard on Kids Fun. From toddlers, to the tiny mischief-makers, Kids Fun offers a whole world of exciting footwear that can keep pace with their spirit.



## Mary Jane

Mary Jane brings forth a style catalogue to the woman of substance looking for footwear that adds to her flair and fashion quest.

## FINANCIAL HIGHLIGHTS

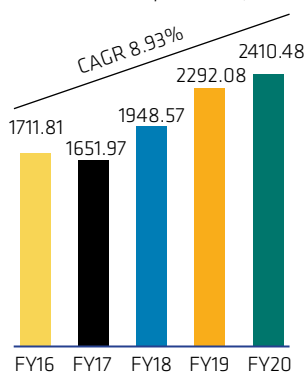
(₹ in Crore)

Particulars	FY 20	FY 19	FY 18	FY 17	FY 16
No. of Pairs sold (in Crore)	17.92	18.39	15.74	13.46	13.55
Revenue from Operations	2410.48	2292.08	1948.57	1651.97	1711.81
EBITDA	408.95	324.31	302.09	230.91	239.88
Finance Costs	16.87	6.90	8.59	15.03	22.89
Depreciation and Amortisation Expense	109.42	62.41	54.34	51.46	47.12
Tax Expense	65.46	92.54	82.55	58.08	57.31
Net Profit before OCI	226.25	175.44	161.07	119.95	120.28
Equity Share Capital	24.82	12.40	12.03	12.01	12.00
Net Worth	1272.40	1105.07	761.21	606.37	479.98
Net Fixed Assets (Tangible and Intangible)	836.67	859.54	662.44	603.44	558.76
Capital Employed	1291.56	1191.99	886.56	738.20	682.58
Capital Expenditure	94.77	258.91	112.85	96.31	129.56
Revenue Growth (%)	5.17	17.63	17.95	*1.64	15.60
EBITDA (%)	16.97	14.15	15.50	13.98	14.01
Face Value per Share (in ₹)	1.00	1.00	1.00	1.00	1.00
EPS - Basic (in ₹)	9.12	^7.07	13.40	9.99	10.02
EPS - Diluted (in ₹)	9.10	^7.06	13.38	9.98	10.00
Dividend(%)	125	^90	150	100	60
Book Value per share (in ₹)	51.26	89.08	63.25	50.48	39.99
ROCE(%)	24.85	26.45	31.05	27.18	31.79
Market Capitalisation (As on March 31)	14868.72	9561.22	7727.91	5992.10	4369.45

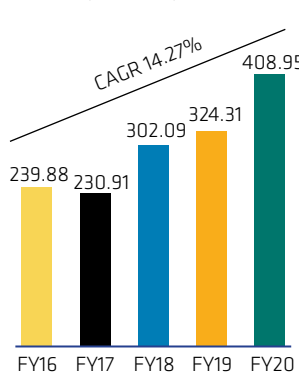
FY 16 is based on IGAAP.

\* Growth in sales as per IGAAP

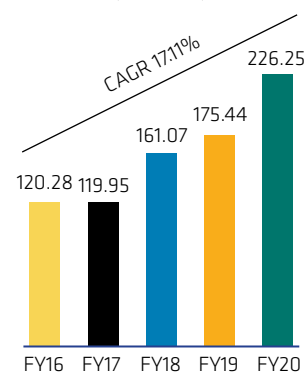
Revenue from Operations (₹ in Crore)



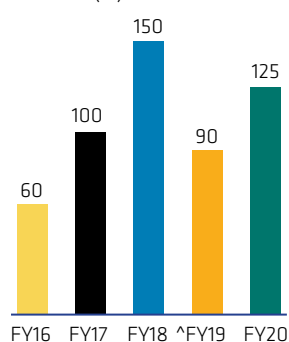
EBITDA (₹ in Crore)



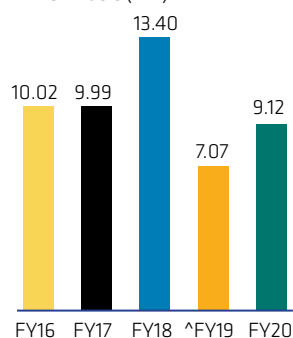
Net Profit (₹ in Crore)



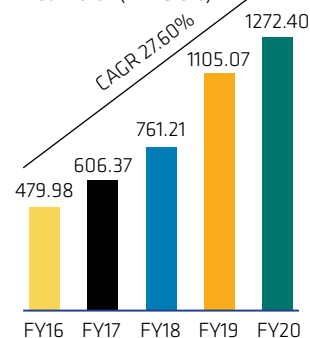
Dividend (%)



EPS - Basic (in ₹)



Net Worth (₹ in Crore)



^Post Bonus

# Directors' Report

Dear Members,

The Board of Directors of your Company have pleasure in presenting 36th Annual Report on the Company's business and operations together with the audited financial statements for the Financial Year 2019-20.

## 1. Company Overview

The Company is a Public Limited Company incorporated in India and its shares are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has 8 'state of art' manufacturing facilities at Bahadurgarh, Bhiwadi and Haridwar. During the year, your

Board had approved the capacity addition by setting up-"New State of Art Plant at Bhiwadi (Rajasthan)" which will take 3 years to be completely operational.

Relaxo Footwears Limited is the largest footwear manufacturing company in India. Products include rubber/EVA slippers, canvas shoes, sport shoes, sandals, school shoes and other types of footwear. It has a portfolio of renowned brands like Relaxo, Sparx, Flite and Bahamas. The company sells its products through retailers served through distributors, retail outlets, exports and e-commerce / modern trade. The company's business process is managed through SAP & SAP HANA.

## 2. Financial Results

In compliance with the provisions of the Companies Act, 2013 ('Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company has prepared its financial statements as per the Indian Accounting Standards (IND AS) for the Financial Year 2019-20. The financial highlights of the Company's operations are as follows:

(₹ in Crore)

Particulars	2019-20	2018-19
Revenue from Operations	2410.48	2292.08
EBITDA	408.95	324.31
Other Income	9.05	12.98
Less: Finance Costs	16.87	6.90
Less: Depreciation and Amortisation Expense	109.42	62.41
<b>Profit before Tax</b>	<b>291.71</b>	<b>267.98</b>
Less: Tax Expense	65.46	92.54
<b>Profit after Tax</b>	<b>226.25</b>	<b>175.44</b>
Other Comprehensive Income	(0.69)	0.06
Balance brought forward from Previous year	41.30	34.02
Retained earnings under Scheme of Amalgamation	-	3.54
Amount available for Appropriation	266.86	213.06
<b>Appropriation:</b>		
• Final & Interim Dividend*	53.36	18.05
• Tax on Final & Interim Dividend*	10.96	3.71
• Transfer to General Reserve	150.00	150.00
Balance carried to Balance Sheet	52.54	41.30
EPS-Basic (in ₹)	9.12	7.07
EPS-Diluted (in ₹)	9.10	7.06

\* Final & Interim Dividend Distributed during the year

### 3. Business Performance

#### a) Financial

The key highlights of the Company's financial performance during the Financial Year 2019-20 are given below:

- Revenue from operations increased by 5.17% to ₹ 2410.48 Crore from ₹ 2292.08 Crore in the last Financial Year.
- EBITDA increased by 26.10% to ₹ 408.95 Crore from ₹ 324.31 Crore in last Financial Year.
- Net profit increased by 28.96% to ₹ 226.25 Crore from ₹ 175.44 Crore in the last Financial Year.
- Net profit margins is 9.39 %.

**Revenue ₹ 2410.48 Cr.**  
**Growth 5.17%**

**EBITDA ₹ 408.95 Cr.**  
**Growth 26.10%**  
**Margin 16.97%**

**PAT ₹ 226.25 Cr.**  
**Growth 28.96%**  
**Margin 9.39%**

- Total retail outlets increased from 343 to 390 during the Financial Year.

Your Company has shown growth on the key financial metrics for the year, despite the market scenario being uncertain and increasing competition in the year. Management believes that your Company will continue its journey of profitable growth driven by the strong fundamentals of operating model, continued focus on long term business plan and an overwhelming desire to serve customers. Due to COVID-19 pandemic outbreak in March-2020, there was impact on the revenues and profitability of the Company. Despite adverse situation your Company managed to achieve reasonable growth in value and impressive profit growth during the year.

- Sharp focus on consumer needs and quality.
- Getting capable channel partners with volume growth in specific segments.
- Increased presence in new / emerging channels (modern trade, e-commerce).
- Aggressive expansion in new/ under penetrated geographies.

- Robust cost control initiatives.
- Manufacturing excellence and quality improvement.
- Regular disposal of aged inventory.
- Control over administrative and operative expenses.
- Advantage due to lowest tax rate opted by Company.

#### b) Non-Financials

##### Sales & Marketing

During the year, your Company continued to strengthen its distribution network expansion in under penetrated markets, while empowering its sales force and channel partners with innovative digitized solutions for seamless efficiency. Today, through the strategic initiatives carried out during the year, our distributors directly service over 85% of the large districts in India, yielding significant gains in our priority markets in West and East India. Use of sales force automation tools has enabled our team to service ~25,000 outlets directly and engage with our valued retail partners.

More than 50 training sessions were conducted for the sales force to enhance their skill-set and reinforce best practices in vogue. Comprehensive measures

undertaken to give best-in-class rewards and recognition to the sales force have arrested attrition and reinforced our value proposition to our employees.

With its philosophy of 'Customer First' your Company regularly refreshed its product portfolio in line with consumer expectations and launched a slew of new products this year.

With a view to strengthen its trade connect your Company conducted multiple retail meets countrywide and also launched a Key Outlet Program with aggressive branding to drive visibility in the markets. Further, your Company also participated in numerous consumer interface initiatives for its brands.

In a strategic move to come closer to the new age consumer, your Company chose to harness the digital space and established a strong brand presence

on social media with curated content and digital campaigns. Your Company also set up an online reputation management (ORM) system for real time customer sentiment analysis and management.

Targeted multi media campaigns with top Bollywood celebrities - Salman Khan, Akshay Kumar and Ranveer Singh - were launched by your Company through the year to maintain leadership position for its brands Bahamas, Sparx and Flite.

These efforts were notably highlighted in the media through various PR initiatives.

### **E-commerce**

E-commerce is the fastest growing channel for your Company. With all our brands present in leading e-commerce portals and more than 70% of portfolio listed online, your Company continued its sustained investments on these platforms and is well positioned to drive growth in the future.

### **Retail**

Improving sales while keeping a focus on business profitability, both in COCO and FOFD store network operations, has been the strategic focus during the year.

Despite external pressures, your Company demonstrated growth in the retail network by expanding its store footprint to 390 stores and shifting the store assortment to higher ASP articles.

In parallel, several cost rationalization measures were initiated including closing non profitable locations, staff rightsizing, rent negotiations, inventory management and a more efficient reordering mechanism.

All this while your Company has kept a firm focus on improving, the in store customer experience, with range availability and regular staff training.

### **Exports**

During the year, your Company consolidated growth in existing priority export markets while continuing to expand its global footprint.

Your Company's efforts in maintaining a focus on promoting own brands, ensuring timely product availability to our international partners has further led to your Company being recognized as one of the top non-leather exporters from India.

### **Procurement**

Your Company continued its efforts towards cost reduction and quality improvement by optimising material specifications, backward integration and enhancing vendor capabilities and resource pool through regular audits and technical support.

### **Product Development**

Footwear category is gradually evolving to be a style statement of one's personality, necessitating constant product innovation, both in functionality and design. Through a robust market sensing & research process, feedback from our channel partners and access to renowned national & international design studios, your Company constantly strives to offer products that exceed consumer expectations.

With an eye on quality and speed, each brand is now supported by a separate team for focussed product design and development, enabling your Company to launch more than 200 products this year. We continue to focus on products that excite our consumers and have aggressively cut down on portfolio complexity while building greater synergies in our retail, wholesale, and ecommerce portfolios.

### **Manufacturing and Quality**

Recognising the need to embrace technology and innovation as one of the key factors for competitive advantage, during the year your Company adopted various low cost automation processes.

Committed to provide Best-in-Class footwear to its customers, your Company has established a Central Technical Lab at Bahadurgarh, Haryana to ensure better quality testing of materials.

Relaxo has been successfully certified for Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015), Occupational Health & Safety Management System (ISO 45001:2018) and Information Security Management System (ISO 27001:2013) by the British Standards Institute, a royal-charter certification body of global repute.

### **Information Technology**

Efficiency enhancement in business processes across all our offices, warehouses, retail stores and channel partners pan-India has been at the core of all technology initiatives by your Company.



Using robust SFA and DMS solutions, your Company focussed on providing better service to its channel partners and encouraged Smart Decision-Making through Data Visualization using BI tool. Your Company formally adopted a broad set of security best practices and retained ISO 27001:2013 certification confirming its commitment to IT security, confidentiality and quality services. Going forward, your Company has planned to implement robust security solution like DLP (Data Leak Protection) and CASB (Cloud Access Security Broker) to provide data protection and secure IT environment which has become more important than ever, with the emerging concept of work from home and remote locations.

#### Human Resource

During the year, your Company has conducted regular class room trainings, workshops and capability & competency development programs to upgrade its workforce.

Your Company pioneered an engagement survey through 360-degree feedback for the key management personnel. A pulse check survey for its sales employees to benchmark with global best practices in right compensation and career progression was also undertaken.

#### 4. Management Discussion and Analysis Report

Pursuant to Regulation 34(2)(e) of the Listing Regulations, a detailed Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of this Annual Report.

#### 5. Dividend

Your Directors in its meeting held on February 27, 2020, have declared an Interim Dividend of ₹ 1.25/- per equity share of the face value of ₹ 1/- each fully paid up (i.e. 125%) for the Financial Year 2019-20. The dividend was paid to those members whose name appeared in the Register of members / list of beneficiaries as on March 12, 2020 i.e. the record date. The total dividend payout was ₹ 31.03 Crore excluding tax on dividend of ₹ 6.37 Crore. The dividend was paid to all the eligible shareholders of the Company before March 27, 2020. The dividend payout is in accordance with Company's dividend distribution policy.

Due to uncertainties caused by COVID-19 pandemic, your management has decided not to recommend any final dividend for the Financial Year 2019-20.

#### 6. Dividend Distribution Policy

As per Regulation 43A of the Listing Regulations, top 500 listed companies are required to formulate a dividend distribution policy. Accordingly, the Company has adopted the dividend distribution policy which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The said policy is enclosed as **Annexure - A** to this Report and is also available on the website of the Company at the link [www.relaxofootwear.com/pdf/Dividend-Distribution-Policy.pdf](http://www.relaxofootwear.com/pdf/Dividend-Distribution-Policy.pdf).

#### 7. Transfer to Reserves

We propose to transfer ₹ 150.00 Crore to the general reserve from net profits and ₹ 0.21 Crore from share based payment reserve pertaining to cancellation of vested options. An amount of ₹ 52.54 Crore is proposed to be retained in the Statement of Profit & Loss of the Company.

#### 8. Public Deposits

The Company has not invited or accepted any deposits within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), from public during the year under review. Therefore, no amount of principal or interest was outstanding, as on the balance sheet closure date.

#### 9. Compliance with Secretarial Standards

During the year under review, the Directors state that applicable Secretarial Standards issued by the Institute of Company Secretaries of India, i.e. Secretarial Standard-1 ('SS-1') and Secretarial Standard-2 ('SS-2'), relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by the Company.

#### 10. Subsidiary/ Joint Venture/ Associate Company

Your company does not have any subsidiaries, joint ventures or associate companies, during the year under review.

#### 11. Changes in Nature of Business

There was no change in the nature of business of the Company during the year under review.

#### 12. Share Capital

##### Authorised Share Capital:

During the Financial Year 2019-20, the Authorized

share capital of the Company was increased from ₹20,75,00,000/- (Rupees Twenty Crores Seventy-Five Lacs only) divided into 20,75,00,000 (Twenty Crores Seventy Five Lacs) equity shares of ₹ 1/- (Rupee One) each to ₹ 51,00,00,000/- (Rupees Fifty One Crores Only) divided into 51,00,00,000 (Fifty One Crores Only) Equity Shares of ₹ 1/- (Rupees One) each pursuant to a resolution passed by the shareholders on June 14, 2019 by postal ballot.

#### **Issued, Subscribed and Paid-up Share Capital:**

During the Financial Year 2019-20, the following corporate actions were taken which led to the change in the share capital of the Company:

- The Board of Directors at their meeting held on May 10, 2019 recommended issue of bonus shares in the ratio of 1:1 (one bonus equity share for one equity share held) to the members who held the shares of the Company on June 27, 2019 (i.e. Record Date). On June 28, 2019, 12,40,50,873 equity shares of ₹1/- each fully paid up were allotted to the members of the Company holding shares as on record date.
- The Board of Directors at their meeting held on November 2, 2019, issued and allotted 1,44,690 equity shares of ₹ 1/- each fully paid up on exercise of stock options by the eligible employees under the Employee Stock Option Plan, 2014 (RFL ESOP PLAN-2014).

On March 31, 2020, the issued, subscribed and paid-up share capital of the Company was ₹ 24,82,46,436/- divided into 24,82,46,436 equity shares of ₹ 1/- each.

### **13. Disclosure Relating to Remuneration of Directors and Key Managerial Personnel (KMP)**

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced development. The Nomination and Remuneration Policy adopted by the Board sets out the criteria for determining qualifications, positive attributes and independence while evaluating a person for appointment / re-appointment as Director or as KMP with no discrimination on the grounds of gender, race or ethnicity, nationality or country of origin and to also determine the framework for remuneration of Directors, KMP, Senior Management Personnel and other employees. The detailed Nomination and Remuneration Policy is available on the website of the Company at the link [www.relaxof footwear.com/pdf/Nomination--and--remuneration--policy.pdf](http://www.relaxof footwear.com/pdf/Nomination--and--remuneration--policy.pdf).

### **14. Particulars of Employees**

The information and disclosure required under Section 197(12) of the Act read with Rule 5(1), 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), in respect of Directors and Employees of your Company is set out in **Annexure - B** to this report.

### **15. Directors and Key Managerial Personnel**

Pursuant to the section 152(6) of the Act read with the Articles of Association of the Company, Mr. Deval Ganguly, Whole Time Director (DIN: 00152585) will retire by rotation at the ensuing AGM and being eligible, offered himself for re-appointment. The Board recommends his re-appointment.

The Board of Directors in its Meeting held on June 6, 2020, on the recommendation of Nomination and Remuneration Committee, approved the re-appointment of Mr. Nikhil Dua (DIN: 00157919), as a Whole Time Director of the Company (liable to retire by rotation), for a period of three years with effect from October 1, 2020, on such remuneration and terms and conditions as provided in the Notice convening the AGM. The Board recommends his re-appointment.

A brief resume of the Directors proposed to be re-appointed, the nature of their expertise in specific functional areas, names of companies in which they hold Directorships, committee membership/s / chairmanship/s, shareholding etc. as stipulated under Secretarial Standard-2 and Regulation 36(3) of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

The Shareholders in its 35th AGM held on September 26, 2019 has approved the following appointment / re-appointment:

- a) Ms. Deepa Verma (DIN-06944281) was re-appointed as a Non-Executive and Independent Director of the Company for the second term w.e.f. September 18, 2019 for a period of 5 (five) consecutive years.
- b) Mr. Rajeev Rupendra Bhaduria (DIN-00376562) was appointed as a Non-Executive and Independent Director of the company for a first term w.e.f. August 23, 2019 for a period of 5 (five) consecutive years.

As on March 31, 2020, Mr. Ramesh Kumar Dua (DIN-00157872), Managing Director, Mr. Mukand Lal Dua (DIN-00157898), Whole Time Director, Mr. Nikhil Dua



(DIN-00157919), Whole Time Director, Mr. Deval Ganguly (DIN-00152585) Whole Time Director, Mr. Sushil Batra, Chief Financial Officer and Mr. Vikas Kumar Tak, Company Secretary are the Key Managerial Personnel (KMP) of your Company.

#### **16. Declaration by Independent Directors**

The Company has received necessary declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Act, Regulation 25 (8) of Listing Regulations and they have registered themselves with the Independent Directors' databank as required under sub-rule (1) and sub-rule (2) of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014. The Independent Directors have also confirmed that they have complied with the Company's code of conduct for Independent Directors prescribed in Schedule IV to the Act.

#### **17. Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year**

This is the new disclosure introduced by the Ministry of Corporate Affairs effective from December 1, 2019. The Company has not appointed any Independent Director between December 1, 2019 to March 31, 2020. However, the Board of Directors reviewed the declarations as mentioned in the point no 16 and have positive outlook towards the integrity and expertise of the Independent Directors. The Independent Directors are yet to appear for the online proficiency self-assessment test and hence, the opinion on the aforesaid would be provided in the next year's annual report.

#### **18. Annual Evaluation**

In terms of the provisions of the Act read with Rules issued thereunder and Listing Regulations, 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 2019-20. Directors were evaluated on their contribution at Board / Committee meetings and guidance & support to the management outside Board / Committee meetings. The Directors had used the parameters recommended by the renowned consultants for the performance evaluation of Board, Individual Directors and Committees of Board.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of

key responsibilities, Board structure and composition, role and accountability, management oversight, risk management, culture and communication, frequency and effectiveness of meetings.

The Committees of the Board were assessed on the basis of degree of fulfillment of key responsibilities, adequacy of committee, composition and effectiveness of meetings. The Company does not have a regular Chairman, however the Chairman appointed for the Board meetings was also evaluated by all the Directors on the basis of managing relations, leadership, competence and diligence.

The performance evaluation of Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman appointed for the Board meeting and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Board of Directors expressed their satisfaction with the evaluation process.

#### **19. Familiarization Programme**

In terms of Regulation 25(7) of the Listing Regulations, the Company familiarizes its Directors about their role and responsibilities at the time of their appointment through a formal letter of appointment. The format of the letter of appointment / re-appointment is available on our website at the link [www.relaxofootwear.com/terms-conditions.aspx](http://www.relaxofootwear.com/terms-conditions.aspx).

Presentations are regularly made at the meetings of the Board and its various Committees on the relevant subjects such as strategy, operations, plants, products, organization structure, finance, human resource, capital expenditure, CSR, Compliances etc. All efforts are made to keep Independent Directors aware of major developments taking place in the industry, the Company's business model and relevant changes in the law governing the subject matter. The details of the programs conducted for familiarization of Independent Directors can be accessed on the Company website at the link [www.relaxofootwear.com/other-disclosure.aspx](http://www.relaxofootwear.com/other-disclosure.aspx)

#### **20. Number of Meetings of the Board**

During the Financial Year 2019-20, the Board of Directors met six (6) times on May 10, 2019, June 28, 2019, August 3, 2019, November 2, 2019, February 1, 2020 and, February 27, 2020, the details of which are provided in the Report on Corporate Governance, which forms part of this Annual Report. The intervening period between any two consecutive board meetings were within the maximum

time gap prescribed under the Act, Regulation 17 of the Listing Regulations and SS-1.

## 21. Committees of the Board

During the Financial Year 2019-2020, the Board had five (5) committees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, the Risk Management Committee and the Corporate Social Responsibility Committee.

All the recommendations made by the Committee of the Board including the Audit Committee were accepted by the Board. A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during the Financial Year 2019-20 and attendance of the Directors at each meeting is provided in the report on Corporate Governance, which forms part of this Report.

## 22. Director's Responsibility Statement

Pursuant to Section 134(3)(c) and 134(5) of the Act, the Directors to the best of their knowledge and belief, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed, along with the proper explanation relating to material departures;
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- c) they had 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) they had prepared the annual accounts on a going concern basis;
- e) they had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 23. Statutory Auditors

M/s B R Maheswari & Co. LLP, Chartered Accountants (ICAI Firm Registration No. -001035N/N500050) were appointed as the Statutory Auditors of the Company for a period of five (5) years from the conclusion of 33rd AGM till the conclusion of 38th AGM.

## 24. Auditors' Report

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory. The Auditor's Report for the Financial Year ended March 31, 2020 does not contain any qualification, reservation or adverse remarks. The observation of the Auditors on the financial statements have been suitably explained in the Notes to Accounts and do not require any further clarification.

## 25. Details in respect of frauds reported by auditors under section 143(12) other than those which are reportable to the Central Government

During the Financial Year under review, no fraud is reported by the auditors of the Company under Section 143(12) of the Act.

## 26. Maintenance of Cost Records and Cost Audit

The Company is not falling under the category prescribed under sub-section (1) of Section 148 of the Act and Rules 3, 4 of the Companies (Cost Records and Audit) Rules, 2014 (as amended from time to time) to whom the requirements of maintenance of Cost Records and the requirement of Cost Audit is applicable.

## 27. Internal Auditor

Pursuant to the provisions of Section 138 of the Act, the Company has re-appointed Deloitte Haskins & Sells LLP, as an Internal Auditor of the company for FY 2020-21 in co-sourcing model along with in-house internal auditor.

## 28. Secretarial Auditor

Pursuant to the provisions of Section 204(1) of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 24A of the Listing Regulations, the Board had appointed M/s Vivek Arora, Practising Company Secretaries (Membership No. A12222, C.P. No. 8255) to conduct the Secretarial Audit of the Company for the Financial Year 2019-20. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate

laws except delay in appointment of Independent Director within time frame. The Secretarial Audit Report for the Financial Year 2019-20 is annexed as **Annexure-C** which forms part of this report.

The management confirmed that the position of Independent Director is of immense value for the Company and delay was due to finding a suitable and appropriate candidate for such position which was also communicated to the stock exchanges after paying due amount for the delay in appointment.

### 29. Annual Return

Pursuant to Section 134 and Section 92 of the Act read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on March 31, 2020 in Form No. MGT-9 is attached herewith as **Annexure-D** which forms part of this Report and is also made available at the website of the Company at the link <https://www.relaxofootwear.com/other-disclosure.aspx>

### 30. Contracts and Arrangements with Related Parties

During the Financial Year 2019-20, the Company has entered into various transactions with related parties. All the Contracts / arrangements / transactions entered into by the Company with its related parties during the Financial Year were in the ordinary course of the business and on the arm's length basis and were undertaken in compliance with the applicable provisions of the Act and the Listing Regulations.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of Related Party Transactions that would have required Shareholders' approval under Regulation 23 of the Listing Regulations.

The policy on materiality of Related Party Transactions is available on the website of the Company at the link - [www.relaxofootwear.com/pdf/Policy-on-materiality-of-Related-Party-Transactions.pdf](http://www.relaxofootwear.com/pdf/Policy-on-materiality-of-Related-Party-Transactions.pdf).

The particulars of the material related party transactions are provided in Form AOC-2 as **Annexure-E** which forms part of this Report. Further, the name of related parties and details of transactions with them have been included in note 40 of the financial statements for the year ended March 31, 2020.

### 31. Details of Loans, Guarantees & Investments

The details of loans, guarantees and investments under Section 186 of the Act read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) are as follows:-

- a) Details of investments made by the Company as on March 31, 2020 (including investments made in previous years)
  - (i) Investment in equity shares : ₹ 20.00 Lacs
  - (ii) Investment in debt instruments : Nil
- b) Details of loans given by the Company : Nil
- c) There are no guarantees issued by your Company in accordance with Section 186 of the Act read with the Rules issued thereunder.

The details of Investments made under Section 186 of the Act are also provided in the Note 4 forming part of the financial statements of FY 2019-20.

### 32. 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 has set up a Risk Management Committee. The Risk Management Committee shall evaluate significant risk exposures including risks related to cyber security of the Company and assess management's actions to mitigate the exposures in a timely manner. During the year under review, your Company has also constituted Steering Committee to monitor the risks pertaining to the Company and structure the risk management activities of the Company on regular basis. The Board of Directors on recommendations of Risk Management Committee has adopted a Risk Management Policy for the Company to lay down the procedure to inform the Board members about the risk assessment and mitigation of risks. The policy ensures effective risk management systems to carry out risk assessment and also to document risk mitigation plans. In addition, all the key risks get continuously deliberated and discussed during business review meetings. Your Company has taken many initiatives to further strengthen the Governance, Risk & Compliance (GRC) framework at Relaxo which includes automation of compliance monitoring, litigation management and documentation of Delegation of Authority (Operational / Financial).

The Company has been taking necessary steps to mitigate foreseeable business risks. The Company has laid down procedures to inform the Risk Management Committee, Audit Committee and Board of Directors about risk assessment & management procedures and status. Business risk evaluation and management is an ongoing and continuous process within the Company.

The impact of nationwide lockdown due to COVID 19 Pandemic and actions taken by Company have been explained in the Management Discussion and Analysis Report.

The details pertaining to the composition, meetings and terms of reference of the committee are included in the Report on Corporate Governance which forms part of this Annual Report.

### **33. Corporate Social Responsibility (CSR) and its Committee**

Your Company has firm belief and commitment towards the collective development of all the stakeholders especially people at bottom of the pyramid and consider it as prerequisite for the sustainability of the business. Thus, CSR is not just compliance for the Company but is an opportunity to contribute towards nation building through well-defined professional approach.

In compliance with the provisions prescribed under Section 135 of the Act, your Company constituted a CSR Committee. The Board of Directors laid down the CSR Policy, covering the objectives, focus areas, governance structure and monitoring & reporting framework among others. The policy is available on the website of the Company at the link [www.relaxofootwear.com/pdf/Corporate--Social--Responsibility--Policy.pdf](http://www.relaxofootwear.com/pdf/Corporate--Social--Responsibility--Policy.pdf).

Your Company has formed a special purpose vehicle Relaxo Foundation, a Society under Societies Registration Act 1860 to carry out its social initiatives.

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

During the Financial Year 2019-20, the Company has implemented total eight (8) CSR projects in five (5)

geographical locations of four (4) States viz. Delhi, Haryana, Rajasthan and Uttarakhand, impacting lives of ~100,000 people.

The details pertaining to the composition, meetings and terms of reference of the CSR Committee are included in the Report on Corporate Governance which forms part of this Annual Report.

Key initiatives under each thematic area and the report on CSR under section 135 of the Act is annexed as **Annexure-F** to this Report.

### **34. Composition of Audit Committee**

In compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations, the Board of Directors of the Company had constituted the Audit Committee. The details pertaining to the composition, meetings and terms of reference of the Committee are included in the Report on Corporate Governance which forms part of this Annual Report.

### **35. Vigil Mechanism**

The Company as required under Section 177 (9) of the Act and Regulation 22 of the Listing Regulations, has established Vigil Mechanism/ Whistle Blower Policy for Directors and the employees of the Company.

This Policy has been established with a view to provide a tool to Directors and employees of the Company to report to the management on the genuine concerns including unethical behavior, actual or suspected fraud or violation of the Code or the Policy. This Policy outlines the procedures for reporting, handling, investigating and deciding on the course of action to be taken in case inappropriate conduct is noticed or suspected.

This Policy also provides for adequate safeguards against victimization of director(s)/employee(s) who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The Audit Committee is authorized to oversee the Vigil Mechanism/ Whistle Blower Policy in the Company. The Company has received two complaints during the year and one complaint is pending at the end of the year which could not be resolved mainly due to nationwide lockdown. Your Company hereby affirms that no person of the Company has been denied access to the Audit Committee.

The policy is available on the website of the Company at the link <http://www.relaxofootwear.com/pdf/Vigil--Mechanism---Policy.pdf>.

### 36. Business Responsibility Report

As stipulated under Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report, describing the initiatives taken by the Company for environmental, social and governance perspective, forms an integral part of this Annual Report.

### 37. Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWWP Act)

The Company is an equal employment opportunity employer and is committed to provide a safe and conducive work environment that enables women employees to work without fear of prejudice, gender bias and sexual harassment.

The Company believes that all women employees of the Company have the right to be treated with dignity and as per the Company's compliance framework. Harassment of any kind including sexual harassment is forbidden. The Company has 'Zero Tolerance' approach towards any act of sexual harassment.

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a Policy on Prevention of sexual harassment of women at workplace and matters connected therewith and has also complied with the provisions relating to the Constitution of Internal Complaint Committee (ICC).

An Internal Complaint 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 as well as to create a preventive environment across the organization. The Company also conducts sensitization/awareness sessions and quarterly meetings on a regular basis so as to create a free and fair working environment.

No complaint was received during FY 2019-20. However, Internal Committee had received one complaint during FY 2018-19 which was pending on March 31, 2019 and was disposed off effectively as per provisions of the SHWWP Act during FY 2019-20.

It is our constant endeavor to ensure that we provide harassment free, safe and secure working environment to all employees especially women.

### 38. Significant and Material Litigations / Orders

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### 39. Capital Market Ratings

During the Financial Year 2019-20, ICRA has reaffirmed long term rating of the Company at [ICRA] AA (pronounced as ICRA Double A) with Stable outlook.

Additionally, ICRA has reaffirmed short term rating of the Company at [ICRA] A1+ (pronounced as ICRA A one plus) which is the highest rating for the category. ICRA has also reaffirmed [ICRA] A1+ (pronounced as ICRA A one plus) top notch rating to the Company for Commercial Paper of ₹ 50.00 Crore.

### 40. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The details relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 134(3) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as **Annexure-G** which forms part of this Report.

### 41. Employees Stock Option Plan

Presently, the Company has one Employee Stock Option Plan 2014 ("RFL ESOP PLAN-2014"). This plan helps to attract and retain talented employees in the Company and boost their morale. The Nomination and Remuneration Committee administers and monitors the Company's ESOP Plan.

During the Financial Year 2019-20, 1,44,690 options were exercised by the employees of the Company. Accordingly, the Company has on November 2, 2019 made allotment of 1,44,690 equity shares against the options exercised by the employees.

Your Company, during the year, had issued Bonus shares in the ratio of 1:1 pursuant to the resolution passed by the members through Postal Ballot on June 14, 2019. Accordingly, 13,79,760 additional options were adjusted due to bonus issue and the total options available under the scheme are 31,79,940. The grant price of various grants made under the scheme was also adjusted accordingly. Further, it is confirmed that the ESOP Scheme of the Company is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014.

Pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 (the ESOP Regulations), a disclosure with respect to ESOP Scheme of the Company as on March 31, 2020, is available on the website of the Company at the link [www.relaxofootwear.com/other-disclosure.aspx](http://www.relaxofootwear.com/other-disclosure.aspx).

A certificate from M/s BR Maheswari & Co., LLP, Chartered Accountants, Statutory Auditors of the Company with respect to the implementation of the Company's ESOP Plan would be made available to the members at the ensuing AGM. A copy of the same will also be available for inspection at the registered office of the Company.

The details as per the requirements of SEBI Guidelines are annexed as **Annexure-H** which forms part of this Report.

#### 42. Material Changes and Commitments

There are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year ended on March 31, 2020 of the Company and as on the date of this Report.

However, in the wake of the Coronavirus (COVID-19) pandemic outbreak across the globe, your Company has been taking various precautionary measures to ensure safety and health of all our employees. In view of the lockdown across the country, the operations of almost all our locations, manufacturing locations etc. were disrupted in the lockdown period in March, 2020. The exact financial impact of the above is not ascertainable. The Company will continue to closely monitor the situation and take appropriate action as per regulatory guidance.

#### 43. Internal Financial Controls

The Company has in place well defined and adequate Internal Financial Control framework which is independently evaluated by external agency apart from periodic evaluation by in-house Internal Audit function for necessary improvement, wherever required. The Company deploys a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance and safeguards investor interest by ensuring the highest level of governance. The control system ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded & reported correctly and timely. Proper and sufficient care have been taken for preventing and detecting fraud and other irregularities. The Managing Director and CFO Certificate included in the Corporate Governance Report confirms the existence

of effective internal control systems and procedures in the Company. The Audit Committee reviews the effectiveness of the internal financial control framework in the Company.

#### 44. Managing Director and CFO Certification

The Certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the Managing Director and CFO was placed before the Board. The same is annexed with Corporate Governance Report which forms part of this Annual Report.

Declaration by Managing Director under Regulation 34(3) read with Schedule V of the Listing Regulations in respect of compliance with the Company's Code of Conduct is enclosed with this Annual Report.

#### 45. Transfer of Unclaimed Shares / Dividend

As per the provisions of Regulation 39(4) of the Listing Regulations, the unclaimed shares lying in the possession of the Company are required to be dematerialized and transferred into a special demat account held by the Company. Accordingly, unclaimed shares lying with the Company have been transferred and dematerialized in an 'Unclaimed Suspense Account' of the Company. This account is being held by the Company purely on behalf of the shareholders entitled for these equity shares.

The summary of 'Unclaimed Suspense Account' during the year is given hereunder:

S. No.	Particulars	No. of Shareholders	No. of equity shares held
1	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on April 1, 2019	26	38,085
2	Number of shareholders along with shares transferred to suspense account during the year due to Bonus issue on June 28, 2019	26*	38,085*
3	Number of shareholders who approached the Company for shares and to whom shares were transferred from the suspense account during the year	-	-
4.	Transfer of shares to IEPF Account	12**	12,045
5.	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on March 31, 2020	26	64,125

\*Due to the bonus issue in the ratio 1:1 during the year, the

shares of each shareholder holding shares in suspense account were doubled. Thus the total number of shareholders remained unchanged and holding in the unclaimed suspense account increased by 38,085 equity shares.

\*\*Only 12,045 equity shares (part of the holding) for 12 shareholders, for whom dividend was unpaid for more than seven years were transferred to IEPF account from the unclaimed suspense account.

The voting rights on the equity share(s) in the suspense account shall remain frozen till the rightful owners of such equity share(s) claim the equity share(s). Any corporate benefits in terms of securities accruing on such equity shares viz. bonus shares, split etc., shall also be credited to such demat suspense account or unclaimed suspense account, as applicable in accordance with existing provisions.

During the year, the Company transferred unclaimed dividend amounting to ₹ 89,068/- from the Final Dividend for the year 2011-12 to the Investor's Education and Protection Fund (IEPF). The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 26, 2019 (date of last Annual General Meeting) on the website of the Company at the link [www.relaxofootwear.com/unpaid-dividend-data.aspx](http://www.relaxofootwear.com/unpaid-dividend-data.aspx).

Pursuant to the provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the shares on which dividend remains unpaid / unclaimed for seven consecutive years or more shall be transferred to the Investor's Education and Protection Fund (IEPF). Accordingly, during the FY 2019-20, the Company transferred 12,675 equity shares to demat account with IEPF for which dividend was unpaid / unclaimed for seven consecutive years as per the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Also pursuant to bonus equity shares issued on June 28, 2019, 1,52,475 equity shares were transferred directly to demat account with IEPF for those shareholders whose shares were already transferred to IEPF authority.

The shareholders whose unpaid dividend / shares are transferred to the IEPF can request the Company / Registrar and Transfer Agent as per the applicable provisions in the prescribed form for claiming the unpaid dividend / shares from IEPF. The rules and online application form (Form IEPF - 5) as prescribed by the Ministry for claiming back the shares/ dividends are available on the website of MCA at [www.iepf.gov.in](http://www.iepf.gov.in). Mr. Vikas Kumar Tak, Company Secretary and Compliance Officer has been appointed as the Nodal Officer and

Ms. Jyoti Upadhyay, Assistant Company Secretary is appointed as Deputy Nodal officer of the Company under the provisions of IEPF. The contact details of nodal officer is available on the website of the Company at the link [www.relaxofootwear.com/Investor-Support.aspx](http://www.relaxofootwear.com/Investor-Support.aspx).

#### 46. 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. A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of this Annual Report.

A certificate from M/s B R Maheswari & Co., LLP, Chartered Accountants (ICAI Firm Registration No. -001035N / N500050) Statutory Auditors of the Company, confirming the compliance of the Company with the conditions of Corporate Governance, as stipulated under the Listing Regulations, is attached to the Report of Corporate Governance as **Annexure-I**.

#### 47. Details of Non-Compliance with Regard to Capital Markets During the Last Three Years

There have been no instances of non-compliances by the Company with regard to Capital Markets during the last three years.

#### 48. Other Disclosures

The Company affirms that the annual listing fees for the Financial Year 2020-21 to National Stock Exchange of India Ltd. and BSE Ltd. is duly paid.

#### 49. Acknowledgement

We take this opportunity to thank the employees for their dedicated service and contribution to the Company.

We would like to thank all our clients, partners, vendors, investors, bankers and other business associates for their continued support and encouragement during the year.

For and on behalf of the Board of Directors

	<b>Ramesh Kumar Dua</b>	<b>Mukand Lal Dua</b>
Delhi	Managing Director	Whole Time Director
June 6, 2020	DIN: 00157872	DIN: 00157898

# Annexure 'A' Dividend Distribution Policy

## 1. INTRODUCTION

- 1.1. The Securities and Exchange Board of India on July 8, 2016 inserted Regulation 43A in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top 500 listed companies (based on market capitalization calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy which shall be disclosed in its Annual Report and on its website.
- 1.2. Relaxo Footwears Limited being one of the top 500 listed companies as per the market capitalization as on the March 31, 2016, framed this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.3. This Policy will regulate the process of dividend declaration and its pay-out by Relaxo Footwears Limited in accordance with the provisions of Companies Act 2013 read with the applicable Rules framed thereunder, as may be in force for the time being.

## 2. DEFINITIONS

Unless the context otherwise requires, the words, terms, expressions and derivations used in this Policy shall have the same meaning given in the Companies Act, 2013 and/ or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- 2.1 "Applicable laws" shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.
- 2.2 "Board of Directors" or "Board" shall mean the Board of Directors of Relaxo Footwears Limited, as constituted from time to time.
- 2.3 "Company" shall mean Relaxo Footwears Limited.
- 2.4 "CA 2013" shall mean Companies Act, 2013 read with related rules framed thereunder and including all amendments and modifications thereto.
- 2.5 "Listing Regulations" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2.6 "Policy" shall mean Dividend Distribution Policy.

- 2.7 "SEBI" shall mean Securities and Exchange Board of India.

## 3. OBJECTIVE

- 3.1 The objective of this Policy is to:
  - 3.1.1 ensure a regular dividend income for the shareholders and long-term capital appreciation for all stakeholders of the Company;
  - 3.1.2 strike the right balance between the quantum of dividend paid to its shareholders and the amount of profits retained in the business for various purposes;
  - 3.1.3 to maintain a consistent approach to dividend pay-out plans;
  - 3.1.4 specify the parameters (including external and internal factors) that shall be considered while declaring dividend;
  - 3.1.5 lay down the circumstances under which the shareholders of the Company may or may not expect dividend;
  - 3.1.6 provide the manner of utilization of retained earnings.
- 3.2 The Company believes that it operates in the highly capital-intensive industry and large chunk of funds are required for modernization or setting up of manufacturing units and to keep itself abreast with technology challenges and countering competitors. Therefore, the retention of surplus funds for future growth will over-ride considerations of returning cash to the shareholders.

## 4. CATEGORY OF DIVIDENDS

The CA 2013 provides for two forms of Dividend - Final and Interim, the details of which are provided below:

### 4.1 Final Dividend

The Final dividend is paid once for the financial year after the annual accounts are prepared and adopted. The Board has the power to recommend the payment of Final Dividend to the shareholders at the Annual General Meeting of the Company. The declaration of Final dividend shall be included in the ordinary business items that are required to be transacted at an Annual General Meeting.

#### Process for approval of Payment of Final Dividend:

- a. The Board shall recommend the quantum of final



- dividend payable to shareholders in its meeting in line with the Policy;
- b. Dividends shall be paid only out of current year profits or past year profits/reserves after providing for depreciation and setting off losses, if any and in alignment with the provisions of the CA 2013;
- c. Shareholders are required to approve the final dividend recommended by Board in Annual General Meeting;

#### 4.2 Interim Dividend

This form of dividend can be declared by the Board during any financial year or at any time during the period of closure of financial year till holding the Annual General Meeting. It is declared out of the surplus in the profits of the financial year for which such interim dividend is to be declared or out of profits generated in the financial year till the quarter preceding the date of declaration of the interim dividend

##### Process for approval of Payment of Interim Dividend:

- a. The Board may declare Interim Dividend at its discretion in line with the Policy;
- b. The interim dividend as declared by the Board shall be confirmed at the next Annual General Meeting;

Appropriate Dividend Distribution Tax shall be paid within the due date prescribed under the Income Tax Act, 1961.

## 5. DECLARATION AND PAYMENT OF DIVIDEND

- 5.1 The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders, in the form of dividend. Further, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it, including the capital expenditure requirements of the Company. The Board of Directors will recommend Dividend taking into account all the above parameters.
- 5.2 The Company shall declare and pay dividend, both, interim and final dividend, in compliance with the applicable laws.
- 5.3 Subject to the provisions of the CA 2013, Dividend shall be declared or paid only out of:

- 5.3.1 Current Financial Year's profit:
  - a. after providing for depreciation in accordance with law
  - b. after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

5.3.2 The profits for any previous Financial Year(s) after providing for depreciation in accordance with law;

5.3.3 out of 5.3.1 and 5.3.2 both.

5.4 As mentioned above, for computing the surplus funds for purposes of determining the Dividend, the Board may at its discretion, subject to provisions of the applicable law, exclude any or all of the following from the Profit after tax:

5.4.1 extraordinary Profits

5.4.2 exceptional Profits

5.4.3 one off transactions on account of change in law or rules or accounting policies or accounting standards.

5.4.4 Proposed funds required for CAPEX and other related expenses during the year.

## 6. FACTORS TO BE CONSIDERED WHILE DECLARING DIVIDEND

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board of Directors will endeavor to take a decision with an objective to enhance shareholders wealth and market value of the shares.

The Dividend pay-out decision of any company depends upon certain external and internal factors:

### 6.1 External Factors:

- 6.1.1 **Economic Environment** - In case of uncertain or recessionary economic and business conditions, the Board will endeavor to retain larger part of profits to have sufficient reserves to absorb unforeseen circumstances in future.
- 6.1.2 **Capital Markets** - In favorable market scenarios, the Board may consider liberal pay-out. However, in case of unfavorable market conditions, the Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

6.1.3 **Statutory Restrictions** - The Company will keep in mind the prevailing legal/ statutory requirement, regulatory conditions or restrictions, as may be imposed by applicable laws.

6.1.4 **Agreements with Lending Institutions** - The Board may consider protective covenants in a bond or loan agreement that may include leverage limits & restrictions on payment of cash dividends in order to preserve the Company's ability to service its debts.

6.1.5 **Industry trend** - Past and present dividend payment trend of companies in the same industry.

## 6.2 Internal Factors:

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which inter alia will include:

### 6.2.1 Financial Considerations

- 6.2.1.1 Profits earned during the year or any previous financial year
- 6.2.1.2 Accumulated reserves;
- 6.2.1.3 Earnings stability;
- 6.2.1.4 Future capital expenditure;
- 6.2.1.5 Past dividend trends of the Company;
- 6.2.1.6 Cost of raising funds from alternate sources; and
- 6.2.1.7 Net worth, cash flow position and Debt-Equity Ratio.

### 6.2.2 Non-Financial Considerations

- 6.2.2.1 Inorganic growth plans;
- 6.2.2.2 Stage of business cycle;
- 6.2.2.3 Reinvestment opportunities; and
- 6.2.2.4 Investor expectations/ demands.

### 6.2.3 Miscellaneous

- 6.2.3.1 Expansion/ Modernization of existing businesses;
- 6.2.3.2 Additional investments for merger or acquisitions for Brand or Business
- 6.2.3.3 Providing for unforeseen events and contingencies of the Company;
- 6.2.3.4 Fresh investments into external brands/ businesses; and

6.2.3.5 Any other factor as deemed fit by the Board.

## 7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

In line with the Policy of the Company, there may be certain circumstances under which the shareholders of the Company may not expect dividend, including but not limited to:

- 7.1 Adverse market conditions and business uncertainty.
  - 7.2 The Company has sufficient avenues to generate significantly higher returns on such 'surplus' than what a common shareholder can generate himself.
  - 7.3 The Company is in higher need of funds for acquisition/ diversification/ expansion/ investment opportunities/ deleveraging or capital expenditures.
  - 7.4 The Company proposes to utilize surplus cash in entirety for alternative forms of distribution such as buy-back of securities.
  - 7.5 The Company has incurred losses or in the stage of inadequacy of profits.
  - 7.6 Changing government regulations.
  - 7.7 Any other extraordinary circumstances etc.
- Even under such circumstances, the Board may at its discretion, and subject to applicable laws, choose to recommend a dividend out of the Company's free reserves.

## 8. PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES

8.1 Presently, the issued and paid-up share capital of the Company comprises of equity shares only. In case, the Company issues other kind of shares, the Board may suitably amend this Policy.

## 9. UTILIZATION OF RETAINED EARNINGS

In any given financial year, the retained earnings of the Company are expected to be utilized across the following activities:

- 9.1 **Growth:** The Company will utilize its retained earnings for the growth of the Company. The Company can consider venturing into new markets/geographies/ verticals.
- 9.2 **Research and Development:** The Company will utilize its retained earnings for research and development of new products in order to increase market share.
- 9.3 **Capital Expenditure:** The Company will utilize its

retained earnings for capital expenditure by way of physical and technology infrastructure etc.

9.4 **Mergers and Acquisitions:** The Company will utilize its retained earnings for mergers and acquisitions, as it may deem necessary time to time.

9.5 Any other purpose as deemed fit by the Board and as mentioned in the purposes/ objects mentioned in its Memorandum & Articles of Association.

## 10. UNPAID/ UNCLAIMED DIVIDEND

10.1 Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to receive such dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in any scheduled bank to be called as Unpaid Dividend Account.

10.2 Any person claiming to be entitled to any money transferred to the Unpaid Dividend Account of the company may apply to the Company for payment of the money claimed.

10.3 Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund (IEPF).

10.4 The Company shall inform the concerned shareholder three months before the due date of transfer of shares regarding the shares liable to be transferred to IEPF for which dividend has remained unpaid and unclaimed for seven consecutive years or more as on the date of transfer, at their latest available address and also simultaneously publish a notice in the leading newspaper in English and regional language having wide circulation and on their website giving details of such shareholders and shares due for transfer.

10.5 Following details/ statements shall be filed with statutory authorities in prescribed forms under the applicable laws:

- a) Statement of amount of dividend credited to the IEPF,
- b) Statement of unclaimed and unpaid amounts due to be credited in IEPF in coming years,
- c) Statement of shares transferred to the IEPF and Statement of shares and unclaimed and unpaid dividend not transferred to IEPF due to specific order of Statutory Authority,
- d) any other forms/ statements/ return etc. that may be prescribed by the IEPF or any other authority from time to time.

## 11. REVIEW AND AMENDMENT

This Policy will be reviewed periodically and is subject to modification by the Board from time to time, to be in the line with the best industrial practices and to ensure conformity with the applicable laws. Any subsequent notification, circular, guidelines or amendments under CA 2013 and Listing Regulations as may be issued from time to time shall be mutatis mutandis applicable without any further modification or amendment in this policy.

## 12. DISCLAIMER

In any circumstances, where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the newly enacted law, rule, regulation or standard will take precedence over this Policy until such time the Policy is changed to conform to the law, rule, regulation or standard.

## Annexure 'B'

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force),

### A. Ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the Financial Year 2019-20 is as follows :-

Name of Director	DIN	Ratio of Remuneration of Director to the Median Remuneration
Mr. Ramesh Kumar Dua	00157872	703.14
Mr. Mukand Lal Dua	00157898	703.14
Mr. Nikhil Dua	00157919	51.92
Mr. Deval Ganguly	00152585	53.88
Mr. Pankaj Shrimali	00013142	3.16
Mr. Vivek Kumar	00206819	3.22
Ms. Deepa Verma	06944281	2.97
Mr. Rajeev Rupendra Bhadauria	00376562	0.90

- The aforesaid details are calculated on the basis of remuneration for the Financial Year 2019-20.
- The remuneration includes commission and sitting fee paid to the Directors for attending Board & Committee meetings.
- Median Remuneration for all its employees is ₹2,12,190/- for the Financial Year 2019-20.

### B. Details of percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year 2019-20 as compared to last year are as follows :-

Name	Designation	% Increase / Decrease
Mr. Ramesh Kumar Dua	Managing Director	8.72
Mr. Mukand Lal Dua	Whole Time Director	8.72
Mr. Nikhil Dua		9.13
Mr. Deval Ganguly		-0.44
Mr. Pankaj Shrimali	Independent Director	39.58
Mr. Vivek Kumar		95.00
Ms. Deepa Verma		110.00
Mr. Rajeev Rupendra Bhadauria #		-NA-

Name	Designation	% Increase / Decrease
Mr. Sushil Batra	Chief Financial Officer	8.05
Mr. Vikas Kumar Tak	Company Secretary	9.18

Note :

The remuneration to Directors is within the overall limit approved by shareholders. During the current financial year commission to the tune of ₹ 2.50 Lacs was paid to Mr. Pankaj Shrimali, Mr. Vivek Kumar & Ms. Deepa Verma each, who were holding office as Independent Director on March 31, 2019 after approval of financial statements by shareholders.

#Percentage increase is not reported as Mr. Rajeev Rupendra Bhadauria joined during the Financial Year 2019-20.

### C. Percentage increase in the median remuneration of all employees in Financial Year 2019-20 :-

There is increase of 0.42% in median remuneration of all employees in Financial Year 2019-20.

### D. Number of Permanent Employees on the roll of the Company as on March 31, 2020 :

Particulars	No. of Employees
Staff	2,354
Sub Staff	5,498
<b>Total</b>	<b>7,852</b>

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

The aggregate remuneration of employees excluding KMPs grew by 8.60% over the previous year. The aggregate increase in salary for Whole Time Directors and other KMP's was 8.38% in FY20 over FY19. This was based on the recommendation of Nomination and Remuneration Committee.

### F. Affirmation

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

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

List of permanent employees (full time) who are on the rolls of the Company and were employed throughout

the Financial Year 2019-20 and were paid remuneration, not less than ₹ 102 lacs per annum and employees who have worked for the part of the year and were paid remuneration during the Financial Year 2019-20 at a rate which in aggregate was not less than ₹ 8.50 lacs per month :

S. No.	Employee Name	Designation	Date of joining	Age (Years)	Remuneration (₹ in Lacs)	Qualification	Experience (Years)	Last Employment
1	Mr. Anil Arora	Assistant Vice President	27-Jan-11	51	155.17	B.Tech.	31	Bunge India Pvt. Ltd.
2	Mr. Deval Ganguly	Whole Time Director	05-Nov-12	61	114.33	B.Tech.	39	JK Tyre & Industries Ltd.
3	Mr. Gaurav Dua	Executive Vice President (Marketing)	01-Apr-01	40	110.17	B.Com., MBA	19	Relaxo Footwears Ltd.
4	Mr. Hans Raj Sapra	Senior Vice President (Material)	16-Oct-93	71	124.10	BE, Dip. Mech. Engg.	47	India Meterological Dept.
5	Mr. Mukand Lal Dua	Whole Time Director	13-Sep-84	71	1492.00	B.Sc.	47	Relaxo Rubber Pvt. Ltd.
6	Mr. Nikhil Dua	Whole Time Director	01-Oct-08	45	110.17	B.Com., Course in Shoe Making (Czech Republic)	24	Marvel Polymers Pvt. Ltd.
7	Mr. Nitin Dua	Executive Vice President (Retail)	01-Apr-04	39	110.17	B.Com., PGDBM	16	Relaxo Footwears Ltd.
8	Mr. Ramesh Kumar Dua	Managing Director	13-Sep-84	66	1492.00	B.Com., Licentiate of LPRI London	44	Relaxo Rubber Pvt. Ltd.
9	Mr. Ritesh Dua	Executive Vice President (Finance)	01-Jun-00	43	110.17	B.Com., PGDBM	20	Relaxo Footwears Ltd.
10	Mr. Sushil Batra	Chief Financial Officer	30-Jul-07	55	136.77	B.Com., FCA	29	A2Z Infra Engg. Ltd.
11	Mr. Vinay Kumar Bajaj	Vice President (Sales)	01-Jun-16	58	125.99	B.Com.	29	SSIPL

Note:

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

# Annexure 'C'

## Form No. MR-3 SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31-03-2020

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

To,  
The Members,  
**Relaxo Footwears Limited**  
Aggarwal City Square, Plot no 10, District Centre,  
Manglam Palace, 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 (hereinafter called the Company). 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 Company's 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 31-03-2020 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 31-03-2020 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) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2009
  - h) The Securities and Exchange Board of India (Buy-back of Securities) (Amendment) Regulations, 2019
- (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 Securities and Exchange Board of India (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 **except delay in appointment of an Independent Director, for a period beyond 3 months by the Company due to finding suitable replacement of ceased Director and matter was eventually settled by appointing a new Independent Director w.e.f. August 23, 2019 and upon payment of requisite amount levied by BSE Ltd. and NSE on September 3, 2019 and November 18, 2019 respectively.**

#### **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 **except for the brief period from June 26, 2019 till August 22, 2019, due to resignation of an independent director, which was duly complied on August 23, 2019 by appointing another independent Director on the Board of the Company. There was a delay beyond 3 months to find suitable replacement and the Company also paid the necessary due amount levied by stock exchanges and as per Company it was an exceptional circumstance beyond the control of the Company.** 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. The Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

#### **I further report that** during the audit period

- (i) The Company altered its clause V and article 5 of Memorandum and article of association of the Company respectively and increased its authorised share capital from ₹ 20,75,00,000/- (Rupees Twenty Crores Seventy Five Lakhs only) divided into 20,75,00,000 (Twenty Crores Seventy Five Lakhs) equity shares of Rs 1/- (Rupee One) each to ₹ 51,00,00,000/- (Rupees Fifty One Crores Only) divided into 51,00,00,000 (Fifty One Crores) Equity Shares of ₹ 1/- (Rupee One) each by creation of additional 30,25,00,000 (Thirty Crores Twenty Five Lakhs) equity shares of ₹ 1/- (Rupee One) each.
- (ii) The paid up share capital of the Company increased from ₹ 12,40,50,873/- (Rupees Twelve Crores Forty Lakhs fifty thousand eight hundred and seventy three only) divided into 12,40,50,873 (Twelve Crores Forty Lakhs fifty thousand eight hundred and seventy three) equity shares of Rs 1/- (Rupee One) each to ₹ 24,81,01,746/- (Rupees Twenty four Crores Eighty one lakhs one thousand seven hundred and forty six only) divided into 24,81,01,746 (Twenty four Crores Eighty one lakhs one thousand seven hundred and forty six) Equity Shares of ₹ 1/- (Rupee One) each pursuant to allotment of 12,40,50,873 equity shares of ₹ 1/- (Rupee One) each on June 28, 2019 as fully paid up bonus equity shares, in the ratio 1:1 as approved by shareholders vide postal ballot resolution dated June 14, 2019.
- (iii) The paid-up share capital of the Company increased from ₹ 24,81,01,746/- (Rupees Twenty four Crores Eighty one lakhs one thousand seven hundred and forty six only) divided into 24,81,01,746 (Twenty four Crores Eighty one lakhs one thousand seven hundred and forty six) Equity Shares of ₹ 1/- (Rupee One) each to ₹ 24,82,46,436/- (Rupees Twenty four Crores Eighty two lakhs forty six thousand four hundred and thirty six only) divided into 24,82,46,436 (Twenty four Crores Eighty two lakhs forty six thousand four hundred and thirty six) Equity Shares of ₹ 1/- (Rupee One) each pursuant to allotment of 1,44,690 equity shares of ₹ 1/- (Rupee One) each on November 2, 2019 under RFL Employee Stock Option Scheme - 2014.

- (iv) Pursuant to bonus issue on June 28, 2019, the fair and reasonable adjustment was made to ESOP options under RFL Employee Stock Option Scheme – 2014, hence, the total ESOP options increased by 13,79,760 to 31,79,940.
- (v) For the payment of stamp duty against Equity shares allotted under ESOP Scheme and bonus issue, the company has filed necessary application with statutory authorities and same shall be paid on the processing of the applications made by the Company.

For **Vivek Arora**  
Company Secretaries

**Vivek Arora**  
Proprietor

CP NO 8255 ACS 12222

UDIN NO. A 012222B000315085

New Delhi, 6th June, 2020

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

## **Annexure “A”**

To,  
The Members

### **Relaxo Footwears Limited**

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

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

For **Vivek Arora**  
Company Secretaries

**Vivek Arora**  
Proprietor

CP NO 8255 ACS 12222

UDIN NO. A 012222B000315085

New Delhi, 6th June, 2020



# Annexure 'D'

## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

(as on Financial Year ended on March 31, 2020)

[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:

<b>i</b>	<b>CIN</b>	L74899DL1984PLC019097
<b>ii</b>	<b>Registration Date</b>	13/09/1984
<b>iii</b>	<b>Name of the Company</b>	Relaxo Footwears Limited
<b>iv</b>	<b>Category/Sub-category of the Company</b>	Public Company Limited by Shares
<b>v</b>	<b>Address of the Registered office &amp; contact details</b>	Aggarwal City Square, Plot No. 10, Manglam Place, District Centre, Sector-3, Rohini, Delhi- 110085 +91-11-46800600, 46800700 Email : rfl@relaxofootwear.com website: www.relaxofootwear.com
<b>vi</b>	<b>Whether listed company</b>	Yes
<b>vii</b>	<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	Kfin Technologies Private Limited Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli, Nanakramguda, Hyderabad, Telangana- 500032. Ph. : +91- 040-67162222 Email: einward.ris@kfintech.com website : www.kfintech.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacturer of Footwear made primarily of vulcalized or moulded rubber and plastic	15202	99.59%

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

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

##### A) Category-Wise Shareholding :

Category of shareholder	No. Of Shares held at the beginning of the year (As on April 1, 2019)				No. Of Shares held at the end of the year (As on March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>1 INDIAN</b>									
a) Individual /HUF	8,80,97,453	-	8,80,97,453	71.02	17,61,94,906	-	17,61,94,906	70.98	-0.04
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total A(1)</b>	<b>8,80,97,453</b>	<b>-</b>	<b>8,80,97,453</b>	<b>71.02</b>	<b>17,61,94,906</b>	<b>-</b>	<b>17,61,94,906</b>	<b>70.98</b>	<b>-0.04</b>
<b>2 FOREIGN</b>									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total A(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter(s) A=A(1)+A(2)</b>	<b>8,80,97,453</b>	<b>-</b>	<b>8,80,97,453</b>	<b>71.02</b>	<b>17,61,94,906</b>	<b>-</b>	<b>17,61,94,906</b>	<b>70.98</b>	<b>-0.04</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1 INSTITUTIONS</b>									
a) Mutual Funds	76,09,525	-	76,09,525	6.14	1,58,93,578	-	1,58,93,578	6.40	0.26
b) Banks/FI	16,006	-	16,006	0.01	45,328	-	45,328	0.02	0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FPI*	34,03,877	-	34,03,877	2.74	73,29,706	-	73,29,706	2.95	0.21
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total B(1)</b>	<b>1,10,29,408</b>	<b>-</b>	<b>1,10,29,408</b>	<b>8.89</b>	<b>2,32,68,612</b>	<b>-</b>	<b>2,32,68,612</b>	<b>9.37</b>	<b>0.48</b>
<b>2 NON-INSTITUTIONS</b>									
a) Bodies Corp.									
i) Indian	1,68,83,548	-	1,68,83,548	13.61	2,83,95,902	-	2,83,95,902	11.44	-2.17
ii) Overseas	-	-	-	-	-	-	-	-	-

**A) Category-Wise Shareholding : (contd.)**

Category of shareholder	No. Of Shares held at the beginning of the year (As on April 1, 2019)				No. Of Shares held at the end of the year (As on March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lac	48,00,576	4,30,085	52,30,661	4.22	1,20,52,174	7,12,750	1,27,64,924	5.14	0.92
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lac	8,99,718	-	8,99,718	0.73	25,66,396	-	25,66,396	1.04	0.31
(c) Others (specify)									
i) Clearing Members	39,538	-	39,538	0.03	2,97,968	-	2,97,968	0.12	0.09
ii) Non Resident Indians*	8,35,521	-	8,35,521	0.67	13,97,633	-	13,97,633	0.56	-0.11
iii) Trusts	2,97,366	-	2,97,366	0.24	83,199	-	83,199	0.03	-0.21
iv) Alternative Investment Fund	4,24,035	-	4,24,035	0.34	15,56,737	-	15,56,737	0.63	0.29
v) NBFC (Registered with RBI)	1,61,150	-	1,61,150	0.13	-	-	-	-	-0.13
vi) IEPF	1,52,475	-	1,52,475	0.12	2,93,625	-	2,93,625	0.12	0.00
vii) QIB	-	-	-	-	14,26,534	-	14,26,534	0.57	0.57
<b>Sub-Total B(2)</b>	<b>2,44,93,927</b>	<b>4,30,085</b>	<b>2,49,24,012</b>	<b>20.09</b>	<b>4,80,70,168</b>	<b>7,12,750</b>	<b>4,87,82,918</b>	<b>19.65</b>	<b>-0.44</b>
<b>Total Public Shareholding B=B(1)+B(2)</b>	<b>3,55,23,335</b>	<b>4,30,085</b>	<b>3,59,53,420</b>	<b>28.98</b>	<b>7,13,38,780</b>	<b>7,12,750</b>	<b>7,20,51,530</b>	<b>29.02</b>	<b>0.04</b>
C Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A+B+C)</b>	<b>12,36,20,788</b>	<b>4,30,085</b>	<b>12,40,50,873</b>	<b>100.00</b>	<b>24,75,33,686</b>	<b>7,12,750</b>	<b>24,82,46,436</b>	<b>100.00</b>	<b>0.00</b>

\* No payment on account of dividend has been made in foreign currency to NRI or any other foreign person during the Financial Year 2019-20

**B) Shareholding of Promoters :**

S. No	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% 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	2,99,08,872	24.11	-	5,78,17,744	23.29	-	-0.82
2	Mukand Lal Dua	2,50,70,960	20.21	-	5,01,41,920	20.20	-	-0.01
3	Nikhil Dua	46,71,837	3.77	-	93,43,674	3.76	-	0.00
4	Usha Dua	47,30,255	3.81	-	94,60,510	3.81	-	0.00

**B) Shareholding of Promoters : (contd.)**

S. No	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% 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	
5	Lalita Dua	47,66,181	3.84	-	95,32,362	3.84	-	0.00
6	Rahul Dua	46,71,837	3.77	-	93,43,674	3.76	-	0.00
7	Gaurav Dua	46,71,837	3.77	-	93,43,674	3.76	-	0.00
8	Ritesh Dua	46,71,837	3.77	-	93,43,674	3.76	-	0.00
9	Nitin Dua	46,71,837	3.77	-	93,43,674	3.76	-	0.00
10	Mukand Lal Dua (HUF)	2,32,000	0.19	-	4,64,000	0.19	-	0.00
11	Ramesh Kumar Dua (HUF)	20,000	0.02	-	40,000	0.02	-	0.00
12	Sakshi Dua	10,000	0.01	-	20,20,000	0.81	-	0.81

**C) Change in Promoters' Shareholding :**

S. no	For Each Promoter	Shareholding at the beginning of the year (April 1, 2019)		Date	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
<b>1</b>	<b>Ramesh Kumar Dua</b>						
	At the beginning of the Year	2,99,08,872	24.11	31/03/19		2,99,08,872	24.11
	Increase/Decrease in Shareholding	2,99,08,872	12.06	05/07/19	Bonus issue credited in the ratio 1:1	5,98,17,744	24.11
		-20,00,000	-0.81	10/09/19	Inter se transfer	5,78,17,744	23.30
	At the end of the Year			31/03/20		5,78,17,744	23.29
<b>2</b>	<b>Mukand Lal Dua</b>						
	At the beginning of the Year	2,50,70,960	20.21	31/03/19		2,50,70,960	20.21
	Increase/Decrease in Shareholding	2,50,70,960	10.11	05/07/19	Bonus issue credited in the ratio 1:1	5,01,41,920	20.21
	At the end of the Year			31/03/20		5,01,41,920	20.20
<b>3</b>	<b>Lalita Dua</b>						
	At the beginning of the Year	47,66,181	3.84	31/03/19		47,66,181	3.84
	Increase/Decrease in Shareholding	47,66,181	1.92	05/07/19	Bonus issue credited in the ratio 1:1	95,32,362	3.84
	At the end of the Year			31/03/20		95,32,362	3.84
<b>4</b>	<b>Usha Dua</b>						
At the beginning of the Year	47,30,255	3.81	31/03/19		47,30,255	3.81	

**C) Change in Promoters' Shareholding :** (contd.)

S. no	For Each Promoter	Shareholding at the beginning of the year (April 1, 2019)		Date	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
5	Increase/Decrease in Shareholding	47,30,255	1.91	05/07/19	Bonus issue credited in the ratio 1:1	94,60,510	3.81
	At the end of the Year			31/03/20		94,60,510	3.81
	<b>Nikhil Dua</b> At the beginning of the Year	46,71,837	3.77	31/03/19		46,71,837	3.77
	Increase/Decrease in Shareholding	46,71,837	1.88	05/07/19	Bonus issue credited in the ratio 1:1	93,43,674	3.77
At the end of the Year			31/03/20	93,43,674		3.76	
6	<b>Ritesh Dua</b> At the beginning of the Year	46,71,837	3.77	31/03/19		46,71,837	3.77
	Increase/Decrease in Shareholding	46,71,837	1.88	05/07/19	Bonus issue credited in the ratio 1:1	93,43,674	3.77
	At the end of the Year			31/03/20		93,43,674	3.76
7	<b>Gaurav Dua</b> At the beginning of the Year	46,71,837	3.77	31/03/19		46,71,837	3.77
	Increase/Decrease in Shareholding	46,71,837	1.88	05/07/19	Bonus issue credited in the ratio 1:1	93,43,674	3.77
	At the end of the Year			31/03/20		93,43,674	3.76
8	<b>Nitin Dua</b> At the beginning of the Year	46,71,837	3.77	31/03/19		46,71,837	3.77
	Increase/Decrease in Shareholding	46,71,837	1.88	05/07/19	Bonus issue credited in the ratio 1:1	93,43,674	3.77
	At the end of the Year			31/03/20		93,43,674	3.76
9	<b>Rahul Dua</b> At the beginning of the Year	46,71,837	3.77	31/03/19		46,71,837	3.77
	Increase/Decrease in Shareholding	46,71,837	1.88	05/07/19	Bonus issue credited in the ratio 1:1	93,43,674	3.77
	At the end of the Year			31/03/20		93,43,674	3.76
10	<b>Sakshi Dua</b> At the beginning of the Year	10,000	0.01	31/03/19		10,000	0.01
	Increase/Decrease in Shareholding	10,000	0.00	05/07/19	Bonus issue credited in the ratio 1:1	20,000	0.01
		20,00,000	0.81	10/09/19		Inter se transfer	20,20,000
	At the end of the Year			31/03/20	20,20,000		0.81

**C) Change in Promoters' Shareholding :** (contd.)

S. no	For Each Promoter	Shareholding at the beginning of the year (April 1, 2019)		Date	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
11	<b>Ramesh Kumar Dua HUF</b>						
	At the beginning of the Year	20,000	0.02	31/03/19		20,000	0.02
	Increase/Decrease in Shareholding	20,000	0.01	05/07/19	Bonus issue credited in the ratio 1:1	40,000	0.02
	At the end of the Year			31/03/20		40,000	0.02
12	<b>Mukand Lal Dua HUF</b>						
	At the beginning of the Year	2,32,000	0.19	31/03/19		2,32,000	0.19
	Increase/Decrease in Shareholding	2,32,000	0.09	05/07/19	Bonus issue credited in the ratio 1:1	4,64,000	0.19
	At the end of the Year			31/03/20		4,64,000	0.19

**D) Shareholding Pattern of top ten Shareholders:**  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	Name of the Share Holder	Shareholding at the beginning of the Year (April 1, 2019)		Date	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company			No of Shares	% of total shares of the company
1	<b>VLS Securities Ltd.</b>						
	At the beginning of the Year	81,50,000	6.57	31/03/19		81,50,000	6.57
	Increase/Decrease in Shareholding	6,900	0.01	12/04/19	Purchase	81,56,900	6.58
		9,913	0.01	19/04/19	Purchase	81,66,813	6.58
		-15,813	-0.01	26/04/19	Sale	81,51,000	6.57
		-1,000	0.00	03/05/19	Sale	81,50,000	6.57
		81,50,000	3.28	05/07/19	Bonus issue credited in the ratio 1:1	1,63,00,000	6.57
		2,550	0.00	09/08/19	Purchase	1,63,02,550	6.57
		-2,550	0.00	16/08/19	Sale	1,63,00,000	6.57
		56,193	0.02	30/08/19	Purchase	1,63,56,193	6.59
		13,807	0.01	06/09/19	Purchase	1,63,70,000	6.60
		-64,329	-0.03	13/09/19	Sale	1,63,05,671	6.57
		1,08,787	0.04	20/09/19	Purchase	1,64,14,458	6.62
		-80,958	-0.03	27/09/19	Sale	1,63,33,500	6.58
		-12,424	-0.01	30/09/19	Sale	1,63,21,076	6.58
		-6,599	0.00	04/10/19	Sale	1,63,14,477	6.58
		1,523	0.00	11/10/19	Purchase	1,63,16,000	6.58
	74,000	0.03	18/10/19	Purchase	1,63,90,000	6.61	
	-72,632	-0.03	25/10/19	Sale	1,63,17,368	6.58	

**D) Shareholding Pattern of top ten Shareholders:**

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

S. No	Name of the Share Holder	Shareholding at the beginning of the Year (April 1, 2019)		Date	Reason	Cumulative Shareholding during the Year			
		No of Shares	% of total shares of the company			No of Shares	% of total shares of the company		
2	<b>VLS Finance Ltd.</b>	20,658	0.01	01/11/19	Purchase	1,63,38,026	6.59		
		-35,579	-0.01	08/11/19	Sale	1,63,02,447	6.57		
		-2,447	0.00	15/11/19	Sale	1,63,00,000	6.57		
		3,600	0.00	22/11/19	Purchase	1,63,03,600	6.57		
		-3,600	0.00	29/11/19	Sale	1,63,00,000	6.57		
		45,086	0.02	06/12/19	Purchase	1,63,45,086	6.58		
		-30,086	-0.01	13/12/19	Sale	1,63,15,000	6.57		
		-15,000	-0.01	20/12/19	Sale	1,63,00,000	6.57		
		2,000	0.00	03/01/20	Purchase	1,63,02,000	6.57		
		10,050	0.00	10/01/20	Purchase	1,63,12,050	6.57		
		47,237	0.02	17/01/20	Purchase	1,63,59,287	6.59		
		-51,287	-0.02	24/01/20	Sale	1,63,08,000	6.57		
		66,252	0.03	31/01/20	Purchase	1,63,74,252	6.60		
		-52,175	-0.02	07/02/20	Sale	1,63,22,077	6.57		
		-20,077	-0.01	14/02/20	Sale	1,63,02,000	6.57		
		-1,400	0.00	21/02/20	Sale	1,63,00,600	6.57		
		4,400	0.00	28/02/20	Purchase	1,63,05,000	6.57		
		3,760	0.00	06/03/20	Purchase	1,63,08,760	6.57		
		15,127	0.01	13/03/20	Purchase	1,63,23,887	6.58		
		-11,387	0.00	20/03/20	Sale	1,63,12,500	6.57		
		-23,500	-0.01	27/03/20	Sale	1,62,89,000	6.56		
			At the end of the Year			31/03/20		1,62,89,000	6.56
			At the beginning of the Year	62,24,225	5.02	31/03/19		62,24,225	5.02
			Increase/Decrease in Shareholding	-8,500	-0.01	05/04/19	Sale	62,15,725	5.01
				-9,697	-0.01	12/04/19	Sale	62,06,028	5.00
				-26,928	-0.02	19/04/19	Sale	61,79,100	4.98
				-15,677	-0.01	26/04/19	Sale	61,63,423	4.97
		-2,253	0.00	03/05/19	Sale	61,61,170	4.97		
		61,61,170	2.48	05/07/19	Bonus issue credited in the ratio 1:1	1,23,22,340	4.97		
		-7,550	0.00	09/08/19	Sale	1,23,14,790	4.96		
		-18,414	-0.01	23/08/19	Sale	1,22,96,376	4.96		
		-1,68,933	-0.07	30/08/19	Sale	1,21,27,443	4.89		
		-1,24,474	-0.05	06/09/19	Sale	1,20,02,969	4.84		
		-23,099	-0.01	13/09/19	Sale	1,19,79,870	4.83		

**D) Shareholding Pattern of top ten Shareholders:**

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

S. No	Name of the Share Holder	Shareholding at the beginning of the Year (April 1, 2019)		Date	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company			No of Shares	% of total shares of the company
		-1,96,400	-0.08	20/09/19	Sale	1,17,83,470	4.75
		-1,65,331	-0.07	27/09/19	Sale	1,16,18,139	4.68
		-7,576	0.00	30/09/19	Sale	1,16,10,563	4.68
		-26,582	-0.01	04/10/19	Sale	1,15,83,981	4.67
		-40,398	-0.02	11/10/19	Sale	1,15,43,583	4.65
		-2,31,786	-0.09	18/10/19	Sale	1,13,11,797	4.56
		-34,618	-0.01	25/10/19	Sale	1,12,77,179	4.55
		-62,356	-0.03	01/11/19	Sale	1,12,14,823	4.52
		-78,447	-0.03	08/11/19	Sale	1,11,36,376	4.49
		-7,514	0.00	22/11/19	Sale	1,11,28,862	4.48
		-15,234	-0.01	29/11/19	Sale	1,11,13,628	4.48
		-45,086	-0.02	06/12/19	Sale	1,10,68,542	4.46
		-69,471	-0.03	13/12/19	Sale	1,09,99,071	4.43
		-2,200	0.00	20/12/19	Sale	1,09,96,871	4.43
		-9,700	0.00	27/12/19	Sale	1,09,87,171	4.43
		-2,000	0.00	03/01/20	Sale	1,09,85,171	4.43
		-15,271	-0.01	10/01/20	Sale	1,09,69,900	4.42
		-93,387	-0.04	17/01/20	Sale	1,08,76,513	4.38
		-63,811	-0.03	24/01/20	Sale	1,08,12,702	4.36
		-1,64,252	-0.07	31/01/20	Sale	1,06,48,450	4.29
		-83,711	-0.03	07/02/20	Sale	1,05,64,739	4.26
		-84,705	-0.03	14/02/20	Sale	1,04,80,034	4.22
		-10,600	0.00	21/02/20	Sale	1,04,69,434	4.22
		-9,124	0.00	28/02/20	Sale	1,04,60,310	4.21
		-11,860	0.00	06/03/20	Sale	1,04,48,450	4.21
		-23,887	-0.01	13/03/20	Sale	1,04,24,563	4.20
		-36,000	-0.01	20/03/20	Sale	1,03,88,563	4.18
		-47,500	-0.02	31/03/20	Sale	1,03,41,063	4.17
	At the end of the Year			31/03/20		1,03,41,063	4.17
<b>3</b>	<b>Smallcap World Fund, INC</b>						
	At the beginning of the Year	17,27,000	1.39	31/03/19		17,27,000	1.39
	Increase/Decrease in Shareholding	17,27,000	0.70	05/07/19	Bonus issue credited in the ratio 1:1	34,54,000	1.39
		-1,46,720	-0.06	21/02/20	Sale	33,07,280	1.33
		-1,41,927	-0.06	28/02/20	Sale	31,65,353	1.28
		-2,60,691	-0.11	06/03/20	Sale	29,04,662	1.17
		-1,94,942	-0.08	13/03/20	Sale	27,09,720	1.09
	At the end of the Year			31/03/20		27,09,720	1.09



#### D) Shareholding Pattern of top ten Shareholders:

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

S. No	Name of the Share Holder	Shareholding at the beginning of the Year (April 1, 2019)		Date	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company			No of Shares	% of total shares of the company
4	<b>SBI LARGE &amp; MIDCAP FUND</b>						
	At the beginning of the Year	51,33,343	4.14	31/03/19		51,33,343	4.14
	Increase/Decrease in Shareholding	90,000	0.07	17/05/19	Purchase	52,23,343	4.21
		-24,432	-0.02	24/05/19	Sale	51,98,911	4.19
		-5,568	0.00	31/05/19	Sale	51,93,343	4.19
		51,93,343	2.09	05/07/19	Bonus issue credited in the ratio 1:1	1,03,86,686	4.19
		-9,619	0.00	23/08/19	Sale	1,03,77,067	4.18
		-1,14,631	-0.05	30/08/19	Sale	1,02,62,436	4.14
		-35,750	-0.01	06/09/19	Sale	1,02,26,686	4.12
		-50,000	-0.02	25/10/19	Sale	1,01,76,686	4.10
		-50,000	-0.02	01/11/19	Sale	1,01,26,686	4.08
		-50,000	-0.02	31/01/20	Sale	1,00,76,686	4.06
		-50,000	-0.02	14/02/20	Sale	1,00,26,686	4.04
		-50,000	-0.02	21/02/20	Sale	99,76,686	4.02
		-29,365	-0.01	20/03/20	Sale	99,47,321	4.01
		-21,792	-0.01	27/03/20	Sale	99,25,529	4.00
		-54,312	-0.02	31/03/20	Sale	98,71,217	3.98
	At the end of the Year			31/03/20		98,71,217	3.98
5	<b>DSP Equity &amp; Bond Fund</b>						
	At the beginning of the Year	10,80,302	0.87	31/03/19		10,80,302	0.87
	Increase/Decrease in Shareholding	9,504	0.01	05/04/19	Purchase	10,89,806	0.88
		10,89,806	0.44	05/07/19	Bonus issue credited in the ratio 1:1	21,79,612	0.88
		2,07,000	0.08	02/08/19	Purchase	23,86,612	0.96
		49,975	0.02	25/10/19	Purchase	24,36,587	0.98
		53,877	0.02	01/11/19	Purchase	24,90,464	1.00
		-24,607	-0.01	08/11/19	Sale	24,65,857	0.99
		-82,581	-0.03	15/11/19	Sale	23,83,276	0.96
		-36,885	-0.01	22/11/19	Sale	23,46,391	0.95
		-1,08,321	-0.04	20/12/19	Sale	22,38,070	0.90
		-2,62,407	-0.11	27/12/19	Sale	19,75,663	0.80
		-27,203	-0.01	31/12/19	Sale	19,48,460	0.78
		-2,36,636	-0.10	03/01/20	Sale	17,11,824	0.69
		-1,07,053	-0.04	10/01/20	Sale	16,04,771	0.65
		-1,19,643	-0.05	17/01/20	Sale	14,85,128	0.60
		-44,031	-0.02	07/02/20	Sale	14,41,097	0.58

**D) Shareholding Pattern of top ten Shareholders:**

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

S. No	Name of the Share Holder	Shareholding at the beginning of the Year (April 1, 2019)		Date	Reason	Cumulative Shareholding during the Year		
		No of Shares	% of total shares of the company			No of Shares	% of total shares of the company	
6	ICICI PRUDENTIAL FMCG FUND	-3,13,847	-0.13	14/02/20	Sale	11,27,250	0.45	
		-48,400	-0.02	21/02/20	Sale	10,78,850	0.43	
		-13,230	-0.01	28/02/20	Sale	10,65,620	0.43	
		-33,498	-0.01	06/03/20	Sale	10,32,122	0.42	
		At the end of the Year			31/03/20		10,32,122	0.42
		At the beginning of the Year	9,28,663	0.75	31/03/19		9,28,663	0.75
		Increase/Decrease in Shareholding	-31,923	-0.03	03/05/19	Sale	8,96,740	0.72
			-15,659	-0.01	10/05/19	Sale	8,81,081	0.71
			32	0.00	17/05/19	Purchase	8,81,113	0.71
			-4,776	0.00	17/05/19	Sale	8,76,337	0.71
			16	0.00	24/05/19	Purchase	8,76,353	0.71
			-10,988	-0.01	14/06/19	Sale	8,65,365	0.70
			-9,913	-0.01	21/06/19	Sale	8,55,452	0.69
			-4,919	0.00	28/06/19	Sale	8,50,533	0.69
			8,09,100	0.33	05/07/19	Bonus issue credited in the ratio 1:1	16,59,633	0.67
			-37,848	-0.02	12/07/19	Sale	16,21,785	0.65
			33	0.00	26/07/19	Purchase	16,21,818	0.65
			-5,919	0.00	26/07/19	Sale	16,15,899	0.65
			33	0.00	16/08/19	Purchase	16,15,932	0.65
			35	0.00	23/08/19	Purchase	16,15,967	0.65
			33	0.00	30/08/19	Purchase	16,16,000	0.65
			-85,236	-0.03	06/09/19	Sale	15,30,764	0.62
			-11,850	0.00	13/09/19	Sale	15,18,914	0.61
			-40,711	-0.02	20/09/19	Sale	14,78,203	0.60
			33,712	0.01	27/09/19	Purchase	15,11,915	0.61
			36	0.00	30/09/19	Purchase	15,11,951	0.61
			36	0.00	04/10/19	Purchase	15,11,987	0.61
	36	0.00	11/10/19	Purchase	15,12,023	0.61		
	-11,019	0.00	11/10/19	Sale	15,01,004	0.60		
	5	0.00	18/10/19	Purchase	15,01,009	0.60		
	-75,698	-0.03	18/10/19	Sale	14,25,311	0.57		
	36	0.00	25/10/19	Purchase	14,25,347	0.57		
	1	0.00	01/11/19	Purchase	14,25,348	0.57		
	1,04,409	0.04	08/11/19	Purchase	15,29,757	0.62		
	36	0.00	22/11/19	Purchase	15,29,793	0.62		

**D) Shareholding Pattern of top ten Shareholders:**

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

S. No	Name of the Share Holder	Shareholding at the beginning of the Year (April 1, 2019)		Date	Reason	Cumulative Shareholding during the Year			
		No of Shares	% of total shares of the company			No of Shares	% of total shares of the company		
7	<b>Valuequest India Moat Fund Ltd.</b>	60,568	0.02	13/12/19	Purchase	15,90,361	0.64		
		40	0.00	27/12/19	Purchase	15,90,401	0.64		
		36	0.00	10/01/20	Purchase	15,90,437	0.64		
		711	0.00	31/01/20	Purchase	15,91,148	0.64		
		36	0.00	07/02/20	Purchase	15,91,184	0.64		
		18	0.00	14/02/20	Purchase	15,91,202	0.64		
		-17	0.00	14/02/20	Sale	15,91,185	0.64		
		90	0.00	06/03/20	Purchase	15,91,275	0.64		
		408	0.00	13/03/20	Purchase	15,91,683	0.64		
		632	0.00	20/03/20	Purchase	15,92,315	0.64		
		282	0.00	27/03/20	Purchase	15,92,597	0.64		
		427	0.00	31/03/20	Purchase	15,93,024	0.64		
			At the end of the Year			31/03/20		15,93,024	0.64
			At the beginning of the Year	4,43,640	0.36	31/03/19		4,43,640	0.36
			Increase/Decrease in Shareholding	-18,210	-0.01	26/04/19	Sale	4,25,430	0.34
		-12,797	-0.01	03/05/19	Sale	4,12,633	0.33		
		-14,819	-0.01	10/05/19	Sale	3,97,814	0.32		
		-18,573	-0.01	17/05/19	Sale	3,79,241	0.31		
		3,79,241	0.15	05/07/19	Bonus issue credited in the ratio 1:1	7,58,482	0.31		
		-73,951	-0.03	12/07/19	Sale	6,84,531	0.28		
		-2,33,145	-0.09	19/07/19	Sale	4,51,386	0.18		
		-4,05,729	-0.16	26/07/19	Sale	45,657	0.02		
		-45,657	-0.02	02/08/19	Sale	-	-		
	At the end of the Year			31/03/20		-	-		
8	<b>Canara HSBC Oriental Bank of Commerce Life Insurance</b>								
	At the beginning of the Year	6,12,505	0.49	31/03/19		6,12,505	0.49		
	Increase/Decrease in Shareholding	-223	0.00	12/04/19	Sale	6,12,282	0.49		
		-337	0.00	26/04/19	Sale	6,11,945	0.49		
		-1,231	0.00	03/05/19	Sale	6,10,714	0.49		
		-326	0.00	17/05/19	Sale	6,10,388	0.49		
		2,332	0.00	07/06/19	Purchase	6,12,720	0.49		
		1,053	0.00	14/06/19	Purchase	6,13,773	0.49		
		-230	0.00	21/06/19	Sale	6,13,543	0.49		
		142	0.00	28/06/19	Purchase	6,13,685	0.49		

**D) Shareholding Pattern of top ten Shareholders:**

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

S. No	Name of the Share Holder	Shareholding at the beginning of the Year (April 1, 2019)		Date	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company			No of Shares	% of total shares of the company
		6,77,387	0.27	05/07/19	Bonus issue credited in the ratio 1:1	12,91,072	0.52
		43,918	0.02	12/07/19	Purchase	13,34,990	0.54
		1,41,965	0.06	19/07/19	Purchase	14,76,955	0.60
		-619	0.00	26/07/19	Sale	14,76,336	0.60
		6,606	0.00	02/08/19	Purchase	14,82,942	0.60
		1,660	0.00	09/08/19	Purchase	14,84,602	0.60
		-3,400	0.00	30/08/19	Sale	14,81,202	0.60
		-83,214	-0.03	13/09/19	Sale	13,97,988	0.56
		-21,600	-0.01	20/09/19	Sale	13,76,388	0.55
		-156	0.00	04/10/19	Sale	13,76,232	0.55
		-5,253	0.00	18/10/19	Sale	13,70,979	0.55
		-1,20,060	-0.05	08/11/19	Sale	12,50,919	0.50
		-612	0.00	15/11/19	Sale	12,50,307	0.50
		-30,865	-0.01	22/11/19	Sale	12,19,442	0.49
		-2,800	0.00	29/11/19	Sale	12,16,642	0.49
		-25,775	-0.01	13/12/19	Sale	11,90,867	0.48
		-10,618	0.00	20/12/19	Sale	11,80,249	0.48
		-72,100	-0.03	27/12/19	Sale	11,08,149	0.45
		-30,565	-0.01	31/12/19	Sale	10,77,584	0.43
		-1,06,532	-0.04	03/01/20	Sale	9,71,052	0.39
		-1,15,334	-0.05	10/01/20	Sale	8,55,718	0.34
		-49,114	-0.02	07/02/20	Sale	8,06,604	0.32
		-8,376	0.00	21/02/20	Sale	7,98,228	0.32
		-11,637	0.00	28/02/20	Sale	7,86,591	0.32
		586	0.00	06/03/20	Purchase	7,87,177	0.32
		586	0.00	13/03/20	Purchase	7,87,763	0.32
		14,182	0.01	20/03/20	Purchase	8,01,945	0.32
		-27,000	-0.01	27/03/20	Sale	7,74,945	0.31
	At the end of the Year			31/03/20		7,74,945	0.31
<b>9</b>	<b>Jatinder Agarwal</b>						
	At the beginning of the Year	5,00,000	0.40	31/03/19		5,00,000	0.40
	Increase/Decrease in Shareholding	5,00,000	0.20	05/07/19	Bonus issue credited in the ratio 1:1	10,00,000	0.40
		-15,000	-0.01	01/11/19	Sale	9,85,000	0.40
		-15,176	-0.01	08/11/19	Sale	9,69,824	0.39
		-7,204	0.00	15/11/19	Sale	9,62,620	0.39

**D) Shareholding Pattern of top ten Shareholders:**

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

S. No	Name of the Share Holder	Shareholding at the beginning of the Year (April 1, 2019)		Date	Reason	Cumulative Shareholding during the Year			
		No of Shares	% of total shares of the company			No of Shares	% of total shares of the company		
10	<b>KARVANSARAI INVESTMENTS PRIVATE LIMITED</b>	-10,905	0.00	22/11/19	Sale	9,51,715	0.38		
		-2,747	0.00	29/11/19	Sale	9,48,968	0.38		
		-48,968	-0.02	06/12/19	Sale	9,00,000	0.36		
		-10,000	0.00	17/01/20	Sale	8,90,000	0.36		
		-30,000	-0.01	24/01/20	Sale	8,60,000	0.35		
		-90,000	-0.04	31/01/20	Sale	7,70,000	0.31		
		-20,000	-0.01	07/02/20	Sale	7,50,000	0.30		
		-12,000	0.00	31/03/20	Sale	7,38,000	0.30		
	At the end of the Year			31/03/20		7,38,000	0.30		
11	<b>UTI-UNIT LINKED INSURANCE PLAN</b>	4,43,190	0.36	31/03/19		4,43,190	0.36		
		Increase/Decrease in Shareholding	-1,80,365	-0.15	10/05/19	Sale	2,62,825	0.21	
			2,62,825	0.11	05/07/19	Bonus issue credited in the ratio 1:1	5,25,650	0.21	
			-1,78,846	-0.07	02/08/19	Sale	3,46,804	0.14	
					31/03/20		3,46,804	0.14	
			At the end of the Year						
12	<b>VANGUARDTOTAL INTERNATIONAL STOCK INDEX FUND</b>	-	-	31/03/19		-	-		
		Increase/Decrease in Shareholding	1,43,000	0.06	06/03/20	Purchase	1,43,000	0.06	
			3,63,310	0.15	13/03/20	Purchase	5,06,310	0.20	
			3,04,866	0.12	20/03/20	Purchase	8,11,176	0.33	
			2,91,646	0.12	27/03/20	Purchase	11,02,822	0.44	
			23,000	0.01	31/03/20	Purchase	11,25,822	0.45	
					31/03/20		11,25,822	0.45	
			At the end of the Year						
			At the beginning of the Year	-	-	31/03/19		-	-
			Increase/Decrease in Shareholding	6,48,876	0.26	27/09/19	Purchase	6,48,876	0.26
		15,832	0.01	04/10/19	Purchase	6,64,708	0.27		
		10,923	0.00	11/10/19	Purchase	6,75,631	0.27		
		38,515	0.02	27/12/19	Purchase	7,14,146	0.29		
		20,383	0.01	10/01/20	Purchase	7,34,529	0.30		
		10,654	0.00	31/01/20	Purchase	7,45,183	0.30		
		40,742	0.02	07/02/20	Purchase	7,85,925	0.32		
	At the end of the Year			31/03/20		7,85,925	0.32		

**D) Shareholding Pattern of top ten Shareholders:**

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

S. No	Name of the Share Holder	Shareholding at the beginning of the Year (April 1, 2019)		Date	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company			No of Shares	% of total shares of the company
13	<b>PRINCIPAL TRUSTEE CO. PVT. LTD. A/C-PRINCIPAL MUTUA</b>						
	At the beginning of the Year	-	-	31/03/19		-	-
	Increase/Decrease in Shareholding	2,46,320	0.10	27/12/19	Purchase	2,46,320	0.10
		1,82,750	0.07	03/01/20	Purchase	4,29,070	0.17
		1,57,135	0.06	10/01/20	Purchase	5,86,205	0.24
		4,066	0.00	21/02/20	Purchase	5,90,271	0.24
		2,560	0.00	28/02/20	Purchase	5,92,831	0.24
		52,175	0.02	06/03/20	Purchase	6,45,006	0.26
		5,200	0.00	13/03/20	Purchase	6,50,206	0.26
		74,229	0.03	20/03/20	Purchase	7,24,435	0.29
	14,871	0.01	27/03/20	Purchase	7,39,306	0.30	
	1,219	0.00	31/03/20	Purchase	7,40,525	0.30	
	At the end of the Year			31/03/20		7,40,525	0.30

**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 (April 1, 2019)		Date	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company			No. of shares	% of total Shares of the Company
1	<b>Ramesh Kumar Dua</b>						
	At the beginning of the Year	2,99,08,872	24.11	31/03/19		2,99,08,872	24.11
	Increase / Decrease in Shareholding during the year	2,99,08,872	12.06	05/07/19	Bonus issue credited in the ratio 1:1	5,98,17,744	24.11
		-20,00,000	-0.81	10/09/19	Inter se transfer	5,78,17,744	23.29
	At the end of the year			31/03/20		5,78,17,744	23.29
2	<b>Ramesh Kumar Dua (HUF)</b>						
	At the beginning of the Year	20,000	0.02	31/03/19		20,000	0.02
	Increase / Decrease in Shareholding during the year	20,000	0.01	05/07/19	Bonus issue credited in the ratio 1:1	40,000	0.02
	At the end of the year			31/03/20		40,000	0.02
3	<b>Mukand Lal Dua</b>						
	At the beginning of the Year	2,50,70,960	20.21	31/03/19		2,50,70,960	20.21
	Increase / Decrease in Shareholding during the year	2,50,70,960	10.11	05/07/19	Bonus issue credited in the ratio 1:1	5,01,41,920	20.21
	At the end of the year			31/03/20		5,01,41,920	20.20

**E) Shareholding of Directors and Key Managerial Personnel: (contd.)**

S. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the Year (April 1, 2019)		Date	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company			No. of shares	% of total Shares of the Company
4	<b>Mukand Lal Dua (HUF)</b>						
	At the beginning of the Year	2,32,000	0.19	31/03/19		2,32,000	0.19
	Increase / Decrease in Shareholding during the year	2,32,000	0.09	05/07/19	Bonus issue credited in the ratio 1:1	4,64,000	0.19
	At the end of the year			31/03/20		4,64,000	0.19
5	<b>Nikhil Dua</b>						
	At the beginning of the Year	46,71,837	3.77	31/03/19		46,71,837	3.77
	Increase / Decrease in Shareholding during the year	46,71,837	1.88	05/07/19	Bonus issue credited in the ratio 1:1	93,43,674	3.77
	At the end of the year			31/03/20		93,43,674	3.76
6	<b>Deval Ganguly</b>						
	At the beginning of the Year	2,256	0.00	31/03/19		2,256	0.00
	Increase / Decrease in Shareholding during the year	2,256	0.00	05/07/19	Bonus issue credited in the ratio 1:1	4,512	0.00
				30/08/19	Sale	3,512	0.00
				27/12/19	Sale	3,000	0.00
	At the end of the year			31/03/20		3,000	0.00
7	<b>Pankaj Shrimali</b>						
	At the beginning of the Year	16,050	0.01	31/03/19		16,050	0.01
	Increase / Decrease in Shareholding during the year	16,050	0.01	05/07/19	Bonus issue credited in the ratio 1:1	32,100	0.01
				09/08/19	Sale	31,700	0.01
				16/08/19	Sale	30,646	0.01
				23/08/19	Sale	16,050	0.01
	At the end of the year			31/03/20		16,050	0.01
8	<b>Sushil Batra</b>						
	At the beginning of the Year	30,650	0.02	31/03/19		30,650	0.02
	Increase / Decrease in Shareholding during the year	30,650	0.01	05/07/19	Bonus issue credited in the ratio 1:1	61,300	0.02
				20/11/19	ESOP Allotment	66,460	0.03
	At the end of the year			31/03/20		66,460	0.03
9	<b>Vikas Kumar Tak</b>						
	At the beginning of the Year	441	0.00	31/03/19		441	0.00
	Increase / Decrease in Shareholding during the year	-50	0.00	13/05/19	Sale	391	0.00

**E) Shareholding of Directors and Key Managerial Personnel: (contd.)**

S. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the Year (April 1, 2019)		Date	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company			No. of shares	% of total Shares of the Company
		391	0.00	05/07/19	Bonus issue credited in the ratio 1:1	782	0.00
		1,320	0.00	20/11/19	ESOP allotment	2,102	0.00
		-390	0.00	13/12/19	Sale	1,712	0.00
	At the end of the year			31/03/20		1,712	0.00

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

(₹ in Crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	112.00	-	-	112.00
ii) Interest due but not paid	0.07	-	-	0.07
iii) Interest accrued but not due	0.15	-	-	0.15
<b>Total (i+ii+iii)</b>	<b>112.22</b>	<b>-</b>	<b>-</b>	<b>112.22</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	-93.01	-	-	-93.01
<b>Net Change</b>	<b>-93.01</b>	<b>-</b>	<b>-</b>	<b>-93.01</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	19.16	-	-	19.16
ii) Interest due but not paid	0.05	-	-	0.05
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>19.21</b>	<b>-</b>	<b>-</b>	<b>19.21</b>

**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
		Ramesh Kumar Dua MD	Mukand Lal Dua WTD	Nikhil Dua WTD	Deval Ganguly WTD	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	180.00	180.00	102.69	105.68	568.37
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.40	0.40	3.30	3.94	8.04
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-



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

(₹ in Lacs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Ramesh Kumar Dua MD	Mukand Lal Dua WTD	Nikhil Dua WTD	Deval Ganguly WTD	
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	1290.00	1290.00	-	-	2580.00
	- others	-	-	-	-	-
5	Others (Employers Contribution to Provident Fund)	21.60	21.60	4.18	4.71	52.09
	<b>Total (A)</b>	<b>1492.00</b>	<b>1492.00</b>	<b>110.17</b>	<b>114.33</b>	<b>3208.50</b>
	Ceiling as per the Act	10% of Net Profits of the Company as calculated under Section 198 of Companies Act, 2013 is ₹ 3224.22 Lacs.				

**B. Remuneration to other directors**

(₹ in Lacs)

S. No.	Particulars of Remuneration	Pankaj Shrimali	Vivek Kumar	Deepa Verma	Rajeev Rupendra Bhaduria	Total Amount
1	Independent Directors					
	Fee for attending board / committee meetings	4.20	4.33	3.80	1.90	14.23
	Commission	2.50	2.50	2.50	-	7.50
	Others	-	-	-	-	-
	<b>Total (1)</b>	<b>6.70</b>	<b>6.83</b>	<b>6.30</b>	<b>1.90</b>	<b>21.73</b>
2	Other Non-Executive Directors					
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>6.70</b>	<b>6.83</b>	<b>6.30</b>	<b>1.90</b>	<b>21.73</b>
	Ceiling as per the Act	1% of Net Profits of the Company as calculated under Section 198 of Companies Act, 2013 is ₹ 322.42 Lacs.				
	<b>Total Managerial Remuneration (A+B)</b>	<b>3230.23</b>				
	Overall Ceiling as per the Act	11% of Net Profits of the Company as calculated under Section 198 of Companies Act, 2013 is ₹ 3546.64 Lacs.				

Note :

The remuneration to Directors is within the overall limit approved by shareholders. For the above calculations the commission to the Independent Directors has been considered only on the payment basis, received for the previous year after shareholders approval. The Commission to the tune of ₹ 2.50 Lacs has been approved by the Board and is payable to each Independent Director holding office on March 31, 2020 and will be paid after the approval of Financial Statements for the Financial Year 2019-20 by the shareholders. Therefore same has not been considered for the above calculations.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹ in Lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-NA-	113.90	26.23	140.13
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		3.87	0.86	4.73
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		-	-	-
2	Stock Option		13.90	3.93	17.83
3	Sweat Equity		-	-	-
4	Commission				
	- as % of profit		-	-	-
	Others		-	-	-
5	Others (Employers Contribution to provident fund)		5.10	1.24	6.34
	<b>Total</b>		<b>136.77</b>	<b>32.26</b>	<b>169.03</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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



# Annexure 'E'

## 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 2019-20:

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

2. Details of material contracts or arrangements or transactions at arm's length basis during Financial Year 2019-20 :

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

For and on behalf of the Board of Directors

**Ramesh Kumar Dua**  
Managing Director  
DIN: 00157872

**Mukand Lal Dua**  
Whole Time Director  
DIN: 00157898

Delhi, June 6, 2020

# Annexure 'F'

## 1. A brief outline of the company's CSR Policy/ projects/ programs

Your Company has firm belief and commitment towards the collective development of all the stakeholders especially people at bottom of the pyramid and consider it as prerequisite for the sustainability of the business. Thus, CSR is not just compliance for the Company but is an opportunity to contribute towards Nation building through well-defined professional approach.

To endeavour for a CSR model that ensures sustained human development of the communities, associated or impacted by the business by involving them or leveraging company's strength in need-based, result oriented, and sustainable projects and to evolve and develop appropriate processes and strategies to contribute towards overall development of the society and achieve a socially responsible image of the Company.

The CSR focus of the Company is defined by its policy which is available at [www.relaxofootwear.com/pdf/Corporate-Social-Responsibility-Policy.pdf](http://www.relaxofootwear.com/pdf/Corporate-Social-Responsibility-Policy.pdf). Your Company continues to undertake its CSR initiatives through "Relaxo Foundation" society formed by the Company. Your Company continues to strengthen "Relaxo Foundation" in order to successfully fulfil the role of the CSR arm of the Company.

During the period of reporting, Relaxo Foundation undertook total 8 CSR projects in 4 States viz. Delhi, Haryana, Rajasthan and Uttarakhand, that helped to impact lives of more than 6.38 lakh people directly and more than 11.44 lakh people indirectly.

### A. Education & Skill development

#### i. Navjyoti Remedial Education Program-

Relaxo Foundation in partnership with Navjyoti India Foundation is running a value based Remedial Education Project in Bawana, Delhi. Currently, 158 underprivileged children, (Boys 79 & Girls 79) of Classes VI & VII of Government schools are getting benefitted. A Bal Gurukul initiative under this project is inculcating early leadership seeds in children. These children are teaching 320 other children in their neighborhood and are becoming an inspiration in society. This program was started with a short-term objective of improving the learning of the students and the

long-term objective of saving these children from the external threats that may lead them to anti-social activities.

#### ii. "Parivartan" Model School Program -

'Parivartan' is a 3-year long project started in February 2018 with multi-pronged approach under which Relaxo Foundation has adopted 13 Government primary schools of Khanpur block in Haridwar district. Plan- International (India Chapter) is Implementing partner for the project. During the reporting period, infrastructure development including provision for safe drinking water, functional toilets, hand washing area, furniture and wall painting work on BALA (Building as Learning Aid) have been completed in all the schools. Library has been established in 8 schools and sports material along with grade appropriate joyful-learning kits have been provided in all 13 schools. Furthermore, trainings have been imparted to the members of the Management Committee of the school on their rights and duties. Training was also imparted to teachers on joyful teaching & positive discipline and to students on their rights, WASH (Water Sanitation and Hygiene) and gender issues.

During the reporting period, project activities went beyond schools e.g. important community level activities were initiated with formation of village-level children groups, establishment of reading corners, enrolment drives etc. Project activities resulted in bringing drop-out children back to school, increased enrolment, improved attendance, and ensured better academic performance of students.

Relaxo Foundation with its vision to improve quality of education in Government schools have supported 12 Government schools in Hisar District of Haryana with building renovation work and provision of safe drinking water facility, smart board etc.

#### iii. Vocational Training Program -

Relaxo Foundation has partnered with, the GMR Varalakshmi Foundation to run vocational training course of Customer Service Associate at their vocational training centre, 'Centre for

Empowerment and Livelihoods- Delhi'. During the reporting period, training was imparted to 5 batches of total 146 students (102 Boys, 44 Girls). More than 87.60% of the trainees have been placed with jobs at an average salary of ₹ 12,000/- per month.

iv. **'Jaagriti' Project -**

Jaagriti Project is in line with the ongoing state education plan and policy that focus on mainstreaming gender component in the education system to bridge existing gender gap. First phase of project Jaagriti was successfully completed in 100 schools in District Jhajhar & Rohtak Haryana comprising of 10,494 students (equal proportion of girls and boys), their parents, 200 nodal teachers and 1000-school committee members through Implementing Agency MAMTA NGO. Within a short span, there have been encouraging results to prove the normative changes.

v. **Tablab -**

In FY20, Relaxo Foundation with Deeplaya & iDream Education has set up the 2nd Phase of TABLAB project in Kherani Govt. School, Bhiwadi. In 1st phase Relaxo Foundation had established TABLAB project in Govt. Sr. Secondary School at Kehrani and Shadod, Bhiwadi. TABLABs provide complete school curriculum in app form along with life skills content for 1 to 10 class students, to help them bridge their learning gaps.

**B. Health & Hygiene**

i. **Smile on Wheels (SoW), Comprehensive Health Project-**

Relaxo Foundation with Implementing Agency Smile Foundation has initiated a 3-year long comprehensive health project in June 2017 in 14 villages having a population of approximately one Lac in Bhiwadi, Rajasthan with the objective to meet primary healthcare needs of the villagers through curative, preventive and promotive health services at their doorstep. Project is running one Mobile Health Van, equipped with Doctor, pharmacist & Lab Technician to provide curative health services. Along with this, the outreach team is conducting health awareness sessions in schools and community to improve the health-seeking behavior and to lower down the disease incidence rate. The project also

ensures safe motherhood and healthy baby through Antenatal Check-Ups (ANC), follow-ups through Government frontline workers and timely identification & referral services in high risk pregnancy cases. During the reporting period, 14,560 Patients (3758 Male, 5836 Female & 4966 Children) were provided with curative services, 163 ANC and 80 awareness sessions were conducted to sensitize 2957 people on health issues.

ii. **Project 'NAYAN' giving sight to the underprivileged-**

Relaxo launched Project Nayan in partnership with Dr. Shroff's Charity Eye Hospital (SCEH) to work towards reducing the incidence and the backlog of avoidable blindness cases in Tijara block, Alwar Rajasthan. The three-year project, was initiated in January, 2018, to provide curative services to maximum population along with regular eye camps. The project established a self-sustainable Vision Centre managed by the local person, who was identified and trained by Dr. Shroff. Vision Center. It has started functioning and providing ophthalmic services to the patients.

During the year, through 28 Adult camps and 8 Paediatric camps, the project has done Primary screening of 16,698 individuals, secondary screening of 3998 adults and 3245 children. Additionally, 395 cataract surgeries and 66 speciality surgeries have been conducted under the project.

iii. **Employee Engagement -**

Employee Engagement activities have been undertaken jointly by HR department of your Company and Relaxo foundation team with objective to "leverage the skill & resources of employees for social cause and also to make them socially responsible individuals." Toward this, Relaxo foundation organized various initiatives viz. Wish Tree during Diwali for orphan children from 2 NGOs, Blood Donation Camp and International Women's Day. More than 400 employees participated in all these activities to show their commitment towards social cause. This also proves that CSR is not just compliance for business but is deeply embedded in the organizational culture.

## 2. The Composition of CSR Committee

The composition of CSR committee as on March 31, 2020 is as follows-

Name	Designation
Mr. Ramesh Kumar Dua (DIN - 00157872)	Chairman
Mr. Mukund Lal Dua (DIN - 00157898)	Member
Mr. Pankaj Shrimali (DIN-00013142)	Member
Ms. Deepa Verma (DIN-06944281)	Member

- (₹ in Lacs)
3. Average Net Profits of the Company for the last three financial years 23,323.11
  4. Prescribed CSR Expenditure 466.46
  5. Details of CSR Expenditure
    - a) Amount Spent 466.46\*
    - b) Amount Unspent Nil
    - c) Manner in which the amount was spent during the financial year as detailed below-

Details of CSR Activities undertaken by the Company:							
S. No.	CSR Projects/ activity identified	Sector in which the project is covered/ Relevant Section of Schedule VII in which the project is covered	Locations (s)	Amount Outlay (Budget) Project or Activity wise (₹ in lacs)	Amount spent on the projects or programs (₹ in lacs)	Cumulative Expenditure up to the reporting period (₹ in Lacs)	Amount spent: Direct or through implementing agency
1	'Parivartan' Model School Project	Education	Haridwar, Uttrakhand & Hisar, Haryana	104.00	121.00	121.00	Plan International (India Chapter) & Relaxo Foundation
2	Remedial Education Program	Education	Delhi	17.57	17.57	138.57	Navyoti India Foundation
3	Customer Service Associate Vocational Course	Vocational skills	Delhi	7.00	5.25	143.82	GMR Varalakshmi Foundation
4	Smile on Wheels (SoW)	Healthcare	Bhiwadi, Rajasthan	44.48	49.49	193.31	Smile Foundation
5	'NAYAN' Giving Sight to the Underprivileged	Healthcare	Bhiwadi, Rajasthan	33.84	33.84	227.15	Dr. Shroff's Charity Eye Hospital
6	'Jaagruti' Project	Education	Jhajjar & Rohtak, Haryana	100.66	68.17	295.32	Mamta HIMC
7	Project TABLAB	Education	Bhiwadi, Rajasthan	2.92	2.92	298.24	Deepalaya / iDream Education
<b>Sub Total</b>				<b>310.47</b>	<b>298.24</b>		
8	Administrative Expenses			20.00	20.73	318.97	Direct
<b>Total</b>				<b>330.47</b>	<b>318.97</b>		

\* An amount of ₹ 466.46 Lacs has been transferred to Relaxo Foundation to spend in ongoing CSR projects.

6. In compliance with the CSR requirement your Company has spent 2% of the average net profit of last three financial years by contributing directly and transferring the required amount to the implementing agency for multiyear ongoing long term projects.
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**  
Managing Director  
DIN : 00157872

Delhi, June 6, 2020

# Annexure 'G'

## 1. CONSERVATION OF ENERGY

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

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

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

- Replaced existing compressors and added VFD based screw air compressors in some of the plants to reduce power bill.
- Installed IE4 energy efficient & servo motors and VFD on machines/ panels to ensure power saving.
- Started Power Trading for improved planning for consumption of electricity.

(ii) The Company has started following initiatives at its retail outlets for energy conservation which has led to substantial saving of its annual energy and maintenance cost :-

- Reduced energy consumption by using Inverter air conditioner in new retail outlets.
- Upgraded conventional light fittings by energy efficient LED lighting fixtures in existing outlets in routine repair and maintenance.
- In some retail outlets used lightings with motion sensor for energy saving, in unoccupied stock room spaces.
- Prompted retail outlet staff regarding awareness of energy saving.

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

Switched to Gas Fired Boilers across various Relaxo plants, thereby adopting cleaner fuel (Gas) as earlier using biomass based pellet/ briquette as Boiler fuel, causing dust pollution.

### c) The capital investment on energy conservation of energy :

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

## 2. TECHNOLOGY ABSORPTION

### a) Efforts made towards technology absorption

- Switched from existing biomass fired boilers to gas fired boilers across various plants of the Company,
- Centralized facility for testing contract manufacturing/ imported articles.
- PU- blending started in the year and will continue in future. The blending will be developed for the majority of in-house production.
- Low Cost automation to reduce dependency on manpower.

### b) Benefit derived as a result of the above efforts

- Better environmental friendly fuel.
- Better Quality of products.
- Better shop floor environment in plants.
- Positive impact on environment.

### c) Technology imported during last 3 years: None

d) **Expenditure on R & D** - The Company has incurred expenditure of ₹ 5.08 Crore through respective heads of accounts on R & D.

## 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Your Company regularly participate in prestigious international exhibition and has developed markets of Asia, Middle East, Europe, Australia, Africa, South America & Oceania and these markets will increase overall export of Company in coming years. The branch office is operational in Dubai for strategizing export plans and expand its business to newer geographies.

### b) Total Foreign Currency used and earned (₹ in Crore)

Particulars	2019-20	2018-19
Used	377.03	446.60
Earned	91.37	87.18

## Annexure 'H'

### 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 August 5, 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 in July 2015 and June 2019, the number of options available increased to 31,79,940. Disclosures in compliance with Employee Stock Option Plan of the Company, are set below:

- I. The information pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 read with 'Guidance note on accounting for Employee share-based payments' issued by ICAI have been provided in **Annexure 1** to this Report.
- II. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations in accordance with Ind AS 33 - Earnings Per Share issued by ICAI have been provided in **Annexure 1** to this Report.

## Annexure 1: Details related to ESOS

Requirements under the SEBI (Share Based Employee Benefits) Regulations, 2014

### Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under -

#### A. Summary

S. No	Particulars	ESOP Scheme
1	Date of Shareholders Approval	August 5, 2014
2	Total number of options approved under the scheme	31,79,940
3	Date of Grants	August 9, 2014 May 9, 2015 July 25, 2015 October 31, 2015 May 14, 2016 July 30, 2016 November 5, 2016 August 5, 2017 November 4, 2017 May 11, 2018 August 4, 2018 November 3, 2018 May 10, 2019 August 3, 2019 November 2, 2019



### A. Summary (contd.)

S. No	Particulars	ESOP Scheme
4	Options Granted (After adjustment for bonus on June 28, 2019)	16,65,430
5	Vesting Schedule	Minimum one year from the date of Grant
6	Pricing Formula	Closing Market price prior to the date of the meeting of Nomination & Remuneration Committee in which options are granted, on the stock exchange on which the shares of the Company are listed. In case shares are listed on more than one stock exchange then the stock exchange where the highest trading volume is recorded on the said date shall be considered.
7	Maximum Term of Options Granted	8 years from the date of Grant
8	Source of Shares	Primary
9	Variation in terms of Options	No Variations
10	Method used for Accounting of ESOP	Fair Value Method

### B. Option Movement During the year

Option Movement (April 1, 2019 to June 27, 2019)		
S.No.	Particulars	ESOP Scheme
1	Options Outstanding at the Beginning of the year	4,69,430
2	Number of Options Granted during the period	6,100
3	Number of options vested during the period	0
4	Number of options exercised during the period	0
5	Total number of shares arising as a result of exercise of options	0
6	Number of options Cancelled & lapsed during the period	13,700
7	Number of Options outstanding at the end of the period	4,61,830
Option Movement (June 28, 2019 to March 31, 2020)		
S.No.	Particulars	ESOP Scheme
1	Options Outstanding at the Beginning of the period*	9,23,660
2	Number of Options Granted during the period	52,000
3	Number of options vested during the period^	19,540
4	Number of options exercised during the period	1,44,690
5	Total number of shares arising as a result of exercise of options	1,44,690
6	Number of options Cancelled & lapsed during the period	95,420
7	Number of Options outstanding at the end of the year	7,35,550
8	Number of Options exercisable at the end of the year	41,040
9	Money realised by exercise of options during the year(₹)	3,14,74,603
10	Loan repaid by the trust during the year from the exercised price received	0

\*Options outstanding adjusted for Bonus Issue (1:1)

^Options vested but not exercised during the period

### C. Employee-wise details of options granted to:

(i) Senior managerial personnel

Name	No. of options granted
Ashish Srivastava	9,300
R Lakshmanan	7,900

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

Name	No. of options granted
Ashish Srivastava	9,300
Balaji Roy	4,600
Himanshu Kumar	3,400
Kapil Batra	4,300
R Lakshmanan	7,900
Rohit Kohli	4,000
Sandeep Singh	3,300

(iii) Identified employees who were granted option, during the year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: Nil

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

(a)	Exercise price equals market price (₹)	450.92
(b)	Exercise price is greater than market price (₹)	Nil
(c)	Exercise price is less than market price (₹)	Nil

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

(a)	Exercise price equals market price (₹)	143.31
(b)	Exercise price is greater than market price (₹)	Nil
(c)	Exercise price is less than market price (₹)	Nil

#### E. Method and Assumptions used to estimate the fair value of options granted during the year:

a)	The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows:	
	Stock Price (₹)	450.92
	Volatility	29.24%
	Risk free Rate	6.23%
	Exercise Price (₹)	450.92
	Time To Maturity (In Years)	3.83
	Dividend yield	0.19%
b)	The company has incorporated the early exercise of options by calculating expected life on past exercise behavior.	
c)	The volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the options and is based on the daily volatility of the Company's stock price on NSE.	
d)	There are no market conditions attached to the grant and vest.	

# Annexure 'I'

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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

1. We, B R Maheswari & Co LLP, Chartered Accountants, the Statutory Auditors of Relaxo Footwears Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 (the Listing Regulations).

### Management's Responsibility

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

### Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the

ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**Sudhir Maheshwari**  
Partner

Membership No.: 081075  
UDIN: 20081075AAAACL8367  
New Delhi, June 6, 2020

# CORPORATE GOVERNANCE REPORT

Corporate Governance is about our commitment to human values in business which translates into ethical corporate conduct. Corporate Governance is an integral element of Company's value system, management ethos, and business practices. Corporate Governance practice are reflection of one's value, 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 positively impact the activities, processes and policies of an organization, 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 ("Relaxo"), we believe that good Corporate Governance is a continuing exercise and the Company is committed to ensure the same by focusing on strategic and operational excellence and also believe that integrity and transparency are key to our Corporate Governance practices which ensure us to gain and retain the trust of our stakeholders. Some of the salient principles of Corporate Governance at Relaxo 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. GOVERNANCE PHILOSOPHY

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. Relaxo governance framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. 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. Relaxo has implemented corporate governance practices that go beyond just meeting the letter of law. The Company has not only adopted practices mandated in the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 ("hereinafter referred as 'Listing Regulations'), but also incorporated the relevant non-mandatory recommendations.

## 2. BOARD OF DIRECTORS

### Composition of the Board of Directors

In terms of Regulation 17 of the Listing Regulations, the composition of the Board of your Company is well diverse. Every member of the Board is having experience and expertise in their respective fields. The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company.

The Company's policy is to maintain an optimum combination of Executive and Non-Executive/Independent Directors. As on March 31, 2020, the Company has 1 (One) Managing Director, 3 (Three) Whole Time Directors and 4 (Four) Non-Executive Independent Directors including 1 (One) Woman Independent Director. The composition of the Board represents a healthy blend and optimal mix of professionalism, knowledge and experience and expertise in the varied fields which enables the Board to discharge its responsibilities and provide effective leadership for long-term vision and to achieve the highest level of governance. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

### Board Meetings and its Attendance

During the financial year ended March 31, 2020, the Board of Directors of the Company met 6 (Six) times on May 10, 2019, June 28, 2019, August 3, 2019, November 2, 2019, February 1, 2020 and February 27, 2020. The intervening period between the Board Meetings were within the maximum time gap prescribed under the Companies Act, 2013 (the 'Act') and Regulation 17 of the Listing Regulations

Necessary disclosures regarding Directorship and Committee positions in other Companies as on March 31, 2020 have been made by the Directors. As per the disclosures received from them, none of the Directors of the Company is a member of more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees across all Public Limited Companies in which he / she is a Director. None of the Directors serve as an Independent Director in more than 7 (Seven) listed companies.

The composition of the Board during the financial year under review and position held by Directors on the Board / Committees of the Company as on March 31, 2020

along with their attendance at Board meetings and Annual General Meeting ('AGM') of the Company during the financial year under review are given below:

Name of Directors	Category of Directors	No. of board meetings attended (total held during tenure)	Attendance at last AGM (September 26, 2019)	No. of positions held as on March 31, 2020			Name of Listed Entity where the person is a Director (Category)	No. of equity shares held
				No. of other Directorship <sup>1</sup>	Committee <sup>2</sup> (including the Company)			
					Membership	Chairmanship		
Ramesh Kumar Dua	Promoter Managing Director- Executive	6(6)	Yes	1	1	-	-	5,78,17,744
Mukand Lal Dua	Promoter Whole Time Director- Executive	5(6)	Yes	-	1	-	-	5,01,41,920
Nikhil Dua	Promoter Whole Time Director- Executive	5(6)	Yes	-	1	-	-	93,43,674
Deval Ganguly	Whole Time Director- Executive	6(6)	Yes	-	-	-	-	3,000
Vivek Kumar	Independent Director- Non- Executive	6(6)	Yes	-	2	1	-	-
Pankaj Shrimali	Independent Director- Non- Executive	5(6)	Yes	-	1	1	-	16,050
Rajeev Rupendra Bhadauria <sup>3</sup>	Independent Director- Non- Executive	3(3)	-	-	1	-	-	-
Deepa Verma	Independent Director- Non- Executive	6(6)	Yes	-	-	-	-	-

1. For the purpose of considering the limit of the number of directorship and Chairman/member of committees, Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act are excluded which is in line with the requirement of relevant conditions of Regulation 26 of the Listing Regulations. The directorships held by Directors as mentioned above do not include the directorships held in Relaxo Footwears Limited.
2. Committees considered for the purpose are those prescribed under Regulation 26 of the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited companies including Relaxo Footwears Limited.
3. Mr. Rajeev Rupendra Bhadauria (DIN - 00376562) was appointed as an Additional Director of the Company w.e.f. August 23, 2019. His appointment was regularised in the 35th AGM of the Company held on September 26, 2019 by the shareholders as a Non-Executive Independent Director of the company for a period of five (5) consecutive years, w.e.f. August 23, 2019
4. Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua, Directors are related to each other. Mr. Mukand Lal Dua is also related to Mr. Nikhil Dua, Whole Time Director of the Company. None of the Directors other than above have any relationship with any Director of the Company.

The below matrix summarizes the skills, expertise and competencies possessed by our individual directors, which are key to corporate governance and board effectiveness as March 31, 2020:

Name of Directors	Strategy & Planning - Business strategy and Corporate Management	Governance - developing governance practices, serving the best interests of all stakeholders and driving corporate ethics and values	Manufacturing & Operations - Production and Product development, Quality enhancement, Plant Management, environment & safety	Finance, Marketing & Human Resource Development - finance, investment & commercial banking, institution affairs, human resource, marketing & sales
Ramesh Kumar Dua	√	√	√	√
Mukand Lal Dua	√		√	
Nikhil Dua	√		√	
Deval Ganguly	√		√	
Pankaj Shrimali	√	√		√
Vivek Kumar	√	√	√	
Rajeev Rupendra Bhaduria	√			√
Deepa Verma	√			√

### Independent Directors

All Independent Directors of the Company have been appointed as per the provisions of the Act and Listing Regulations. Formal letters of appointment / re-appointment have been issued to the Independent Directors which inter-alia explains the role, function, duties and responsibilities as an Independent Director of the Company. The terms and conditions of their appointment / re-appointment are disclosed on the Company's website in the investor section at <https://www.relaxof footwear.com/terms-conditions.aspx>

At the time of appointment and thereafter at the beginning of each financial year or whenever there is any change in the circumstances which may affect their status, the Independent Directors submit declaration confirming their independence and compliance with various eligibility criteria laid down by the Company among other disclosures and the Company also ensures that its Directors meet the aforesaid eligibility criteria. All such declarations are placed before the Board for its information. All Independent Directors of the Company have registered themselves with the Independent Directors' databank as required under sub-rule (1) and sub-rule (2) of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, it is confirmed that Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and Companies Act, 2013 and are independent of the management.

### Meeting of Independent Directors

The Independent Directors meet separately at least once in a financial year, without the attendance of non-independent Directors and members / representatives of management of the Company. They meet to discuss and form an independent opinion on the agenda items, various other Board-related matters, identify areas where they need clarity or information from management and to annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman appointed for the Board meetings.

During the financial year 2019-20, the Independent Directors met once on June 7, 2019.

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

The Familiarization program imparted to Independent Directors is available on the Company's website at the following web link: [www.relaxof footwear.com/other-disclosure.aspx](http://www.relaxof footwear.com/other-disclosure.aspx).

### 3. COMMITTEES OF THE BOARD OF DIRECTORS

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted several Committees of Board with specific terms of reference. The Committees operate as empowered agents of the Board as per their terms of reference that set forth their purposes, goals and responsibilities.

Committee members are appointed by the Board with the consent of individual Directors. The Board-level Committees constituted in the Company are:

- i. Audit Committee
- ii. Stakeholder Relationship Committee (SRC)
- iii. Nomination and Remuneration Committee (NRC)
- iv. Corporate Social Responsibility (CSR) Committee
- v. Risk Management Committee (RMC)

The Company Secretary acts as the Secretary of all the Committees. Detailed terms of reference, composition, quorum, meetings, attendance and other relevant details of these Committees are as under:

#### **I. AUDIT COMMITTEE**

As required under Section 177 of the Act, and Regulation 18 read with Part C of Schedule II of Listing Regulations and as a measure for good Corporate Governance and to provide assistance to the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company, an Audit Committee has been constituted. The Audit Committee primarily constitutes a formal and transparent arrangement for accurate financial reporting and strong internal controls. All members of the Audit Committee, including the Chairman, are financially literate.

The terms of reference of the Audit Committee includes all the matters prescribed under the applicable provisions of the Act and Listing Regulations which, inter alia, include the following:

- a) 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;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) 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 Act.

- 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.
  - Modified opinion(s) in the draft audit report, if any
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
  - f) 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.
  - g) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
  - h) Approval or any subsequent modification of transactions of the company with related parties.
  - i) Scrutiny of inter-corporate loans and investments.
  - j) Valuation of undertakings or assets of the company, wherever it is necessary.
  - k) Evaluation of internal financial controls and risk management systems.
  - l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - m) 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.

- n) Discussion with internal auditors of any significant findings and follow up there on.
- o) 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.
- p) 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;
- q) 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.
- r) To review the functioning of the Whistle Blower mechanism.
- s) Approval of appointment of Chief Financial Officer (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.
- t) Undertake/ carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as may be assigned by the Board of Directors, from time to time, or as may be stipulated under any law, rule or regulation including Listing Regulations and the Act.

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 and reviews other matters also which are referred to it from time to time by the Board or it considers appropriate for discharge of its various functions.

#### Composition and Attendance

As on March 31, 2020, the Audit Committee comprised of 4 (Four) members namely Mr. Pankaj Shrimali- Chairman of the Committee, Mr. Vivek Kumar, Mr. Nikhil Dua and Mr. Rajeev Rupendra Bhadauria - Members of the Committee.

During the financial year under review, pursuant to provisions of the Section 177 of the Act and Regulation 18 of the Listing Regulations, the Board had re-constituted Audit Committee vide Circular Resolution dated November 1, 2019, by adding another Independent Director i.e. Mr. Rajeev Rupendra Bhadauria, who possess adequate qualification for being appointed as a member of the Audit Committee. During the financial year under review, the Audit Committee met 4 (Four) times i.e. May 10, 2019, August 3, 2019, November 2, 2019, and February 1, 2020. The intervening period between Audit Committee Meetings was within the maximum time gap prescribed under Regulation 18 of Listing Regulations. All the recommendations made by the Audit Committee were accepted by the Board. The composition and attendance of members at the meetings held during the year under review is as follows:

Name of Members	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. Pankaj Shrimali	Chairman	Non-Executive & Independent Director	4	3
Mr. Nikhil Dua	Member	Whole Time Director	4	4
Mr. Rajeev Rupendra Bhadauria (appointed as member w.e.f. November 1, 2019)	Member	Non-Executive & Independent Director	2	2
Mr. Vivek Kumar	Member	Non-Executive & Independent Director	4	4

Members of the Audit Committee have requisite Financial and Management expertise. The Statutory Auditors and concerned employees of Internal Auditors were invitees to the Audit Committee meetings, whenever required. The Chairman of the Committee was present at the last AGM of the Company held on September 26, 2019.



## II. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with Regulation 20 of the Listing Regulations and pursuant to provisions of Section 178 of the Act, the Company has constituted Stakeholders' Relationship Committee.

Further, the role of the Committee shall inter-alia include the following:

- (a) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (b) Review of measures taken for effective exercise of voting rights by shareholders.
- (c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

(e) Any allied matter out of and incidental to these functions

### Composition and Attendance

As on the Financial Year ended March 31, 2020, the Stakeholders' Relationship Committee comprised of 3 (Three) members namely Mr. Vivek Kumar-Chairman of the Committee; Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua Members of the Committee.

During the financial year under review the Stakeholders' Relationship Committee met 5 (Five) times i.e. May 10, 2019, June 7, 2019, July 2, 2019, August 9, 2019 and December 20, 2019. The composition and attendance of members at the meetings held during the financial year under review is as follows:

Name of Members	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. Vivek Kumar	Chairman	Non-Executive & Independent Director	5	5
Mr. Ramesh Kumar Dua	Member	Managing Director	5	5
Mr. Mukand Lal Dua	Member	Whole Time Director	5	5

Status of total complaints received during the financial year ended March 31, 2020:

S. No.	Particulars	No. of Complaints
1	Complaints, suggestions and grievances received during the year	116
2	Complaints resolved within 15 days	115
3	Complaints pending on March 31, 2020	0

The Chairman of the Committee was present at the last AGM held on September 26, 2019. Mr. Vikas Kumar Tak, acts as Company Secretary and Compliance Officer of the Company.

Pursuant to the provisions of the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs (MCA) as amended from time to time, all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more are liable to be

transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.

In compliance with the aforesaid provisions, during the year the Company has transferred a total of 12,675 equity shares to the IEPF Authority.

## III. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ('NRC') functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations. The role of the Nomination and Remuneration Committee is as follows:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.

- (b) Formulation of criteria for effective evaluation of performance of the Board, Independent Directors and other individual directors and review its implementation and compliance thereof.
- (c) Devising a policy on diversity of board of directors.
- (d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- (e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (f) recommend to the board, all remuneration, in whatever form, payable to Directors, KMP, Senior Management, i.e. salary, benefits, bonus, stock options etc. and determining policy on service contracts, notice period, severance fees for Directors, KMP and Senior Management;
- (g) reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria;

As required under SEBI (Share based Employee Benefits) Regulation, 2014, the Board has also designated the existing Nomination and Remuneration Committee for ensuring the compliance and to perform all functions and responsibilities stated under the said Regulations and the Committee is also responsible for administering the Stock Option Plan of the Company and determining eligibility of employees for stock options.

### Composition and Attendance

As on March 31, 2020 the Committee comprised of 3 (Three) members namely Mr. Pankaj Shrimali-Chairman of the Committee, Ms. Deepa Verma and Mr. Vivek Kumar Members of the Committee.

The Chairman of the NRC was present at the last AGM held on September 26, 2019.

During the financial year under review, the Committee met 4 (Four) times i.e. May 10, 2019, August 3, 2019, November 2, 2019, and February 1, 2020. The composition and attendance of members at the meetings held during the financial year under review is as follows:

Name of Members	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. Pankaj Shrimali	Chairman	Non-Executive & Independent Director	4	3
Mr. Vivek Kumar	Member	Non-Executive & Independent Director	4	4
Ms. Deepa Verma	Member	Non-Executive & Independent Director	4	4

### Nomination and Remuneration Policy of the Company

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

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board, in consultation with Nomination and Remuneration Committee, has formulated a Board evaluation framework containing inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors including Independent Directors.

The NRC has specified the manner for effective evaluation of performance of Board, its Committee and individual Director including Independent Directors. The Board has carried out evaluation of

performance of each of them. The NRC reviews its implementation and ensures the compliances thereof.

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

The Committees of the Board were assessed on the basis of degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The Chairman appointed for the Board Meetings was also evaluated by all the Directors on the basis of managing relations, leadership, competence and diligence. Directors were evaluated on aspects

such as attendance and contribution at Board/ Committee Meetings, guidance/ support to the management outside Board/ Committee Meetings, professional qualifications and prior experience.

The Independent Directors' performance evaluation was carried out by the entire Board excluding the Director being evaluated.

The performance evaluation of the Chairman appointed for the Board Meetings and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

#### 4. REMUNERATION DETAILS

The details of remuneration paid to Executive and Non-Executive Directors during the Financial Year 2019-20 are given below:

##### i) Executive Directors

The Managing Director and Whole-Time Directors are paid remuneration as per the terms recommended by the Nomination and Remuneration Committee and Board of Directors of the Company and approved by the members of the Company subject to such other statutory approvals as may be necessary. Details of remuneration paid to the Executive Directors in the Financial Year 2019-20 is as follows:

(₹ in Lacs)

Particular	(Managing Director)	(Whole Time Directors)		
	Mr. Ramesh Kumar Dua	Mr. Mukand Lal Dua	Mr. Nikhil Dua	Mr. Deval Ganguly
Salary	180.00	180.00	79.92	90.07
Commission Payable	1,290.00	1,290.00	-	-
Contribution to Provident Fund	21.60	21.60	4.18	4.71
Perquisite value of Stock Options	-	-	-	-
Allowance/ Perquisites	0.40	0.40	3.30	3.94
Performance Incentive	-	-	22.77	15.61
<b>Total</b>	<b>1,492.00</b>	<b>1,492.00</b>	<b>110.17</b>	<b>114.33</b>

- Mr. Ramesh Kumar Dua, and Mr. Mukand Lal Dua, were re-appointed as Managing Director and Whole-time Director of the Company respectively for a period of five (5) years with effect from April 1, 2019 and are related to each other.
- Mr. Deval Ganguly, Whole Time Director, was re-appointed with effect from November 5, 2018 for a period of three years.
- Mr. Nikhil Dua, Whole-time Director was re-appointed with effect from October 1, 2017 for a period of three (3) years and is related to Mr. Mukand Lal Dua.
- No severance fee is payable to Managing Director and Whole-time Directors.
- Notice period for the Executive Directors is 3 (Three) months.

##### ii) Non Executive Directors: -

The Company has formulated the criteria of making payments to non-executive Directors and the details of remuneration paid by way of sitting fees to the Non-Executive and Independent Directors for attending Board and its Committees Meetings during the financial year ended March 31, 2020 and the number of shares held by the Non-Executive and Independent Directors as on March 31, 2020 are as under:

(₹ in Lacs)

Name of Director	Category	Sitting Fees	Commission	Total	No. of shares held
Mr. Pankaj Shrimali	Non -Executive & Independent Director	4.20	2.50	6.70	16050
Mr. Vivek Kumar	Non -Executive & Independent Director	4.33	2.50	6.83	-
Ms. Deepa Verma	Non -Executive & Independent Director	3.80	2.50	6.30	-
Mr. Rajeev Rupendra Bhadauria (appointed as Director w.e.f. August 23, 2019)	Non -Executive & Independent Director	1.90	-	1.90	-

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

There were no other pecuniary relationships or transactions of the Non-Executive and Independent Directors vis-à-vis the Company except for the Sitting Fee or the payment of Commission to Non-Executive Directors, within the limits approved by the members and Board of Directors of the Company.

#### IV. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has constituted Corporate Social Responsibility (CSR) Committee which functions according to its terms of reference in accordance with Section 135 of the Act which, inter alia, include:

- Formulate and recommend to the Board, a CSR Policy indicating the activity(ies) to be undertaken by the Company as specified in Schedule VII of the Act.
- 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 CSR Committee and is available on the website of the Company at [www.relaxofootwear.com/pdf/Corporate--Social--Responsibility--Policy.pdf](http://www.relaxofootwear.com/pdf/Corporate--Social--Responsibility--Policy.pdf).

The Report on CSR activities for the Financial Year 2019-20 forms a part of the Directors' Report.

#### Composition and Attendance

As on March 31, 2020, the Committee comprised of 4 (Four) members namely Mr. Ramesh Kumar Dua Chairman of the Committee, Mr. Mukand Lal Dua, Mr. Pankaj Shrimali and Ms. Deepa Verma Members of the Committee.

During the financial year under review, the Committee met 2 (Two) times on August 3, 2019 and February 27, 2020. The composition and attendance of members at the meetings held during the financial year under review is as follows:

Name of Members	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. Ramesh Kumar Dua	Chairman	Managing Director	2	2
Mr. Mukand Lal Dua	Member	Whole Time Director	2	2
Mr. Pankaj Shrimali	Member	Non -Executive & Independent Director	2	2
Ms. Deepa Verma	Member	Non -Executive & Independent Director	2	2

#### V. Risk Management Committee

In compliance with the Regulation 21 to the Listing Regulations, the Company has constituted Risk Management Committee.

The role of Risk Management Committee is to focus on risk management including determination of Company's risk appetite, risk tolerance, risk assessments (risk identification, risk evaluation, risk management and mitigation) etc. including cyber security. The risk management policy is available at the website of the Company at <https://www.relaxofootwear.com/pdf/Risk-Management-%20Policy.pdf>.

As on March 31, 2020, the Committee comprised of 5 (Five) members namely Mr. Ramesh Kumar Dua Chairman of the Committee, Mr. Deval Ganguly, Mr. Pankaj Shrimali, Mr. Ritesh Dua and Mr. Sushil Batra Members of the committee.

During the financial year under review, the Committee met 2 (Two) times on November 15, 2019 and February 27, 2020. The attendance of each member at the meeting held during the financial year under review is as follows

Name of Members	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. Ramesh Kumar Dua	Chairman	Managing Director	2	2
Mr. Deval Ganguly	Member	Whole Time Director	2	2
Mr. Pankaj Shrimali	Member	Non-Executive & Independent Director	2	2
Mr. Ritesh Dua	Member	Executive Vice President (Finance)	2	2
Mr. Sushil Batra	Member	Chief Financial Officer	2	2

## 6. VENUE & TIME OF ANNUAL GENERAL MEETINGS

The last 3 (Three) AGMs of the Company were held within the statutory time period and the details of the same are reproduced herein below:

Year	Venue	No. of Special Resolution	Day and Date	Time
2018-19	Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi-110 003	2	Thursday, September 26, 2019	10.30 am
2017-18	-- do --	7	Thursday, September 27, 2018	10.30 a.m.
2016-17	-- do --	5	Thursday, September 21, 2017	10.30 a.m.

## 7. Extra Ordinary General Meeting

During the financial year 2019-20, no Extra Ordinary General Meeting was held.

## 8. POSTAL BALLOT

The Company had sought the approval of the members by way of a Special / Ordinary Resolution through notice of postal ballot dated May 10, 2019 for increase

in authorised share capital and consequent alteration to the Memorandum of Association, alteration in Articles of Association and issue of bonus shares which were duly passed vide resolution dated June 14, 2019 and the results were announced on June 15, 2019. Mr. Baldev Singh Kashtwal (C.P. No. 3169), Practising Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Resolutions	No. of shares held	No. of votes polled	No. of votes in favor	No. of votes against	No. of invalid votes
Increase in authorised share capital and consequent amendment to the Memorandum of Association of the Company	12,40,50,873	11,30,89,591	11,30,89,586	5	-
Alteration of the articles of association of the company	12,40,50,873	11,30,89,591	11,30,88,011	1,580	-
Issue of bonus shares	12,40,50,873	11,35,02,224	11,35,02,224	0	-

### Whether any Special Resolution is proposed to be passed through Postal Ballot

No Special Resolution is proposed to be passed through Postal Ballot.

### Procedure for Postal Ballot

The postal ballot was conducted in accordance with the provisions contained in Section 108, 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The postal ballot notice containing the proposed resolutions and explanatory statement were sent to the shareholders, by permitted mode, at the addresses registered with the Company along with a Postal Ballot Form and a postage prepaid envelope containing the address of the Scrutinizer. For shareholders whose email IDs were registered with the depository (in case of electronic shareholding)/ the Company's Registrar and Share Transfer Agent (in case of physical shareholding), the Postal Ballot Form were sent through electronic mode. The Company also published a notice in the newspapers in accordance with the requirements under the Companies Act, 2013. The

shareholders were provided the facility to vote either by physical ballot or through remote e-voting, with clear instructions on the manner of voting and due dates. Upon completion of scrutiny of the votes casted Scrutinizer submitted his report to the concerned authorized individual, who on the basis of the report, announced the results, within 48 hours of conclusion of the voting period. The results were also displayed on the website of the Company ([www.relaxofootwear.com](http://www.relaxofootwear.com)), besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agents.

In order to view more details on the procedure, you are requested to view the Postal Ballot Forms uploaded on the web-link - <https://www.relaxofootwear.com/postal-ballot.aspx>.

## 9. DISCLOSURES

### a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of your Company at large

During the financial year 2019-20, there was no materially significant related party transaction

entered into by the Company that may have potential conflict with the interests of your Company at large.

All transactions entered into with related parties as defined under the Act and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Act.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronize and synergies with the Company's operations. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 40 of the Financial Statements, forming part of the Annual Report.

The required statements / disclosures, with respect to the related party transactions, are placed before the Audit Committee / Board, on quarterly basis in terms of Regulation 23(3) of the Listing Regulations and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive in nature. The Company does not have any subsidiary. The Board of Directors has formulated a Policy on dealing with related parties, pursuant to the provisions of the Act and the Listing Regulations. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The Policy is posted on the website of the Company at [www.relaxofootwear.com/pdf/Policy-on-materiality-of-Related-Party-Transactions.pdf](http://www.relaxofootwear.com/pdf/Policy-on-materiality-of-Related-Party-Transactions.pdf).

**b) Disclosure of Accounting Treatment**

The Company has followed all relevant Indian Accounting Standards (Ind-AS) while preparing the Financial Statements.

**c) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

There has not been any non-compliance by the Company and no penalties or stricture have been imposed on the Company by Stock Exchange(s) or 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) Vigil Mechanism/ Whistle Blower Policy**

In accordance with the requirement of Section 177 of the Act read with the Rules made thereunder and Regulation 22 of Listing Regulations, the Company has formulated a 'Vigil Mechanism / Whistle Blower Policy' which provides a tool to the Directors and Employees of the Company to report genuine concerns including unethical behavior, actual or suspected fraud or violation of the Code of Conduct or Policy. The Policy also provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism and direct access to the Chairperson of the Audit Committee in exceptional cases. The Audit Committee reviews the functioning of Whistle Blower Mechanism. The Whistle Blower Policy is available at the website of the company at following link [www.relaxofootwear.com/pdf/Vigil---Mechanism---Policy.pdf](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.

**e) Compliance of Regulation 27 of the Listing Regulations**

The Company has complied with the mandatory requirements specified in Regulation 17 to 27 & clause 'b' to 'i' of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations 2015 except for Regulation 17 (1)(a) for non-appointment of non-executive independent Director on the Board during the period from June 26, 2019 till August 22, 2019. The Company has also complied with relevant para of Schedule V of Listing Regulations on Corporate Governance.

**f) Compliance of Mandatory and 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 except for Regulation 17 (1)(a) for non-appointment of non-executive independent Director on the Board during the period from June 26, 2019 till August 22, 2019. In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements Regulation 27(1) read with Part E of Schedule II of the Listing Regulations:

**i. Modified opinion(s) in the audit reports**

The Auditors of the Company have issued Audit

Reports with unmodified opinion on the financial statements for the year ended March 31, 2020.

ii. **Reporting of Internal Auditors**

Internal Auditors directly report to the Audit Committee.

**g) 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 Price 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 of the Company.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company to gain personal benefit or to provide benefit to any third party.

**h) Commodity price risk and Commodity hedging activities**

Your Company does not deal in commodities and hence the disclosure as required under Listing Regulations is not applicable. During Financial Year 2019-20, Company had foreign exchange exposure towards the term & working capital loans, import and export. However, the Company has hedged all its term loans and as a policy, hedges major part of the import and export transactions

**i) Policy for Determining Material Subsidiaries Companies**

The Company does not have any subsidiary, therefore, there is no policy for determining material subsidiaries companies.

**j) Details of utilization of funds raised through preferential allotment or qualified institutional placements as specified under Regulation 32 (7A)**

No allotment of shares was made through preferential allotment or qualified institutional placements.

**k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network**

**firm/network entity of which the statutory auditor is a part.**

The total fee paid to statutory auditor is given in note no. 43 of Financial Statements.

**l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- a. number of complaints pending at the start of the financial year- 1
- b. number of complaints filed during the financial year- 0
- c. number of complaints disposed of during the financial year- 1
- d. number of complaints pending as on end of the financial year- 0

**m) Certificate from Practicing Company Secretary :**

Your Company has obtained a certificate from a company secretary in practice that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority in accordance with Listing Regulations. The copy of the same is enclosed with this report.

- n) All the recommendations of Board Committees have been accepted by the Board of Directors during the year.

**9. RECONCILIATION OF SHARE CAPITAL**

A qualified Practicing Company Secretary carried out quarterly examination of Secretarial Records to reconcile the total admitted share capital with NSDL and 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.

**10. CODE OF CONDUCT**

The Company has framed and adopted a Code of Conduct ("Code") for all the Board members and senior management personnel of the Company. The Code is available on the Company's website i.e. [www.relaxofootwear.com](http://www.relaxofootwear.com). The Code is applicable to all Board members and Senior Management Personnel. The Code is circulated to all the Board Members and Senior Management personnel and its compliance is affirmed by them annually.

A declaration signed by Mr. Ramesh Kumar Dua, Managing Director of the Company, regarding affirmation of the compliance with the code of conduct by Board Members and Senior Management for the financial year ended March 31, 2020, is enclosed with this report.

## 11. MEANS OF COMMUNICATION

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

### Publication of financial results:

The Company's quarterly and half-yearly financial results were published in newspapers, viz. Economic Times (in English Language) and Navbharat Times (in Hindi Language). The Company has availed the option provided by SEBI vide its circular no SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 15, 2020 for not publishing the annual audited results for FY20 in newspapers. However, the results are also filed with the Stock Exchanges and uploaded on the website of the Company. i.e. [www.relaxofootwear.com](http://www.relaxofootwear.com)

**News releases, presentations to Institutional Investors or to the Analysts:** Official news releases, official media releases and presentation to institutional investors and analysts are sent to stock exchanges and uploaded on the Company's website i.e. [www.relaxofootwear.com](http://www.relaxofootwear.com).

### NSE Electronic Application Processing System (NEAPS)/ BSE Corporate Compliance & Listing Centre:

The NEAPS/ BSE Listing Centre is a web-based application designed for corporates. All periodical compliance filings, like shareholding pattern, Corporate Governance Report, financial results, media releases and other material information are also filed electronically on the designated portals.

**Website:** Upto date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on the Company's website [www.relaxofootwear.com](http://www.relaxofootwear.com).

## 12. GENERAL SHAREHOLDERS INFORMATION

### a) Annual General Meeting

Date : September 24, 2020

Day : Thursday

Time : 10.30 a.m.

Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and accordingly there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

### b) Financial Year

The Company follows April to March as its financial year i.e. April 1, 2019 – March 31, 2020. The results for every quarter, beginning from April, will be declared within 45 days of the end of quarter, except for the last quarter, which will be submitted, along with the annual audited results within 60 days of the end of the last quarter or such extended date prescribed by SEBI due to COVID 19 pandemic from time to time.

### c) Book Closure Date:

Friday, September 18, 2020 to Wednesday, September 23, 2020 (both days inclusive).

### d) Dividend Payment Date:

Interim Dividend for the Financial Year 2019-20 was paid in March 2020 and no final dividend has been recommended for the Financial Year 2019-20.

### e) Registered Office:

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

### f) Listing on Stock Exchanges:

Name and address of the Stock Exchange	Scrip Code	Status of listing fee paid for the FY 2020-21
<b>National Stock Exchange of India Limited</b> Exchange Plaza C-1, Block - G, Bandra-Kurla Complex, Bandra (E) Mumbai-400 051	RELAXO	Paid
<b>BSE Limited</b> Phirozee Jeejeebhoy Towers, Dalal Street, Mumbai-400001.	530517	Paid



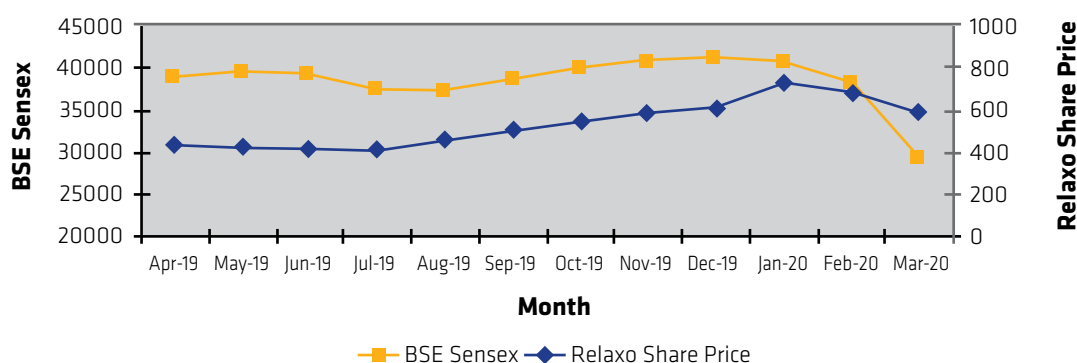
**g) Market Price Data**

Table showing monthly price movement on BSE & NSE during the Financial Year 2019-20

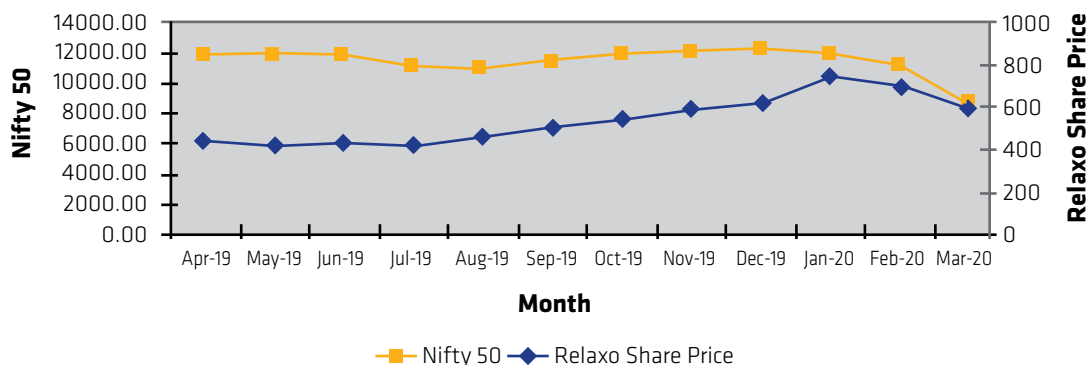
(in ₹)

Month & Year	BSE			NSE		
	High	Low	Close	High	Low	Close
Apr-19	922.05	771.00	878.70	924.00	770.00	880.75
May-19	957.00	765.00	851.45	905.00	762.00	843.65
Jun-19	918.00	393.40	419.65	860.00	417.40	433.65
Jul-19	497.00	395.55	418.35	499.00	395.00	419.30
Aug-19	466.55	410.15	459.70	460.00	411.10	458.85
Sep-19	561.00	454.40	506.95	516.40	452.55	506.35
Oct-19	553.45	480.50	545.95	553.60	480.00	545.95
Nov-19	625.00	515.75	586.30	629.00	532.00	585.75
Dec-19	640.35	575.00	615.50	640.00	575.05	615.75
Jan-20	743.85	614.15	737.50	743.95	614.10	737.15
Feb-20	830.15	683.60	696.05	830.00	690.00	696.50
Mar-20	737.95	493.05	597.20	716.95	500.00	598.95

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



**Based on the monthly closing data of Relaxo Share Price and Nifty 50**



**h) Registrar and Share Transfer Agent (RTA):** Securities and Exchange Board of India (SEBI), has made it mandatory for all the listed companies that all the work relating to share transfer / registry, physical and demat registry work , to be handled either wholly 'in house' by companies or wholly by a SEBI registered external Registrar and Share Transfer Agent. The Company has appointed M/s. Kfin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited.) as the Registrar and Share Transfer Agent of the Company. Detail of the Registrar and Share Transfer Agent of the Company is given below:-

M/s. Kfin Technologies Private Limited (formerly Karvy Fintech Private Limited)

Karvy Selenium Tower B, Plot 31-32, Financial District Gachibowli, Hyderabad, Telangana - 500 032,

Email : einward.ris@kfin.com

website: www.kfintech.com

Phone: 040 - 67162222 & 33211000

**i) Share Transfer System**

In accordance with the proviso to Regulation 40(1)

**j) Distribution Pattern as on March 31, 2020:**

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

S. No.	No. of Equity Shares held	2020				2019			
		No. of Share holders	% of total Share holders	No. of Shares held	% of total Shares	No. of Share holders	% of total Share holders	No. of Shares held	% of total Shares
1	1-5000	69,954	99.10	84,95,472	3.42	17,491	98.59	38,12,687	3.07
2	5001- 10000	319	0.45	23,34,431	0.94	114	0.64	8,40,910	0.68
3	10001- 20000	131	0.19	19,07,627	0.77	39	0.22	5,34,958	0.43
4	20001- 30000	39	0.05	9,71,925	0.39	16	0.09	4,03,982	0.33
5	30001- 40000	22	0.03	7,87,265	0.32	11	0.06	3,83,067	0.31
6	40001- 50000	19	0.03	8,72,213	0.35	4	0.02	1,73,607	0.14
7	50001- 100000	35	0.05	24,72,014	1.00	22	0.13	15,80,634	1.27
8	100001 & Above	72	0.10	23,04,05,489	92.81	45	0.25	11,63,21,028	93.77
	<b>Total</b>	<b>70,591</b>	<b>100.00</b>	<b>24,82,46,436</b>	<b>100.00</b>	<b>17,742</b>	<b>100.00</b>	<b>12,40,50,873</b>	<b>100.00</b>

of the Listing Regulations, effective from April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions. Although transmission of shares in physical form is allowed. The details of transmission are placed before the Stakeholder Relationship Committee from time to time 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 all pending Share Transfer formalities by the Company for the year ended on March 31, 2020 and Certificate for timely dematerialization of shares as per SEBI (Depositories and Participants) Regulations, 1996, have been submitted with stock exchanges.

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

S. No.	Category	2020				2019			
		No. of Share-holders	% of total Share-holders	No. of Shares held	% of total Shares	No. of Share-holders	% of total Share-holders	No. of Shares held	% of total Shares
1	Promoters	12	0.01	17,61,94,906	70.98	12	0.07	88,09,7453	71.02
2	Bodies corporate	612	0.9	2,83,95,902	11.44	479	2.70	1,68,83,548	13.61
3	Resident individuals	67,156	95.13	1,45,79,675	5.87	16,105	90.77	57,10,174	4.60
4	H U F	641	0.90	3,96,951	0.16	283	1.59	2,08,966	0.17
5	Clearing Members	170	0.24	2,97,968	0.12	59	0.33	39,538	0.03
6	Non-resident Indians	1,780	2.52	13,97,633	0.56	661	3.73	8,35,521	0.67
7	Foreign Portfolio Investors	79	0.11	73,29,706	2.95	33	0.19	34,03,877	2.74
8	Others	141	0.19	1,96,53,695	7.92	110	0.62	88,71,796	7.15
	<b>Total</b>	<b>70,591</b>	<b>100.00</b>	<b>24,82,46,436</b>	<b>100</b>	<b>17,742</b>	<b>100.00</b>	<b>12,40,50,873</b>	<b>100.00</b>

The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments

**k) Dematerialization of Shares:**

The Company's shares are compulsorily traded in Dematerialized form and are available for trading with both the Depositories:

- National Securities Depository Limited (NSDL)
- Central Depository Services (India) Limited (CDSL)

The shareholders can hold the Company's shares with any of the depository participants, registered with these depositories. ISIN for the Company's shares is INE131B01039. The Company's equity shares are frequently traded at the BSE Limited and National Stock Exchange of India Limited.

The details of shares of the Company in demat and physical forms, as on March 31, 2020, is given below:

Particulars	No. of Shares	% of Paid up Capital	No. of Shareholders
National Securities Depository Limited (a)	24,27,01,126	97.76	29,789
Central Depository Services (India) Limited (b)	48,32,560	1.95	40,640
Shares in Demat Form (a+b)	24,75,33,686	99.71	70,429
Shares in Physical Form (c)	7,12,750	0.29	162
<b>Total (a+b+c)</b>	<b>24,82,46,436</b>	<b>100.00</b>	<b>70,591</b>

**l) Investors Correspondence:**

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

Vikas Kumar Tak, Company Secretary & Compliance Officer / Nodal Officer,

Relaxo Footwears Limited

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

E-mail: cs@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 116 investors' complaints were received and all complaints were resolved.

**m) Plant Locations**

Location of Plants of the Company is given below :-

- **RFL-I & II** - 326-327, MIE, Bahadurgarh, Haryana
- **RFL-III** - A-1130 & 1130 (A), RIICO Industrial Area, Phase-III, Bhiwadi, Rajasthan

- **RFL-IV** - 30/3/2, Mooja Hasanpur, Tikri Border Bahadurgarh, Haryana
- **RFL-V** - 83-92, SIDCUL Industrial Area, BHEL, Haridwar, Uttarakhand
- **RFL-VI** - 342-343, Footwear Park, Industrial Estate, Sector-17, Bahadurgarh, Haryana
- **RFL-VII** - 328-329, MIE, Bahadurgarh, Haryana
- **RFL-VIII** - 37, Sector 4B, Bahadurgarh, Haryana
- **RFL-IX** - Plot No. SP - 667 Kaharani, Bhiwadi Extn Rajasthan

**n) Corporate Identity Number (CIN):** L74899DL1984PLC019097

**o) Per Share Data:**

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Net Earning (₹ in Crores)	226.25	175.44	161.07	119.95	120.28
Cash Earning (₹ in Crores)	335.67	237.85	215.41	171.41	167.40
EPS-Basic (in ₹)	9.12	7.07*	13.40	9.99	10.02
Dividend (including Interim Dividend per share) (in ₹)	1.25	0.90*	1.50	1.00	0.60
Dividend Pay out (%)	13.71	12.72	11.19	10.01	5.99
Book Value Per Share (in ₹)	51.26	89.08	63.25	50.48	39.99
Face value Per Share (in ₹)	1.00	1.00	1.00	1.00	1.00

\* Post bonus

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

**q) Credit Rating**

During the financial year 2019-20, ICRA has reaffirmed Long term rating of the Company to [ICRA] AA (pronounced as ICRA Double A) with Stable outlook.

During the year, ICRA has reaffirmed short term rating of the Company as [ICRA] A1+ (pronounced as ICRA A one plus), which is the highest rating for the product. ICRA has also reaffirmed [ICRA] A1+ (pronounced as ICRA A one plus), top notch rating to the Company for Commercial Paper of ₹50.00 Crores.

**r) Transfer of unclaimed amount to Investors Education and Protection Fund (IEPF)**

Pursuant to the provisions of Section 124, 125 and other relevant rules of the Act, 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 unclaimed dividend amounts of ₹ 89,068/- from the Final Dividend for the year 2011 - 12 due for transfer to IEPF.

The details of disclosure with respect to unclaimed

demat suspense account is provided in point no 45 of the Directors Report.

**s)** During Financial Year 2019-20, Company had foreign exchange exposure towards the term & working capital loans, import and export. However, the Company has hedged all its term loans and as a policy, hedges major part of the import and export transactions.

**t) 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 the Act extends nomination facility to individuals holding shares in physical form in Companies. Members, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nomination in the prescribed Nomination form.

For and on behalf of the Board of Directors

Delhi  
June 6, 2020

**Ramesh Kumar Dua**  
Managing Director  
DIN: 00157872

**Mukand Lal Dua**  
Whole Time Director  
DIN: 00157898

## CEO/CFO CERTIFICATION

To  
The Board of Directors  
**Relaxo Footwears Limited**

### **SUB: CEO/CFO Certification**

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

1. We have reviewed financial statements and the cash flow statements for the Financial Year ended on March 31, 2020.
2. To the best of our knowledge and information:
  - i) these statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions, entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee.
  - i. Significant changes in internal control over financial reporting during the year, if any;
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
  - iii. Instances of fraud, whether or not significant, of which we have become aware and the involvement thereto, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Delhi, June 6, 2020

**Ramesh Kumar Dua**  
Managing Director

**Sushil Batra**  
Chief Financial Officer

---

## DECLARATION

I hereby confirm that the Company has received from all the members of the Board and Senior Management, for the financial year ended March 31, 2020, a confirmation that they are in compliance with the Company's Code of Conduct.

Delhi, June 6, 2020

**Ramesh Kumar Dua**  
Managing Director  
DIN - 00157872

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of

**Relaxo Footwears Limited**

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Relaxo Footwears Limited having CIN L74899DL1984PLC019097 and having registered office at Aggarwal City Square, Plot No. 10, Manglam Place, District Centre, Sector-3, Rohini, Delhi-110085, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment
1.	Ramesh Kumar Dua	00157872	13/09/1984
2.	Mukand Lal Dua	00157898	13/09/1984
3.	Nikhil Dua	00157919	22/02/1997
4.	Deval Ganguly	00152585	05/11/2012
5.	Vivek Kumar	00206819	30/01/2007
6.	Pankaj Shrimali	00013142	29/05/2010
7.	Deepa Verma	06944281	18/09/2014
8.	Rajeev Rupendra Bhadauria*	00376562	23/08/2019

\*Appointed w.e.f. August 23, 2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**CS Baldev Singh Kashtwal**

Membership No.: 3616

C. P. No.: 3169

ICSI UDIN: F003616B000308448

Delhi, June 1, 2020

## MANAGEMENT DISCUSSION & ANALYSIS

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

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

### Industry structure and developments

India is the second largest footwear manufacturer in the world with 9% of the annual global production of 22 billion pairs. Presently about 90% of the footwear produced in India is consumed by the domestic market and the rest is exported. India's consumption stands at ~2.1 billion pairs and is third largest globally after China and USA. With the focus of Government on manufacturing sector, the future potential of the footwear industry is promising, particularly for established and organized brands.

The on - going changes in lifestyle and purchase habits have influenced the footwear industry as well. A growing Indian fashion and lifestyle market and a rising trend in fitness & well - being have greatly spurred footwear styling and growth, more so among the branded segment.

Rising disposable income is allowing individuals to move up the value chain, demanding products for different use occasions, leading to emergence of new product segments in footwear in aesthetics, performance and price. This in turn is fuelling growth in individual categories, be it slippers, sandals or shoes, driving industry leaders to continually innovate their offerings.

Unlike most global markets, the Indian footwear market is skewed towards men with the segment commanding nearly 60% share vis-à-vis a global average of 40%. However, improved education and employment opportunities and the resultant economic empowerment for women has substantially augmented demand of trendy and stylish footwear among women of all age groups and likely will lead

to disproportionately higher growth in the women's footwear market.

Increased internet access and evolving digital technologies have created a whole new marketing ecosystem. A new class of consumers has sprung up being more aware, ambitious and willing to adopt the change early. The companies too, are quick to spot this emerging segment and have adapted their strategies and earmarked significant investments to tap this market. A perfect interface has been enabled with the emergence of online market places and support infrastructure for logistics and billing. Further, availability of huge data and advanced analytics has enabled companies to access invaluable information about consumer behaviour, useful for product development and strategic marketing planning. Omni channel presence is the new buzz word, and companies are rushing to reap this trend. For consumers, all this translates into a bonanza of greater availability, convenience and price optimisation, helping them in taking informed shopping decisions.

Additionally, this evolution has led to a spurt in demand from tier 2 cities, and below, opening up newer markets for the footwear industry. Several leading global fashion and lifestyle brands have started betting big on small cities of India. Nearly a third of future consumption in footwear is expected to come from the aspirational consumers in these markets.

Budget 2020: Government has hiked import duty on footwear from 25 per cent to 35 per cent and on footwear components from 15 per cent to 20 per cent. This move, combined with recent government announcements on promoting 'Made-in-India' footwear, is expected to provide a boost to domestic manufacturers.

### Opportunities and challenges

The Indian footwear market is under penetrated with per capita consumption of only ~1.7 pairs per annum against a global average of 3 pairs, while the developed countries average around 6-7 pairs. With rising disposable incomes and emergence of fashion conscious and aspirational consumers, the Indian footwear market is well positioned to achieve double digit growth over the next few years.

Footwear, being a labour intensive industry, also presents a unique 'social' opportunity with a potential to generate employment for over 20 lakh people over next few years.





Abundant raw material and cost efficient skilled labour, provide a distinct competitive advantage to Indian footwear manufacturers over their international peers, enabling them to tap the huge domestic market. Given the right market access and incentives, the industry is well poised to even target global markets and transform India into an export hub for footwear.

### **Risks and Concerns**

Economic and political factors, both national and global, that are beyond control, and factors force majeure' may directly affect performance of the Company as well as the footwear industry.

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

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

During the normal course of business the competition is ever increasing from domestic and international brands. The availability and retention of talent, tackling counterfeit goods, product quality management, innovation and new product development, rapidly changing consumer preferences, impact of strategic and marketing initiatives, data security etc. may affect your Company. Relaxo has 8 (Eight) state of art manufacturing units and normal challenges of labour management, technological developments, etc. are, nonetheless, risks faced by your Company.

Your Company monitors its major risks and concerns at regular intervals. Appropriate steps are taken in consultation with all the concerned including the Risk Management Committee and the Audit Committee of the Board to identify and mitigate such risks.

### **The COVID 19 impact**

The COVID-19 pandemic has a profound impact on socio-economic conditions all over the world. No market or industry is spared by its impact - the fashion and footwear industry being no different. While there has been a deep short-term impact in the first three months, the after-effects of the pandemic are expected to last well beyond this period and have an adverse impact on both consumer and trade sentiment as well as purchasing power.

The economic impact of the 2019-20 coronavirus pandemic in India has been largely disruptive. Under complete lockdown, your Company had to suspend operations for last ten days of March and for the month of April 2020 leading to substantial revenue loss. With continuing restrictions on sale of non-essential (footwear) products in May 2020, in several markets, the quarterly performance of the company is expected to take a setback in Q1 FY21.

Various initiatives taken by the Government to counter this unprecedented event are heartening and are expected to have an impact over the medium term. Your company has responded rapidly to the evolving situation and has shown a high degree of readiness in manufacturing, supply chain and distribution. Given the Company's four decades of experience in manufacturing and marketing of footwear, it would be better placed than its peers during this uncertain times.

### **Internal Control System and its adequacy**

A separate paragraph on internal control systems and its adequacy has been provided in the Director's Report.

### **Human Resources/Industrial Relation**

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

As on March 31, 2020, the total number of employees of the Company is 7,852 against 6,254 on March 31, 2019.

### **Financial Performance of the Company**

During the Financial Year 2019-20, your Company achieved turnover of ₹ 2410.48 crores and profit of ₹ 226.25 crores. Detailed report on financial performance of the Company is provided in point no 1, 2 & 3 of the Director's Report.

The Board has paid interim dividend of ₹ 1.25 per equity share (125% of Face Value of ₹ 1 each) in the month of March 2020 for the Financial Year 2019-20. The Board has not recommended any final dividend for the Financial Year 2019-20.

The capital expenditure (excluding merger impact) incurred during the Financial Year 2019-20 amounted to ₹ 94.77 Crore as compared to ₹ 105.68 Crores in Financial Year 2018-19. The capital expenditure was in line with the growth strategy of the Company and was funded through internal accruals.

The Company has repaid long term loans to the tune of ₹ 23.65 Crores during the year and no term loan is outstanding as on March 31, 2020.

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

### Details of Significant changes in Key financial ratios along with explanation

In compliance with the requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations'), the key financial ratios along with explanation for significant changes (i.e. changes of 25% or more as compared to the immediately preceding financial year) has been provided hereunder:

S. No.	Particulars	UOM	2019-20	2018-19
1	Debtors Turnover	Times	12.22	11.58
2	Inventory Turnover	Times	3.49	3.98
3	Interest Coverage Ratio	Ratio	18.29	39.84
4	Current Ratio	Ratio	1.91	1.57
5	Debt Equity Ratio	Ratio	0.02	0.10
6	Operating Margin i.e. EBITDA	%	16.97	14.15
7	Net Profit Margin	%	9.39	7.65
8	Return on Network	%	19.03	18.80

The debt equity ratio has improved substantially as Company has reduced its outstanding loans and working capital utilization during the year. The interest coverage ratio has reduced due to increase in interest component by ₹ 12.62 Crores as per Ind AS 116.

### Outlook

Basis the socio economic climate presented earlier and the strategic measures enumerated above, your Company is well placed to meet the emerging market needs in future.

Footwear industry has been recognised by the Government of India as a focus sector in the 'Make in India' mission. Your Company is well placed with cluster of its manufacturing units to take advantage of such situation.

With footwear evolving from a functional requirement in day-to-day life to a symbol of fashion and style, it is necessary for the players to align their strategies to come up to the expectations of the modern consumer.

Your Company has continuously invested in branding and advertising and has engaged acclaimed Bollywood actors like Salman Khan, Akshay Kumar and Ranveer Singh to endorse its brands, even as they are each a category leader in their space. This has not only helped in making the products more aspirational but has also created significant barrier for competition.

The COVID-19 pandemic represents a significant short-medium term challenge to the company. The visible contraction in consumer demand and complexities faced in manufacturing due to the lockdown and implementation of social distancing norms continue to put a stress on the outlook for FY'21.

The Company is proactively engaged in taking appropriate steps on manufacturing, supply chain, and distribution to tap available opportunities and mitigate existing or future risks in order to improve its market share.

# BUSINESS RESPONSIBILITY REPORT

## About Relaxo

Relaxo Footwears Limited (Relaxo) is largest footwear manufacturing company in India, which deals in non-leather products i.e. rubber / EVA / PU slippers, canvas/ sport / school shoes, sandals, etc. It has a portfolio of brands including major brands like Relaxo, Flite, Sparx and Bahamas. The company sells its products through ~50,000 retailers served through distributors, 390 retail outlets, exports, e-commerce, modern trade etc. It has 8 state of the art manufacturing facilities, five in Bahadurgarh (Haryana), two in Bhiwadi (Rajasthan) and one in Haridwar (Uttarakhand). The company's business process is managed through SAP & SAP HANA.

## About Business Responsibility Report

The Securities and Exchange Board of India (SEBI) has mandated that the top 1,000 listed Companies by market capitalization to include Business Responsibility Report in its Annual Report. The reporting framework is based on the 'National voluntary guidelines on social, environmental and economic responsibilities of business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 principles and core elements for each of those 9 principles.

Since inception, Relaxo has consistently lived by and upheld its quality assurance by rigidly adhering to the statutes of Quality Par Excellence and absolute customer satisfaction. We are committed to our objectives of providing a platform for better governance and conducting the business practices in transparent and ethical manner. Relaxo has been ranked 136 by National Stock Exchange of India Limited, on the basis of the market capitalization as on March 31, 2020.

The Directors present the Business Responsibility Report (BRR) of the Company for the financial year ended on March 31, 2020, which conforms to the BRR requirement of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, Government of India.

The Business Responsibility Report for FY20 describing the initiatives undertaken by your Company in the prescribed format is given below:

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L74899DL1984PLC019097
2	Name of the Company	Relaxo Footwears Limited
3	Registered address	Aggarwal City Square, Plot No. 10, Manglam Place, District Centre, Sector-3, Rohini, Delhi-110085
4	Website	<a href="http://www.relaxofootwear.com">www.relaxofootwear.com</a>
5	E-mail id	<a href="mailto:rfl@relaxofootwear.com">rfl@relaxofootwear.com</a>
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Footwear (15202)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Relaxo is a non-leather footwear company and operates in 3 major categories i.e. Relaxo & Bahamas (rubber slippers), Flite (EVA & PU Slippers) and Sparx (sports & canvas shoes, sandals & sporty slippers).
9	Total number of locations where business activity is undertaken by the Company :	
a)	Number of International Locations	Branch office (Dubai) -1
b)	Number of National Locations	Manufacturing Plants – 8 Registered & Corporate office – 1 Retails Outlets - 390
10	Markets served by the Company – Local/State/National/International	Relaxo has Pan India Market along with presence in Gulf, South East Asia Market and Africa.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ in Crore)

1	Paid up Capital	24.82
2	Total Turnover	2,392.93
3	Total profit after taxes	226.25
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.06%
5	List of activities in which expenditure in 4 above has been incurred:	Health, Education and Skill Development

## SECTION C: OTHER DETAILS

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

## SECTION D: BR INFORMATION

(b) Details of the BR head

1. Details of Director/Directors responsible for BR

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

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

S. No.	Particulars	Details
1	DIN	00157872
2	Name	Mr. Ramesh Kumar Dua
3	Designation	Managing Director
4	Telephone number	011-46800600
5	e-mail id	rfl@relaxof footwear.com

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

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

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national / international standards?	Note 1	Note 1	Note 1	Note 1	Note 1	ISO 14001	NA	Note 1	Note 1
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Note 2	Note 2	Note 2	Note 2	Note 2	Note 2	NA	Note 2	Note 2
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Indicate the link for the policy to be viewed online?	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3	NA	Note 3	Note 3
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Note 4	Note 4	Note 4	Note 4	Note 4	Note 4	NA	Note 4	Note 4

Note :-

- The policies generally comply with the basic laws of the nation, general business standards, fair trade practices and good corporate governance.
- Policies have been signed by MD.
- The policies which are mandatorily required to be uploaded on the website are available at the website of the Company i.e. <http://www.relaxofootwear.com/investor-relations.aspx>. Some of the policies which pertain to the employees of the Company are available on intranet.
- Internal Audit team evaluates the policies on regular basis.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

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

### 3. Governance related to BR

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

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Ethics, Transparency and Accountability

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

##### Code of Conduct

Your Company is committed to the adherence to the highest standards of transparency, business conduct ethics, corporate culture, values, legal principles and believe to run business in fair and transparent manner. Based on these principles, the Company has laid down the Code of Conduct for Directors, Senior Management, employees and all its associates, that includes dealing

with gifts, bribery, sexual harassment etc. Code of Conduct is signed by all the Executives at the time of joining the Company. An annual affirmation on compliance and adherence to the Code of Conduct and Business Ethics is obtained from the Directors and Senior Managerial Personnel.

##### Whistle Blower

In order to ensure the effective implementation of the Code of Conduct, your Company has strong Vigil Mechanism / Whistle Blower policy, applicable to all the employees and Directors that ensures fearless reporting and fair treatment of the incidence. This policy is applicable to Directors, employees, vendors and other business partners of the Company. The policy is updated

from time to time to take care of change in regulation and to make it more inclusive and effective.

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

All the 116 complaints received from shareholders were resolved during the year. No complaint was received under code of conduct however two complaints were received under whistle blower policy, 1 was resolved during the year and 1 complaint is pending as on March 31, 2020.

**Principle 2: Product Life Cycle Sustainability**

The ethos of Relaxo is to provide qualitative but value for money (VFM) products to its customers. Relaxo provides innovative, value-added footwear to all classes of society including all gender and age groups across regions, which are user-friendly as well as environment-friendly.

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

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

As a leading footwear manufacturer, we at Relaxo has a legacy of providing consumers with high quality products at affordable prices to our customers. The Company has been manufacturing and selling synthetic EVA (Ethylene Vinyl Acetate) products instead of using Natural Rubber thereby contributing towards natural resource conservation. Your Company, has also Switched to Gas Fired Boilers across its plants, from existing Biomass fired Boilers, being responsible environment Company.

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

and saleability and adopting standard manufacturing practices.

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

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

Relaxo believes in “save energy, save nation” principle. The Company is committed to conservation and optimal utilisation of all resources, zero waste to landfill and recycling by-products. Towards this, your Company has taken following steps to reduce the consumption of energy, water & raw material:

- Regular training for employees to manage the resources in an efficient manner.
- The solar power unit with a capacity of 75KW in our manufacturing site at Bahadurgarh, Haryana adds to efforts of conservation of energy and using of natural resources.
- By-product recycling of EVA, PVC led to material wastage reduction and gain in yield.
- Water conservation initiatives included recycling of waste water. Rainwater harvesting facility is operational at our manufacturing facility
- Safe and environmental-friendly disposal mechanism of waste.
- The Company has installed modern and efficient machinery across its manufacturing units and has been able to save the usage of thermal & electrical energy.

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

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

Yes, for maintaining sustainability of supply line, Relaxo prefers indigenous sourcing wherein locally available raw materials are generally used by the Company. To support the sustainability and environmental purpose Relaxo also uses some packing materials made of waste products. About 40 % of our overall raw material procured is based on sustainable sourced materials. Most of our suppliers are located very close to our manufacturing plants, thus putting minimum strain on environment due to transportation.



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

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

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

Wherever possible, Relaxo prefers to procure materials from local and small producers. Relaxo treats its local, small vendors as business partners by closely interacting with them for quality improvement, waste reduction and in taking cost savings initiatives. Our Company provides technical support, testing facilities and training to employees of such local and small producers in achieving the common objectives of mutually beneficial business association.

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

Yes, your Company constantly endeavor to minimize waste generation, reduction at the source and ensure responsible waste disposal. Our sites are committed to 'Zero Waste to Landfill' and full recovery of unavoidable by-products. Relaxo has in-house facility to recycle by-product generated during the process.

Waste generated after sheet cutting is sent to special recycling equipment like crackers & refiners to make it amenable for mixing along-with virgin materials. Waste generated as runners & C quality production is grounded and mixed with the virgin compound. Non-hazardous waste such as packaging material and scrap are recycled and reused. Company has mechanism to recycle waste & products >10% in Eva & rubber processing units.

**Principle 3: Employee wellbeing**

**1. Please indicate the Total number of employees.**

Number of Permanent employees as on March 31, 2020 is 7852

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

Number of Temporary / Contractual / Casual employees as on March 31, 2020 is 13,515.

**3. Please indicate the Number of permanent women employees.**

Number of Permanent women employees as on March 31, 2020 is 331.

**4. Please indicate the Number of permanent employees with disabilities**

Number of Permanent employees with disabilities as on March 31, 2020 is 7.

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

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

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

Not Applicable

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

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

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

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

Relaxo's full-time employees receive benefits such as periodic preventive health check-ups, accidental insurance, annual leave along with leave encashment, maternity leave for women employees etc.

**Principle 4: Stakeholder Engagement**

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

Yes, your Company defines stakeholders 'as persons or groups who are directly or indirectly affected by the business, as well as those who may have interest in the

business and/or the ability to influence its outcome, either positively or negatively'. Taking this definition, your Company has mapped both internal and external stakeholders and is committed towards understanding & addressing their concerns strategically.

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

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

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Relaxo's CSR team is working with the marginalized neighboring communities through projects under education, gender sensitization, skill development and health. For education, Relaxo is working on the model of 'school-led-individual- & community development, and under health, the focus is on improving the accessibility, availability and affordability of primary health care facilities and providing curative, preventive and promotive health care services.

Apart from CSR, your Company has initiated various initiatives at plants for workers e.g. financial aid to Meritous student (children of workmen), sanitary napkins to the female workmen and educate them on basic hygiene and health, organized medical camps for the workmen and subsidized canteen food for workmen.

**Principle 5: Human Rights**

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

At Relaxo, matters related to human rights are covered under the Code of Conduct Policy, the Vigil Mechanism Policy, Sexual Harassment Policy and Grievance Handling Policy. Most of these Policies are applicable not only to employees of the Company but to all stakeholders including contract labour, business associates (suppliers, vendors and dealers) as well. Your Company does not employ any person below the age of eighteen as per our recruitment policy. Relaxo prohibits the use of forced labour at all our plants and dispirit the same with our business associates. The Code of Conduct Policy and the Vigil Mechanism Policy discourages violation of human

rights and provide a fair and a transparent mechanism for reporting any such violation.

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

No complaint was received pertaining to human rights violation during FY20.

**Principle 6: Environment**

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

Quality, Environment & Safety Policy pertains to Principle 6 extend only to the Company.

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

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

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

Yes, this exercise is being carried out across all manufacturing units and is reviewed annually for changes, if any. Relaxo's manufacturing facilities have been certified for ISO 14001:2015 which is called Environmental Management System by British Standards Institute, a globally recognized certification body. Your Company has installed environmental friendly gas fired boilers in various plants which is environment friendly as compared to conventional boilers and improves environmental conditions.

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

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

**5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Your Company is committed to promote a sustainable environment and drive progress through better engineered



and energy efficient processes. Across all manufacturing units, our focus remains on the deployment of ecosystem and environmental conservation are ingrained in the way we conduct our business.

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

Yes, emission / waste generated by the Company are well within the permissible limits prescribed by CPCB / SPCB. These emission and waste generated are being regularly monitored and reported to SPCB during the filing of Annual Environment Statement (Form V) by September every year.

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

We have not received any show cause notice from either CPCB or SPCB in FY20.

**Principle 7: Policy Advocacy**

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

- a) CII (Confederation of Indian Industry)
- b) PHD Chamber of Commerce
- c) CIFI (Confederation of Indian Footwear Industries)
- d) CFLA (Council for Footwear Leather and Accessories)
- e) SATRA (International)
- f) All India Rubber Association
- g) Bahadurgarh Footwear Development Services Pvt. Ltd.
- h) FORM (Foundation of Rubber & Polymer Manufacturer)
- i) CLE (Delhi)
- j) Delhi Chamber of Commerce
- k) Bahadurgarh Chamber of Commerce & Industries
- l) All India Federation of Plastic Industries- (Delhi)
- m) Indian Rubber Institute - (Delhi)
- n) FIEO - (Delhi)
- o) Footwear Park Association- HSIIDC - (Bahadurgarh)

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

We actively participate in these forums on issues and policy matters that impact the interest of our

stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue.

**Principle 8: Inclusive Growth**

Your Company strives to bring positive impact on the lives of vulnerable poor population associated or impacted by the business. Company believes that the benefit of growth must reach across all parts of society, and no one shall have left behind due to lack of opportunities or ignorance.

Thus, CSR is not the only tool for your Company to support inclusive growth and equitable development. However, even before the amendment in the Companies Act 2013, promoters of your Company were involved in various philanthropic activities through two registered Societies funded by promoters for the welfare of down-trodden, such as a) Financial support to needy patients b) running Skill Development center and c) support to grass-root level NGOs.

However, through CSR, your Company is fulfilling its commitment towards people at the bottom of the pyramid in a more strategic and professional manner.

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

The Directors' Report- **Annexure F** shares details of our social inclusion initiatives. Your Company has CSR Policy in place to ensure the inclusive growth and equitable development of down trodden people affected or associated by business in any manner. In order to convert intent into action.

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

Your Company has constituted Relaxo Foundation (Special Purpose Vehicle), a Society registered under Societies Registration Act, 1860 which takes up all the CSR activities. Relaxo Foundation engages credible NGOs that have an established track record of carrying out CSR activities for designing and on-ground implementation of the CSR projects.

Few of the NGO partners are –

- Navjyoti India Foundation for Remedial Education program.
- Plan International (India Chapter) for 'Parivartan' Model School project.
- Dr. Shroff's Charity Eye Hospital for project 'Nayan' Giving Sight to Under Privileged.
- Smile Foundation for Comprehensive Health Project 'Smile on Wheel'.

- MAMTA Health Institute for Mother & Child for 'Jaagriti' project.
- GMR Varalakshmi Foundation for vocational training of 'Customer Service Associate'.

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

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

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

During the financial year ended March 31, 2020, Relaxo has incurred total CSR expenditure of Rs 318.97 Lacs towards various CSR projects. However the Company has already transferred the prescribed CSR obligation amount for the FY-20 i.e. Rs 466.46 Lacs to Relaxo Foundation for carrying its CSR activities through multiyear ongoing long term projects. The details thereof have been provided in the **Annexure – F** to this Annual Report.

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

Considering community as the most important stakeholder for CSR objective, the Company's CSR projects at several locations are developed in consultation and participation with various stakeholders including the local communities. Relaxo Foundation ensures their active involvement at all the stages from need assessment to impact assessment. Along with this,

towards ensuring the sustainability of the project, we identify & involve key stakeholders in all the projects so that they can be capacitated during the project duration and can take ownership of the project later. For instance, in our school based intervention along with teachers, we consider School Management Committee & parents as important stakeholders.

### Principle 9: Customer/ Consumer value

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

Nil consumer complaints are pending as on March 31, 2020

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

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

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

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

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

At the new product development division, the company conducts various consumer survey, market sensing and monitors evolving consumer needs to develop relevant products. Relaxo also seeks consumer and trade feedback before and after launch of its products. The Company also conducts brand track study for its brands.

# Independent Auditors' Report

## TO THE MEMBERS OF RELAXO FOOTWEARS LIMITED

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Relaxo Footwears Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 31<sup>st</sup> March, 2020 and its profit, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards

on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Description of Key Audit Matters:

Key audit matters	How our audit addressed the key audit matter
<p><b>Estimates of rebates, discounts and incentives</b> <b>(Refer Note no.21,30(b),30(n) and 48 to the Financial statements:</b></p> <p>The Company sells its products through various channels like modern trade, distributors, retailers, institutions etc., and recognise liabilities related to rebates, discounts and incentives.</p> <p>As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration the rebates, discounts and incentives as per the terms of the contracts.</p> <p>With regard to the determination of revenue, the management is required to make significant estimates in respect of following:</p> <ul style="list-style-type: none"> <li>the rebates/ discounts /incentives linked to sales, which will be given to the customers pursuant to schemes offered by the Company; and</li> <li>compensation (discounts) offered by the customers to the ultimate consumers at the behest of the Company.</li> </ul> <p>The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Obtained an understanding from the management with regard to controls relating to recording of rebates, discounts, incentives and period end provisions relating to estimation of revenue, and tested the operating effectiveness of such controls;</li> <li>Tested the inputs used in the estimation of revenue in context of rebates, discounts and incentives to source data;</li> <li>Assessed the underlying assumptions used for determination of rebates, discounts and incentives;</li> <li>Ensured the completeness of liabilities recognised by evaluating the parameters for sample schemes;</li> <li>Performed look-back analysis for past trends by comparing recent actuals with the estimates of earlier periods and assessed subsequent events;</li> <li>Tested credit notes issued to customers and payments made to them during the year and subsequent to the yearend along with the terms of the related schemes.</li> </ul> <p>Based on the above procedures, we did not identify any significant deviation to the assessment made by management in respect estimation of rebates, discounts and incentives.</p>

Key audit matters	How our audit addressed the key audit matter
<p><b>Litigation, Claims and Contingent Liabilities:</b></p> <p>The Company is exposed to a variety of different laws, regulations and interpretations thereof which encompasses taxation and legal matters. In the normal course of business, estimation of claims of input tax credit and refunds, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations as well as investigations by authorities and commercial claims.</p> <p>Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses.</p> <p>Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgment necessary to determine required disclosures, this is a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims of input tax credit and refunds, provisions and contingent liabilities.</li> <li>• We held discussions with the person responsible for legal and compliance to obtain an understanding of the factors considered in classification of the matter as 'probable', 'possible' and 'remote';</li> <li>• We read the correspondence from Court authorities and considered legal opinion obtained by the Company from external law firms to challenge the basis used for provisions recognised or the disclosures made in the financial statements.</li> <li>• For those matters where Company concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities.</li> </ul>

### Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### 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, cash flows and changes in equity of the Company in accordance with the

accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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 section 143 (11) of the Act, we give in the **Annexure 'A'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, the Cash Flow Statement and Statement of Changes

in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Indian 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 31<sup>st</sup> March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 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'**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;

ii. The Company did not have any long-term contracts including any derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **B R Maheswari & Co LLP**  
Chartered Accountants

Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**

Partner

Membership No.081075

UDIN: 20081075AAAACM2883

New Delhi, June 6, 2020

## Annexure 'A' to the Independent Auditors' Report

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

1) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the following which are not held in the name of the Company:

Particulars	Freehold Land	Buildings Factory	Buildings Others
Gross Block as at March 31, 2020 (₹ in Crore)	129.21	18.61	4.43
Net Block as at March 31, 2020 (₹ in Crore)	129.21	16.96	4.22

2) In respect of its inventories:

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

3) According to the information and explanations given to us, the Company has not granted any loans secured

or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

- 4) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties cover under section 185 of the Act. In respect of investments made by the Company, the provisions of section 186 of the Act have been complied with.
- 5) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.
- 6) In our opinion and according to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Therefore, reporting under clause 3(vi) of the order is not applicable to the Company.
- 7) (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, GST, Custom Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, the following disputed statutory dues aggregating to ₹5.82 Crore, that have not been deposited on account of matters pending before appropriate authorities, are as under:

(₹ in Crore)

S. No.	Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending
1.	Haryana General Sales Tax Act, 1973	Purchase Tax	0.20 0.15	2001-02 2002-03	Jt. Commissioner Jt. Commissioner
2.	Delhi Value Added Tax Act, 2005	Input Tax	0.04 0.22	2005-06 2013-14	Appellate Tribunal, Delhi
3.	Rajasthan Tax on Entry of Goods into Local Area Act, 1999	Entry Tax	0.80	2007-08 to 2014-15  2011-12 to 16-17	CTO, Sales Tax Bhiwadi, Rajasthan Departmental Appeal before Tribunal (Ajmer)
4.	Income Tax Act, 1961	Income Tax(*)	4.37 (*)	Assessment Years 2006-07, 2008-09 to 2013-14, 2016-17 to 2019-20	Assessing Officer
		TDS	0.04	2008-09 to 2011-12, 2013-14 to 2015-16, 2017-18 to 2019-20	Commissioner (A), ITAT, Assessing Officer
	<b>Total</b>		<b>5.82</b>		

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

- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to banks. The Company did not have any outstanding loans and borrowings from government and debenture holders during the year.
- 9) The company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- 10) In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act
- where applicable and the details have been disclosed in the financial statements, as required by the applicable Indian accounting standards.
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.
- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him, therefore reporting under clause 3(xv) of the Order are not applicable.
- 16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B R Maheswari & Co LLP**  
Chartered Accountants

Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**  
Partner

Membership No.081075

UDIN:20081075AAAACM2883

New Delhi, June 6, 2020



## Annexure 'B' to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of Relaxo Footwears Limited ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 31<sup>st</sup> March, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B R Maheswari & Co LLP**

**Chartered Accountants**

Firm's Registration No. 001035N/N500050

**Sudhir Maheswari**

Partner

Membership No.081075

UDIN:20081075AAAAcM2883

New Delhi, June 6, 2020



## Balance Sheet as at March 31, 2020

(₹ in Crore)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	1	750.09	800.45
Capital Work-in-Progress	1	43.81	10.17
Right-of-Use Asset	2	189.94	-
Intangible Assets	3	40.98	47.69
Intangible Assets under Development	3	1.79	1.23
Financial Assets			
Investments	4	0.20	0.20
Loans	5	18.49	17.09
Other Financial Assets	6	0.35	0.12
Other Non-Current Assets	7	4.23	7.50
		<b>1049.88</b>	<b>884.45</b>
<b>Current Assets</b>			
Inventories	8	447.74	382.43
Financial Assets			
Trade Receivables	9	172.08	222.57
Cash and Cash Equivalents	10	2.55	1.88
Bank Balances other than Cash and Cash Equivalents	11	1.54	0.34
Loans	5	0.28	0.39
Other Financial Assets	6	28.03	43.07
Current Tax Assets (Net)	12	6.16	-
Other Current Assets	7	132.82	76.30
		<b>791.20</b>	<b>726.98</b>
<b>Total Assets</b>		<b>1841.08</b>	<b>1611.43</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	24.82	12.40
Other Equity	14	1247.58	1092.67
		<b>1272.40</b>	<b>1105.07</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Lease Liabilities		119.78	-
Other Financial Liabilities	16	0.01	0.01
Provisions	17	10.84	9.00
Deferred Tax Liabilities (Net)	18	24.75	34.44
		<b>155.38</b>	<b>43.45</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	19.16	86.92
Lease Liabilities		27.61	-
Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer note no. 44)		27.50	13.68
Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		156.29	158.14
Other Financial Liabilities	16	73.50	114.27
Other Current Liabilities	19	58.59	58.18
Provisions	17	50.65	29.67
Current Tax Liabilities (Net)	20	-	2.05
		<b>413.30</b>	<b>462.91</b>
<b>Total Equity and Liabilities</b>		<b>1841.08</b>	<b>1611.43</b>

The accompanying notes and significant accounting policies are an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

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

**Ramesh Kumar Dua**  
Managing Director  
DIN :00157872

**Mukand Lal Dua**  
Whole Time Director  
DIN :00157898

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

**Sushil Batra**  
Chief Financial Officer

**Vikas Kumar Tak**  
Company Secretary

Delhi, June 6, 2020

## Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Crore)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
<b>INCOME</b>			
Revenue from Operations	21	2410.48	2292.08
Other Income	22	9.05	12.98
		<b>2419.53</b>	<b>2305.06</b>
<b>EXPENSES</b>			
Cost of Materials Consumed, including Packing Material		930.78	912.60
Purchases of Stock-in-Trade		162.08	217.53
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	23	(53.54)	(57.81)
Employee Benefits Expense	24	293.99	258.66
Finance Costs	25	16.87	6.90
Depreciation and Amortisation Expense	26	109.42	62.41
Other Expenses	27	668.22	636.79
		<b>2127.82</b>	<b>2037.08</b>
<b>Profit Before Tax</b>		<b>291.71</b>	<b>267.98</b>
<b>Tax Expense</b>	28		
Current Tax		74.92	85.64
Deferred Tax		(9.46)	6.90
Tax for Earlier years (Net)		0.00	0.00
		<b>65.46</b>	<b>92.54</b>
<b>Profit for the year</b>		<b>226.25</b>	<b>175.44</b>
<b>Other Comprehensive Income / (Expenses) not to be reclassified to Profit or Loss in subsequent year</b>			
Remeasurement Gains / (Losses) on Defined Benefit Plan	33(b)	(0.92)	0.09
Income Tax effect on above		0.23	(0.03)
		<b>(0.69)</b>	<b>0.06</b>
<b>Total Comprehensive Income for the year</b> (Comprising Profit and Other Comprehensive Income / (Expenses) for the year)		<b>225.56</b>	<b>175.50</b>
<b>Earnings Per Equity Share of ₹1/- each (In ₹)</b>			
Basic	35	9.12	7.07
Diluted		9.10	7.06

The accompanying notes and significant accounting policies are an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

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

**Ramesh Kumar Dua**  
Managing Director  
DIN :00157872

**Mukand Lal Dua**  
Whole Time Director  
DIN :00157898

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

**Sushil Batra**  
Chief Financial Officer

**Vikas Kumar Tak**  
Company Secretary

Delhi, June 6, 2020

## Statement of Cash Flows for the year ended March 31, 2020

(₹ in Crore)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from Operating Activities</b>			
Profit Before Tax		291.71	267.98
<b>Adjustments for</b>			
Depreciation and Amortisation Expense	26	109.42	62.41
Finance Costs including Interest on Lease Liabilities	25	16.87	6.90
Interest Income on Fixed Deposits and Security Deposits	22	(0.43)	(0.65)
Dividend Income on Current Investments	22	-	(1.15)
Net Gain on Sale of Current Investments	22	(1.07)	(1.06)
Net Unrealised (Gain) on Foreign Currency Transactions and Translations		(0.75)	(1.81)
Share Based Payments	24	2.94	4.68
Fair Valuation (Gain) / loss on Derivative Instruments	22,27	(2.76)	2.49
Write Down of Inventories to net realisable value related to Raw Materials, Work-in-Progress and Finished Goods		2.90	-
Bad debts Written off	27	0.04	0.02
Allowances for Doubtful Trade Receivables (Expected Credit Loss Allowance)	27	1.90	0.55
Net loss on Disposal / Write off of PPE and Intangible Assets	27	1.10	1.22
<b>Operating Profit Before Working Capital Changes</b>		<b>421.87</b>	<b>341.58</b>
<b>Changes in Working Capital</b>			
<b>Adjustments for (Increase) / Decrease in Operating Assets</b>			
Loans to Employees	5	0.08	0.02
Security Deposits		(1.37)	(0.87)
Other Non-Current Assets		(1.17)	0.85
Trade Receivables		51.38	(31.27)
Other Financial Assets		18.43	(20.11)
Other Current Assets		(56.76)	(29.52)
Inventories		(68.21)	(82.71)
<b>Adjustments for Increase / (Decrease) in Operating Liabilities</b>			
Trade Payables		8.46	13.63
Other Financial Liabilities		7.01	6.26
Provisions		21.90	9.75
Other Current Liabilities		0.41	2.12
<b>Net Cash Flow (Used in) Working Capital</b>		<b>(19.84)</b>	<b>(131.85)</b>
<b>Cash Generated from Operations</b>		<b>402.03</b>	<b>209.73</b>
Taxes Paid (After adjusting Refund) *		(83.13)	(86.26)
<b>Net Cash Generated from Operating Activities</b>		<b>318.90</b>	<b>123.47</b>
<b>Cash Flow from Investing Activities</b>			
Payment for Purchase of PPE including Capital Work-in-Progress and Intangible Assets		(116.10)	(92.41)
Proceeds from Sale of PPE and Intangible Assets		0.24	1.01
(Purchase) / Redemption of Current Investments (Net)		1.07	32.05
Interest Income Received		0.41	0.69
Dividend Income Received	22	-	1.15
(Purchase) / Maturity of Bank Deposits held as Margin Money (Net)	6,11	(1.29)	0.60
<b>Net Cash Flow (Used in) Investing Activities</b>		<b>(115.67)</b>	<b>(56.91)</b>

## Statement of Cash Flows for the year ended March 31, 2020 (contd.)

(₹ in Crore)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash Flow from Financing Activities</b>			
Proceeds from Issuance of Equity Shares under Employee Stock Option Plan	13	0.02	0.01
Securities Premium received on exercise of Equity Shares issued under Employee Stock Option Plan	14	3.13	3.16
Proceeds from / (Repayment) of Current Borrowings (Net)	15	(67.76)	0.83
Repayment of Non-Current Borrowings		(23.65)	(42.41)
Repayment of Principal Lease Liabilities		(32.61)	-
Dividend Paid (Including Dividend Distribution Tax)	14	(64.32)	(21.76)
Finance Costs including Interest on Lease Liabilities		(17.37)	(8.07)
<b>Net Cash Flow (Used in) Financing Activities</b>		<b>(202.56)</b>	<b>(68.24)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>			
Cash and Cash Equivalents at beginning of the year		1.88	3.12
Changes in Cash and Cash Equivalents under Scheme of Amalgamation		-	0.43
Exchange Fluctuation Gain on Foreign Currency Bank Balances		0.00	0.01
Cash and Cash Equivalents at end of the year	10	<b>2.55</b>	<b>1.88</b>
<b>Components of Cash and Cash Equivalents (At end of the year)</b>			
Balances with Banks on Current Accounts	10	2.21	0.73
Cash on Hand		0.34	1.15
		<b>2.55</b>	<b>1.88</b>

The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows.

\* Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

0.00 represents amount less than ₹ 50,000/-

Changes in liabilities arising from financing activities, including changes arising from cash flows and non cash changes as per IND AS 7 - statement of cash flows are shown below

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance of Borrowings at beginning of the year	112.00	153.36
Net Addition in Lease Liability during the year	180.00	-
Net Cash Flow (Used in) Financing Activities *	(124.02)	(41.58)
The effect of (Gains) / Losses due to variation in Foreign Exchange Rates	(1.43)	0.22
Closing Balance of Borrowings and Lease Liability at end of the year	166.55	112.00

\* Excluding proceeds from issuance of equity shares, securities premium, finance costs, dividend and dividend distribution tax.

The accompanying notes and significant accounting policies are an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

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

**Ramesh Kumar Dua**  
Managing Director  
DIN :00157872

**Mukand Lal Dua**  
Whole Time Director  
DIN :00157898

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

**Sushil Batra**  
Chief Financial Officer

**Vikas Kumar Tak**  
Company Secretary

Delhi, June 6, 2020

## Statement of Changes in Equity for the year ended March 31, 2020

**Equity Share Capital** (Equity Shares of face value of ₹ 1/- each) (Refer note no. 13)

(₹ in Crore)

Particulars	No. of Shares	Amount
<b>As at April 1, 2018</b>	<b>12,03,53,620</b>	<b>12.03</b>
Addition in Share Capital		
Issued under Employee Stock Option Plan (Refer note no. 34)	78,800	0.01
Issued under Scheme of Amalgamation	36,18,453	0.36
<b>As at March 31, 2019</b>	<b>12,40,50,873</b>	<b>12.40</b>
Addition in Share Capital		
Issued as Bonus Shares	12,40,50,873	12.40
Issued under Employee Stock Option Plan (Refer note no. 34)	1,44,690	0.02
<b>As at March 31, 2020</b>	<b>24,82,46,436</b>	<b>24.82</b>

**Other Equity** (Refer note no. 14)

(₹ in Crore)

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	Share Based Payment Reserve	General Reserve	Retained Earnings	
<b>As at April 1, 2018</b>	10.54	4.80	699.82	34.02	749.18
Profit for the year	-	-	-	175.44	175.44
Other Comprehensive Income / (Expenses) not to be reclassified to Profit or Loss in subsequent year	-	-	-	0.06	0.06
Transfer from Retained Earnings to General Reserve	-	-	150.00	(150.00)	-
Retained Earnings under Scheme of Amalgamation	-	-	-	3.54	3.54
<b>Transactions with Owners in their capacity as Owners</b>					
Share Based Payments under Employee Stock Option Plan	-	4.68	-	-	4.68
Transferred from Share Based Payment Reserve to Securities Premium Reserve on issuance of 78,800 Equity Shares of face value of ₹ 1/- each issued under Employee Stock Option Plan	1.69	(1.69)	-	-	-
Securities Premium received on exercise of 78,800 Equity Shares of face value of ₹ 1/- each issued under Employee Stock Option Plan	3.16	-	-	-	3.16
Securities Premium against issuance of Equity Shares under Scheme of Amalgamation	178.37	-	-	-	178.37
Transferred from Share Based Payment Reserve to General Reserve on cancellation of Vested Options issued under Employee Stock Option Plan	-	(0.19)	0.19	-	-
Dividend on Equity Shares	-	-	-	(18.05)	(18.05)
Dividend Distribution Tax	-	-	-	(3.71)	(3.71)
<b>As at March 31, 2019</b>	<b>193.76</b>	<b>7.60</b>	<b>850.01</b>	<b>41.30</b>	<b>1092.67</b>
Profit for the year	-	-	-	226.25	226.25
Other Comprehensive Income / (Expenses) not to be reclassified to Profit or Loss in subsequent year	-	-	-	(0.69)	(0.69)
Transfer from Retained Earnings to General Reserve	-	-	150.00	(150.00)	-

## Statement of Changes in Equity for the year ended March 31, 2020 (contd.)

Other Equity (Refer note no. 14) (contd.)

(₹ in Crore)

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	Share Based Payment Reserve	General Reserve	Retained Earnings	
<b>Transactions with Owners in their capacity as Owners</b>					
Share Based Payments under Employee Stock Option Plan	-	2.94	-	-	2.94
Transferred from Share Based Payment Reserve to Securities Premium Reserve on issuance of 1,44,690 Equity Shares of face value of ₹ 1/- each issued under Employee Stock Option Plan	2.04	(2.04)	-	-	-
Securities Premium received on exercise of 1,44,690 Equity Shares of face value of ₹ 1/- each issued under Employee Stock Option Plan	3.13	-	-	-	3.13
Transferred from Share Based Payment Reserve to General Reserve on cancellation of Vested Options issued under Employee Stock Option Plan	-	(0.21)	0.21	-	-
Utilized for issuance of Bonus Shares	(12.40)	-	-	-	(12.40)
Final Dividend on Equity Shares for the year ended March 31, 2019	-	-	-	(22.33)	(22.33)
Dividend Distribution Tax on Final Dividend for the year ended March 31, 2019	-	-	-	(4.59)	(4.59)
Interim Dividend on Equity Shares for the year ended March 31, 2020	-	-	-	(31.03)	(31.03)
Dividend Distribution Tax on Interim Dividend for the year ended March 31, 2020	-	-	-	(6.37)	(6.37)
<b>As at March 31, 2020</b>	<b>186.53</b>	<b>8.29</b>	<b>1000.22</b>	<b>52.54</b>	<b>1247.58</b>

The accompanying notes and significant accounting policies are an integral part of financial statements.

As per our report of even date

For and on behalf of the Board of Directors

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

**Ramesh Kumar Dua**  
Managing Director  
DIN :00157872

**Mukand Lal Dua**  
Whole Time Director  
DIN :00157898

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

**Sushil Batra**  
Chief Financial Officer

**Vikas Kumar Tak**  
Company Secretary

Delhi, June 6, 2020



## Notes forming part of Financial Statements

### Note No. 1: Property, Plant and Equipment & Capital Work-in-Progress

(₹ in Crore)

Particulars	Gross Carrying Amount				Depreciation			Net Carrying Amount	
	As at April 1, 2019	Additions	Deletions/ Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation	Deletions/ Adjustments	As at March 31, 2020	As at March 31, 2020
<b>Property, Plant and Equipment (PPE)</b>									
Freehold Land	162.82	-	-	162.82	-	-	-	-	162.82
Buildings	305.12	0.41	-	305.53	22.37	11.09	-	33.46	272.07
Leasehold Improvements	15.04	2.26	0.85	16.45	5.26	2.09	0.30	7.05	9.40
Plant and Machinery	254.12	30.07	3.18	281.01	48.76	20.15	0.26	68.65	212.36
Moulds	53.24	20.41	0.65	73.00	30.41	13.56	0.09	43.88	29.12
Computers	12.04	2.95	0.39	14.60	5.84	2.55	0.36	8.03	6.57
Motor Vehicles-Other	10.51	0.15	0.17	10.49	3.48	1.41	0.11	4.78	5.71
Motor Vehicles-Transport	3.19	0.41	0.02	3.58	1.21	0.47	0.02	1.66	1.92
Furniture and Fixtures	17.51	3.57	0.07	21.01	4.93	2.11	0.05	6.99	14.02
Electrical Fittings	25.76	2.27	0.06	27.97	7.23	2.79	0.03	9.99	17.98
Office Equipments	10.31	1.03	0.26	11.08	4.82	1.70	0.19	6.33	4.75
Wooden Structure	1.90	0.60	0.08	2.42	1.14	0.50	0.07	1.57	0.85
Wind Power Generation Plant	17.32	-	-	17.32	3.60	1.20	-	4.80	12.52
	<b>888.88</b>	<b>64.13</b>	<b>5.73</b>	<b>947.28</b>	<b>139.05</b>	<b>59.62</b>	<b>1.48</b>	<b>197.19</b>	<b>750.09</b>
<b>Capital Work-in-Progress</b>	10.17	43.49	9.85	43.81	-	-	-	-	43.81
	<b>10.17</b>	<b>43.49</b>	<b>9.85</b>	<b>43.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43.81</b>

Borrowing cost capitalised ₹ 0.33 crore (previous year ₹ 0.89 crore).

For capital commitments, refer note no. 31.

The company has taken loans from banks which carry charge over certain assets. (Refer note no. 15 & note no. 39)

Capital work-in-progress primarily consists of factory building under construction.

Government grant of ₹ 2.90 crores under the scheme of IDLS (Integrated Development of Leather Sector) has been received for specific plant & machinery and moulds and the same has been deducted from carrying amount. (Refer note no. 46)

Leasehold land reclassified as right-of-use asset effective April 1, 2019.

## Notes forming part of Financial Statements

## Note No. 1: Property, Plant and Equipment &amp; Capital Work-in-Progress (contd.)

(₹ in Crore)

Particulars	Gross Carrying Amount				Depreciation / Amortisation				Net Carrying Amount	
	As at April 1, 2018	Additions	Additions under Amalgamation Scheme	Deletions/ Adjustments	As at March 31, 2019	As at April 1, 2018	Depreciation/ Amortisation	Deletions/ Adjustments		Adjustments under Amalgamation Scheme
<b>Property, Plant and Equipment (PPE)</b>										
Land										
Freehold	33.61	-	129.21	-	162.82	-	-	-	-	162.82
Leasehold	52.20	-	-	-	52.20	0.52	-	-	1.58	50.62
Buildings	164.01	117.16	23.95	-	305.12	10.01	-	0.92	22.37	282.75
Leasehold Improvements	13.84	2.10	-	0.90	15.04	1.96	0.21	-	5.26	9.78
Plant and Machinery	180.61	74.97	-	1.46	254.12	17.64	0.36	-	48.76	205.36
Moulds	38.27	15.15	-	0.18	53.24	11.12	0.10	-	30.41	22.83
Computers	9.21	3.06	-	0.23	12.04	2.37	0.20	-	5.84	6.20
Motor Vehicles-Other	8.45	2.51	-	0.45	10.51	1.43	0.35	-	3.48	7.03
Motor Vehicles-Transport	2.22	1.02	-	0.05	3.19	0.77	0.03	-	1.21	1.98
Furniture and Fixtures	12.45	5.15	-	0.09	17.51	3.16	1.82	0.05	4.93	12.58
Electrical Fittings	14.71	11.03	0.07	0.05	25.76	4.43	2.80	0.01	7.23	18.53
Office Equipments	9.05	1.55	-	0.29	10.31	3.25	1.76	0.19	4.82	5.49
Wooden Structure	1.55	0.41	-	0.06	1.90	0.73	0.44	0.03	1.14	0.76
Wind Power Generation Plant	17.32	-	-	-	17.32	2.40	1.20	-	3.60	13.72
	<b>557.50</b>	<b>234.11</b>	<b>153.23</b>	<b>3.76</b>	<b>941.08</b>	<b>53.54</b>	<b>1.53</b>	<b>0.93</b>	<b>140.63</b>	<b>800.45</b>
<b>Capital Work-in-Progress</b>	136.44	9.36	-	135.63	10.17	-	-	-	-	10.17
	<b>136.44</b>	<b>9.36</b>	<b>-</b>	<b>135.63</b>	<b>10.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.17</b>

## Notes forming part of Financial Statements

### Note No. 2: Right-of-Use Asset

(₹ in Crore)

Particulars	Gross Carrying Amount			Depreciation			Net Carrying Amount	
	As at April 1, 2019	Additions	Deletions/ Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation	Deletions/ Adjustments	As at March 31, 2020
Leasehold Land *	52.44	-	-	52.44	1.58	0.56	-	50.30
Buildings	-	185.78	7.97	177.81	-	40.36	2.19	139.64
	<b>52.44</b>	<b>185.78</b>	<b>7.97</b>	<b>230.25</b>	<b>1.58</b>	<b>40.92</b>	<b>2.19</b>	<b>189.94</b>

\* Leasehold land including prepayment of land for windmill have been reclassified as right-of-use asset effective April 1, 2019.

### Note No. 3: Intangible Assets & Intangible Assets under Development

(₹ in Crore)

Particulars	Gross Carrying Amount			Amortisation			Net Carrying Amount	
	As at April 1, 2019	Additions	Deletions/ Adjustments	As at March 31, 2020	As at April 1, 2019	Amortisation	Deletions/ Adjustments	As at March 31, 2020
<b>Intangible Assets</b>								
Computer Software and Licenses	11.43	2.03	-	13.46	6.17	2.14	-	5.15
Intellectual Property Rights	62.61	0.14	-	62.75	20.18	6.74	-	35.83
	<b>74.04</b>	<b>2.17</b>	<b>-</b>	<b>76.21</b>	<b>26.35</b>	<b>8.88</b>	<b>-</b>	<b>40.98</b>
<b>Intangible Assets under Development</b>								
	1.23	0.84	0.28	1.79	-	-	-	1.79
	<b>1.23</b>	<b>0.84</b>	<b>0.28</b>	<b>1.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.79</b>

Intangible assets under development primarily consists of cost related to intellectual property rights under registration.

### Note No. 3: Intangible Assets & Intangible Assets under Development (Contd.)

(₹ in Crore)

Particulars	Gross Carrying Amount			Amortisation			Net Carrying Amount	
	As at April 1, 2018	Additions	Deletions/ Adjustments	As at March 31, 2019	As at April 1, 2018	Amortisation	Deletions/ Adjustments	As at March 31, 2019
<b>Intangible Assets</b>								
Computer Software and Licenses	10.11	1.32	-	11.43	4.03	2.14	-	5.26
Intellectual Property Rights	62.42	0.19	-	62.61	13.45	6.73	-	42.43
	<b>72.53</b>	<b>1.51</b>	<b>-</b>	<b>74.04</b>	<b>17.48</b>	<b>8.87</b>	<b>-</b>	<b>47.69</b>
<b>Intangible Assets under Development</b>								
	1.14	0.57	0.48	1.23	-	-	-	1.23
	<b>1.14</b>	<b>0.57</b>	<b>0.48</b>	<b>1.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.23</b>

## Notes forming part of Financial Statements

### Note No. 4: Investments

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>		
Investment in Unquoted Equity Instruments, carried at Fair Value through Other Comprehensive Income (FVTOCI)		
40 (previous year - 40) Equity Shares of face value of ₹ 50000/- each Fully Paid up of Bahadurgarh Footwear Development Services Private Limited	0.20	0.20
	<b>0.20</b>	<b>0.20</b>

### Note No. 5: Loans

Unsecured, considered good unless otherwise stated

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>		
Loans to Employees	0.03	0.00
Security Deposits *	18.46	17.09
	<b>18.49</b>	<b>17.09</b>
<b>Current</b>		
Loans to Employees	0.28	0.39
	<b>0.28</b>	<b>0.39</b>

\* Security deposits are recoverable upon termination of agreement unless otherwise agreed.

0.00 represents amount less than ₹ 50000/-

### Note No. 6: Other Financial Assets

Unsecured, considered good unless otherwise stated

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>		
Balances with Banks held as Margin Money *	0.35	0.12
	<b>0.35</b>	<b>0.12</b>
<b>Current</b>		
Insurance Claims Receivable	0.15	0.35
Interest accrued on Bank Deposits	0.05	0.03
Export Incentives Receivable	2.75	2.64
Duty Credit Scripts	1.68	1.38
GST Refundable	21.58	37.31
<b>Derivative Instruments measured at Fair Value through Profit or Loss</b>		
Foreign Exchange Forward Contracts	1.82	1.36
	<b>28.03</b>	<b>43.07</b>

\* Represents margin money against various bank guarantees, letters of credit and other commitments issued by banks on behalf of the company.

## Notes forming part of Financial Statements

### Note No. 7: Other Assets

Unsecured, considered good unless otherwise stated

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>		
Capital Advances	0.87	5.31
Prepaid Expenses	2.22	0.73
Balances / Deposits with Statutory or Government Authorities	1.14	1.46
	<b>4.23</b>	<b>7.50</b>
<b>Current</b>		
Advance for Supply of Goods and rendering of Services	9.11	14.23
Prepaid Expenses	9.33	8.63
Input Tax Balances	114.38	53.44
	<b>132.82</b>	<b>76.30</b>

### Note No. 8: Inventories

Valued at lower of cost and net realisable value

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials including Packing Material	98.77	88.44
Work-in-Progress	61.05	58.51
Finished Goods	213.58	151.67
Stock-in-Trade *	62.47	73.38
Stores and Spares including Fuel	11.87	10.43
	<b>447.74</b>	<b>382.43</b>

Inventories are hypothecated by way of first pari passu charge against working capital facilities. (Refer note no. 15)

Write down of inventories to net realisable value related to raw materials, work-in-progress and finished goods amounted to ₹ 2.90 crores (previous year nil). These were recognised as expense during the year .

\* In respect of goods acquired for trading.

### Note No. 9: Trade Receivables

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
Trade Receivables, Unsecured		
Considered Good	172.08	222.57
Considered Doubtful (Credit Impaired)	4.88	2.98
	<b>176.96</b>	<b>225.55</b>
Allowances for Doubtful Trade Receivables (Expected Credit Loss Allowance) (Refer note no. 27 & 37)	4.88	2.98
	<b>172.08</b>	<b>222.57</b>

## Notes forming part of Financial Statements

### Note No. 10: Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks on Current Accounts	2.21	0.73
Cash on Hand	0.34	1.15
	<b>2.55</b>	<b>1.88</b>

There are no repatriation restrictions with regard to cash and cash equivalents.

### Note No.11: Bank Balances other than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Bank held as Margin Money *	1.23	0.17
Earmarked Balances - Unpaid Dividends (Refer note no. 16)	0.31	0.17
	<b>1.54</b>	<b>0.34</b>

\* Represents margin money against various bank guarantees, letters of credit and other commitments issued by banks on behalf of the company.

### Note No. 12: Current Tax Assets (Net)

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income Tax / Tax Deducted at Source (Net of Current Tax Provision)	6.16	-
	<b>6.16</b>	<b>-</b>

### Note No. 13: Equity Share Capital

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorised</b>		
51,00,00,000 (previous year - 20,75,00,000) Equity Shares of face value of ₹ 1/- each	51.00	20.75
	<b>51.00</b>	<b>20.75</b>
<b>Issued, Subscribed and Fully Paid up</b>		
24,82,46,436 (previous year - 12,40,50,873) Equity Shares of face value of ₹ 1/- each	24.82	12.40
	<b>24.82</b>	<b>12.40</b>

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

(₹ in Crore)

Particulars	No. of Shares	Amount
<b>As at April 1, 2018</b>	<b>12,03,53,620</b>	<b>12.03</b>
Addition in Share Capital		
Issued under Employee Stock Option Plan (Refer note no. 34)	78,800	0.01
Issued under Scheme of Amalgamation #	36,18,453	0.36
<b>As at March 31, 2019</b>	<b>12,40,50,873</b>	<b>12.40</b>
Addition in Share Capital		
Issued as Bonus Shares ^	12,40,50,873	12.40
Issued under Employee Stock Option Plan (Refer note no. 34)	1,44,690	0.02
<b>As at March 31, 2020</b>	<b>24,82,46,436</b>	<b>24.82</b>

## Notes forming part of Financial Statements

### Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of equity shares having a face value of ₹ 1/- each. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### Equity Shares reserved under Employee Stock Option Plan

For details of shares reserved under Employee Stock Option Plan refer note no. 34

The equity shares of the company are listed at BSE Limited and National Stock Exchange of India Limited. The annual listing fee has been paid for the year.

### Details of Shareholders holding more than 5% Shares in the Company

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Ramesh Kumar Dua	5,78,17,744	23.29%	2,99,08,872	24.11%
Mukand Lal Dua	5,01,41,920	20.20%	2,50,70,960	20.21%
VLS Securities Limited	1,62,89,000	6.56%	81,50,000	6.57%
VLS Finance Limited	-	-	62,24,225	5.02%

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

^ Board of Directors at their meeting held on June 28, 2019 allotted 12,40,50,873 fully paid up bonus shares in the ratio of 1:1.(i.e.one bonus share of ₹ 1/-each to every shareholder holding one equity share of ₹ 1/- each)

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

### Aggregate number of Equity Shares issued under Scheme of Amalgamation

# Board of Directors at their meeting held on Feb 2, 2019 allotted 36,18,453 fully paid up equity shares of ₹ 1/- each under scheme of amalgamation.

### Note No. 14: Other Equity

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Reserves and Surplus</b>		
Securities Premium Reserve	186.53	193.76
Share Based Payment Reserve	8.29	7.60
General Reserve	1000.22	850.01
Retained Earnings	52.54	41.30
	<b>1247.58</b>	<b>1092.67</b>

## Notes forming part of Financial Statements

### Movement in Other Equity

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Securities Premium Reserve</b>		
Opening Balance	193.76	10.54
Transferred from Share Based Payment Reserve on issuance of Equity Shares issued under Employee Stock Option Plan	2.04	1.69
Securities Premium received on exercise of Equity Shares issued under Employee Stock Option Plan	3.13	3.16
Securities Premium against issuance of Equity Shares under Scheme of Amalgamation	-	178.37
Utilized for issuance of Bonus Shares	(12.40)	-
<b>Closing Balance</b>	<b>186.53</b>	<b>193.76</b>
<b>Share Based Payment Reserve</b>		
Opening Balance	7.60	4.80
Share Based Payments under Employee Stock Option Plan (Refer note no. 24)	2.94	4.68
Transferred to Securities Premium Reserve on issuance of Equity Shares issued under Employee Stock Option Plan	(2.04)	(1.69)
Transferred to General Reserve on cancellation of Vested Options issued under Employee Stock Option Plan	(0.21)	(0.19)
<b>Closing Balance</b>	<b>8.29</b>	<b>7.60</b>
<b>General Reserve</b>		
Opening Balance	850.01	699.82
Transferred from Retained Earnings	150.00	150.00
Transferred from Share Based Payment Reserve on cancellation of Vested Options issued under Employee Stock Option Plan	0.21	0.19
<b>Closing Balance</b>	<b>1000.22</b>	<b>850.01</b>
<b>Retained Earnings</b>		
Opening Balance	41.30	34.02
Profit for the year	226.25	175.44
Other Comprehensive Income / (Expenses) not to be reclassified to Profit or Loss in subsequent year	(0.69)	0.06
Retained Earnings under Scheme of Amalgamation	-	3.54
Final Dividend on Equity Shares for the year ended March 31, 2019 (₹ 1.80 per share pre-bonus, previous year ₹ 1.50 per share)	(22.33)	(18.05)
Dividend Distribution Tax on Final Dividend for the year ended March 31, 2019	(4.59)	(3.71)
Interim Dividend on Equity Shares for the year ended March 31, 2020 (₹ 1.25 per share, previous year Nil)	(31.03)	-
Dividend Distribution Tax on Interim Dividend for the year ended March 31, 2020	(6.37)	-
Transferred to General Reserve	(150.00)	(150.00)
<b>Closing Balance</b>	<b>52.54</b>	<b>41.30</b>
	<b>1247.58</b>	<b>1092.67</b>



## Notes forming part of Financial Statements

### Nature and Purpose of Reserves

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

**Share Based Payment Reserve** - The company has employee stock option plan under which option to subscribe for the company's equity shares have been granted to the permanent employees, including Whole-Time Director (but excluding the Independent Directors and Promoter Directors) of the company. This reserve is used to recognise the value of equity-settled share-based payments provided to employees, as part of their remuneration. Refer note no. 34 for further details of this plan.

**General Reserve** - General Reserve represents the amount transferred from statement of profit and loss pursuant to statutory requirements. The same is a free reserve and available for distribution.

**Retained Earnings** - Retained Earnings represents the undistributed profits of the company.

### Note No. 15: Borrowings

(₹ in Crore)

Particulars	Maturity Date	Interest Rate	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>				
Secured Term Loans from Banks ^				
Indian Rupee Loan	-	8.25% - 8.65%	-	11.25
Foreign Currency Loan	-	3m Libor + 2.10%	-	13.83
			-	25.08
Current Maturities (Refer note no. 16)			-	25.08
			-	-
<b>Current</b>				
Secured Working Capital facilities from Banks *				
Loans Repayable on Demand	On Demand	5.00% - 10.10%	19.16	86.92
			<b>19.16</b>	<b>86.92</b>

\* Secured by way of first pari passu charge on entire current assets, movable fixed assets including plant & machinery and personal guarantee of Managing Director and Whole Time Director. (Refer note no. 39)

### ^ Nature of Securities and Terms of Repayment for Secured Term Loans from Banks

(₹ in Crore)

Particulars of Loans	As at March 31, 2020	As at March 31, 2019	Nature of Securities
<b>Indian Rupee Loan</b>			
Repaid in 16 quarterly installments with last installment paid on August 19, 2019 along with interest @ 8.25% - 8.65% per annum.	-	11.25	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.#
<b>Foreign Currency Loan</b>			
Repaid in 16 quarterly installments with last installment paid on February 25, 2020 along with interest @ 3m Libor + 2.10% per annum.	-	13.83	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.
	-	<b>25.08</b>	

#Released by Bank

## Notes forming part of Financial Statements

### Note No. 16: Other Financial Liabilities

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>		
Retention Money	0.01	0.01
	<b>0.01</b>	<b>0.01</b>
<b>Current</b>		
Retention Money	2.13	6.06
Current Maturities of Term Loans from Banks (Refer note no. 15)	-	25.08
Interest accrued on Borrowings from Banks	0.05	0.22
Security Deposit		
Customers *	10.28	8.13
Others **	0.55	0.50
Unpaid Dividends ^ (Refer note no. 11)	0.31	0.17
Employee Benefits Payable	31.56	27.81
Director's Commission Payable (Refer note no. 40)	25.89	24.83
Payable for Capital Goods	2.73	19.17
<b>Derivative Instruments measured at Fair Value through Profit or Loss</b>		
Foreign Exchange Forward Contracts	-	2.30
	<b>73.50</b>	<b>114.27</b>

\* Deposit from customers are interest bearing and repayable on termination of agreement.

\*\* Amount received from vendors as non interest bearing security towards performance of contract terms.

^ Unpaid dividends shall be transferred to Investor Education and Protection Fund as and when due.

### Note No. 17: Provisions

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-Current</b>		
Compensated Absences	10.84	9.00
	<b>10.84</b>	<b>9.00</b>
<b>Current</b>		
Compensated Absences	3.69	2.86
Gratuity [Refer note no. 33(b)]	1.38	0.83
Rebates and Discounts Payable	45.58	25.98
	<b>50.65</b>	<b>29.67</b>

### Movement in Provision for Compensated Absences

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance	11.86	9.77
Created during the year	4.48	3.69
Utilised during the year	1.81	1.60
Closing Balance	14.53	11.86

## Notes forming part of Financial Statements

### Movement in Provision for Rebates and Discounts

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance	25.98	4.39
Created during the year	45.48	23.62
Utilised during the year	25.88	2.03
Closing Balance	45.58	25.98

### Note No. 18: Deferred Tax Liabilities (Net)

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities (Net)	24.75	34.44
	<b>24.75</b>	<b>34.44</b>

### Movement in Deferred Tax Assets / (Liabilities)

(₹ in Crore)

Particulars	As at April 1, 2019	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2020
<b>Deferred Tax Assets / (Liabilities)</b>				
Borrowings	0.50	(0.50)	-	-
Expenses Allowable on Payment Basis	21.14	(5.15)	0.23	16.22
Lease Liabilities	-	37.09	-	37.09
Allowances for Doubtful Trade Receivables & Write down of Inventories	1.04	0.92	-	1.96
Derivative Instruments	0.33	(0.79)	-	(0.46)
Accumulated Depreciation/Amortisation	(57.45)	(22.11)	-	(79.56)
	<b>(34.44)</b>	<b>9.46</b>	<b>0.23</b>	<b>(24.75)</b>

### Movement in Deferred Tax Assets / (Liabilities)

(₹ in Crore)

Particulars	As at April 1, 2018	Adjustments recognised in Retained Earnings*	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2019
<b>Deferred Tax Assets / (Liabilities)</b>					
Borrowings	0.42	-	0.08	-	0.50
Expenses Allowable on Payment Basis	19.78	-	1.39	(0.03)	21.14
Allowances for Doubtful Trade Receivables	0.84	-	0.20	-	1.04
Derivative Instruments	(0.53)	-	0.86	-	0.33
Accumulated Depreciation/ Amortisation and Investments	(46.82)	(1.20)	(9.43)	-	(57.45)
	<b>(26.31)</b>	<b>(1.20)</b>	<b>(6.90)</b>	<b>(0.03)</b>	<b>(34.44)</b>

\* Scheme of amalgamation.

## Notes forming part of Financial Statements

### Note No. 19: Other Current Liabilities

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from Customers *	3.82	2.70
Statutory Dues		
Entry Tax (Refer note no. 31)	46.80	46.80
Others ^	7.97	8.68
	<b>58.59</b>	<b>58.18</b>

\* It is expected that the entire transaction price allocated to the outstanding contracts at end of the year will be recognised as revenue during next year. Revenue recognised during the year includes the entire transaction price allocated to outstanding contracts at beginning of the year.

^ Includes statutory dues on account of TDS, PF, ESI and GST etc

### Note No. 20: Current Tax Liabilities (Net)

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax (Net of Advance Tax and Tax Deducted at Source)	-	2.03
Interest on Income Tax	-	0.02
	-	<b>2.05</b>

### Note No. 21: Revenue from Operations

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenue from Contracts with Customers</b>		
<b>Manufactured and Traded</b>		
Footwear (Refer note no. 45 & 48)	2383.00	2266.49
Wind Power	4.01	4.31
Others *	5.92	6.14
	<b>2392.93</b>	<b>2276.94</b>
<b>Other Operating Revenue</b>		
Scrap Sale	11.69	9.37
Export Incentives	4.93	5.08
Other Operating Income ^	0.93	0.69
	<b>17.55</b>	<b>15.14</b>
	<b>2410.48</b>	<b>2292.08</b>

\* Includes accessories, raw material etc.

^ Includes franchisee fees etc.

## Notes forming part of Financial Statements

### Note No. 22: Other Income

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income on Fixed Deposits and Security Deposits	0.43	0.65
Dividend Income on Current Investments	-	1.15
Net Gain on Sale of Current Investments	1.07	1.06
Net Gain on Foreign Currency Transactions and Translations	4.62	8.19
Fair Valuation Gain on Derivative Instruments	2.76	-
Miscellaneous Income	0.17	1.93
	<b>9.05</b>	<b>12.98</b>

### Note No. 23: Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Inventories at the end of year</b>		
Finished Goods	213.58	151.67
Stock-in-Trade *	62.47	73.38
Work-in-Progress	61.05	58.51
	<b>337.10</b>	<b>283.56</b>
<b>Inventories at the beginning of year</b>		
Finished Goods	151.67	135.70
Stock-in-Trade *	73.38	46.57
Work-in-Progress	58.51	43.48
	<b>283.56</b>	<b>225.75</b>
<b>Net (Increase) / Decrease</b>		
Finished Goods	(61.91)	(15.97)
Stock-in-Trade *	10.91	(26.81)
Work-in-Progress	(2.54)	(15.03)
	<b>(53.54)</b>	<b>(57.81)</b>

\* In respect of goods acquired for trading.

### Note No. 24: Employee Benefits Expense

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Other Benefits	253.88	221.17
Contribution to Provident and Other Funds [Refer note no. 33(a)]	18.88	16.55
Gratuity Expenses [Refer note no. 33(b)]	5.53	4.59
Share Based Payments (Refer note no. 14)	2.94	4.68
Staff Welfare Expenses	12.76	11.67
	<b>293.99</b>	<b>258.66</b>

## Notes forming part of Financial Statements

### Note No. 25: Finance Costs

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Interest on</b>		
Borrowings (Refer note no. 15) *	3.56	6.32
Security Deposits	0.60	0.50
Lease Liabilities	12.62	-
Income Tax	-	0.02
Processing Fees	0.09	0.06
	<b>16.87</b>	<b>6.90</b>

\*Borrowing cost capitalised ₹ 0.33 crore (previous year ₹ 0.89 crore).

### Note No. 26: Depreciation and Amortisation Expense

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant and Equipment (Refer note no. 1)	59.62	53.54
Depreciation on Right-of-Use Asset (Refer note no. 2)	40.92	-
Amortisation of Intangible Assets (Refer note no. 3)	8.88	8.87
	<b>109.42</b>	<b>62.41</b>

### Note No. 27: Other Expenses

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Advertisement and Sales Promotion Expenses	90.80	76.76
Freight and Forwarding Charges	102.12	99.18
Power and Fuel	76.47	70.88
Stores and Consumables	7.98	7.30
Processing Charges	234.30	194.76
Handling Charges	25.75	23.63
Repair and Maintenance		
Plant and Equipment	14.26	13.90
Computer Equipment & Software	8.73	6.85
Others	5.05	5.40
Rent (Refer note no. 32)	-	43.34
Insurance	5.08	3.06
Rates and Taxes	1.33	0.87
Printing and Stationery	1.80	1.78
Travelling and Conveyance	22.17	20.62
Communication Expenses	3.57	3.57
Legal and Professional Fees (Refer note no. 43)	40.01	38.22
Security Expenses	10.77	9.58
Allowances for Doubtful Trade Receivables (Expected Credit Loss Allowance) (Refer note no. 9 & 37)	1.90	0.55

## Notes forming part of Financial Statements

### Note No. 27: Other Expenses (contd.)

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Bad debts Written off	0.04	0.02
Net loss on Disposal / Write off of PPE and Intangible Assets	1.10	1.22
Fair Valuation loss on Derivative Instruments	-	2.49
CSR (Refer note no. 40 & 42)	4.66	4.03
Contribution to Political Parties	0.14	-
Festival Expenses	3.36	2.70
Bank Charges	2.58	2.08
Miscellaneous Expenses	4.25	4.00
	<b>668.22</b>	<b>636.79</b>

### Note No. 28: Tax Expense

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax	74.92	85.64
Deferred Tax	(9.46)	6.90
Tax for Earlier years (Net)	0.00	0.00
	<b>65.46</b>	<b>92.54</b>

### Reconciliation of Tax Expense and the Accounting Profit multiplied by Tax rate

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit Before Tax	291.71	267.98
Tax @ 25.168% (previous year @ 34.944%)	73.42	93.64
<b>Items giving rise to difference in tax</b>		
Deduction on Account of Tax Holiday Period and on appointment of new employees	(1.81)	(1.75)
Temporary Differences on account of PPE, Right-of-Use Asset and Intangible Assets	8.42	2.08
Impact of change in Tax Rate on opening balance of Deferred Tax Liabilities	(9.63)	-
Others	(4.94)	(1.43)
Tax for Earlier years (Net)	0.00	0.00
<b>Tax Expense</b>	<b>65.46</b>	<b>92.54</b>

0.00 represents amount less than ₹ 50000/-

## Notes forming part of Financial Statements

### Note No. 29: Company Information

Relaxo Footwears Limited ('the Company') is a Public Limited Company incorporated in India with its registered office at Aggarwal City Square, Plot No.10, Manglam Place, District Centre, Sector 3, Rohini, Delhi-110085. Its shares are listed at BSE Limited and National Stock Exchange of India Ltd. For details regarding Company's principal shareholders refer note no. 13.

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

The financial statements for the year ended March 31, 2020 are authorised for issue by the Board of Directors at their meeting held on June 6, 2020.

### Note No. 30: Significant Accounting Policies

#### a. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto along with other provisions of the Act and relevant guidelines issued by the Securities and Exchange Board of India (SEBI).

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

- Certain financial assets and liabilities, including derivative financial instruments
- Defined benefit plan
- Employee share based payment

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. The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The company has identified twelve months as its operating cycle for the purpose of current / non-current classification of assets and liabilities.

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Figures have been rounded off to the nearest crore of rupees upto two decimal places, unless otherwise stated. The figure 0.00 wherever stated represents amount less than ₹ 50,000.

#### b. Significant Accounting Judgements, Estimates and Assumptions

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

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

- Management uses judgement in deciding whether individual item or group of items are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decision that users make on the basis of the financial statements.
- Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed.



## Significant Accounting Policies

- Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the management.
- When the fair value of financial assets and financial liabilities recorded in these financial statements cannot be measured based on quoted price in active markets, their fair value is measured using valuation techniques. The inputs to these valuation techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility etc.
- The Company makes allowances for doubtful trade receivables (Expected Credit Loss Allowance) based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.
- The determination of depreciation and amortisation charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation/amortisation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.
- Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.
- Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.
- The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 "Leases". Identification of a lease requires significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.
- The contracts with customers include transfer of promised goods to the customers. Judgement is

required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as incentives and discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

### c. Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and impairment, if any. Freehold land is disclosed at cost less impairment, if any. The cost comprises its purchase price, import duties, other non-refundable taxes and any directly attributable costs of bringing the asset to its working condition for its intended use.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

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

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

The cost of self-constructed assets includes the cost of materials, direct labour, borrowing costs and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Advances given towards acquisition / construction of property, plant and equipment outstanding at each reporting date are disclosed as capital advances under other non-current assets. Other indirect expenses incurred related to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expense and disclosed under capital work-in-progress.

## Significant Accounting Policies

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

### d. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment loss, if any. The cost comprises its purchase price, import duties, other non-refundable taxes and any directly attributable costs of bringing the asset to its working condition for its intended use.

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

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are also charged to the statement of profit and loss unless a product's commercial feasibility has been established, in which case such expenditure is capitalised.

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

### e. Leases

#### The Company as a lessee

The Company assesses whether the contract is or contains a lease, if the contract involves:

- (a) The use of an identified asset,
- (b) The right to obtain substantially all the economic benefits from use of the identified asset, and

- (c) The right to direct the use of the identified asset.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost for right-of-use asset is measured at inception equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The estimated useful lives of right-of-use asset is determined on the same basis as those of property, plant and equipment.

Right-of-use asset is tested for impairment whenever there is any indication that their carrying amount may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined. For cases where rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

Lease payments have been classified as cash used in financing activities.

### f. Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

Where the government grant / subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Government grant and subsidy receivable against an expense are deducted from such expense.

Where the grant / subsidy relates to an asset, government grant and subsidy receivable against an asset are deducted from the carrying value of such asset.

## Significant Accounting Policies

### g. Impairment of Non-Financial Assets

The carrying amount of assets are reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

A previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised as income immediately.

### h. Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

#### Financial Assets

##### Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets. These include trade receivables, cash & cash equivalents, bank balances other than cash & cash equivalents and other financial assets.

##### Classification and Subsequent Measurement

Financial assets are subsequently measured at amortised cost or fair value through other comprehensive income or fair value through profit or loss depending on its business model for managing those financial assets and the asset contractual cash flow characteristics.

##### Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial Assets at Fair Value through Other Comprehensive Income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial Assets at Fair Value through Profit or Loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

##### Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity and does not retain control of the asset.

##### Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 "Financial Instruments" for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

#### Financial Liabilities

##### Initial Recognition and Measurement

Financial liabilities include borrowings, lease liability and trade payables etc.

## Significant Accounting Policies

All financial liabilities are recognised initially at fair value and in the case of borrowings and trade payables, net of directly attributable transaction costs.

### Classification and Subsequent Measurement

The financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'financial liabilities at amortised cost'.

### Financial liabilities at Fair Value through Profit or Loss

Financial liabilities are classified at fair value through profit or loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit or loss. It includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. All changes in the fair value of such liability are recognised in the statement of profit and loss.

### Financial liabilities at Amortised Cost

Other financial liabilities (including borrowings and trade payables etc.) are subsequently measured at amortised cost using effective interest method.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition is included in the statement of profit and loss when the liability is derecognised.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### Derivative Financial Instruments

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

Derivatives are carried as financial assets when the fair

value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss.

### Financial Liabilities and Equity Instruments

#### Classification as Debt or Equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liabilities and an equity instrument.

#### Equity Instruments

An Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs related to issue of equity instruments is reduced from equity. Dividend paid on equity instruments is directly reduced from equity.

### i. Inventories

Raw Materials including packing material, stores and spares are valued at lower of cost and net realisable value. The cost of purchase consists of the purchase price including non-refundable taxes, freight inward and other costs incurred in bringing the inventories to their present location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

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

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

Stock-in-Trade is valued at moving weighted average basis and comprises all costs of purchase, duties, non-refundable taxes and all other costs incurred in bringing the inventories to their present location and condition.

## Significant Accounting Policies

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

### j. Foreign Currency Transactions and Translations

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

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

Monetary current assets and liabilities at the reporting date are translated at the rate prevailing on reporting date. The difference thereon and also the exchange difference on settlement of foreign currency transactions during the year is recognised as income or expense in statement of profit and loss.

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

### k. Cash and Cash Equivalents

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

### l. Taxes

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

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

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

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

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

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

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

### m. Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at

## Significant Accounting Policies

the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

### n. Revenue from Contracts with Customers

The Company derives revenues primarily from the following major sources.

- Sale of footwear and related products
- Sale of generated wind power

The Company recognises revenue from sale of footwear and related products at a point in time when control of the goods is transferred to the customer.

The Company recognises revenue from sale of generated wind power at a point in time on the basis of net power delivered as per power purchase agreement signed with the discom(s).

Revenue is disclosed net of goods and services tax (GST), discounts, incentives, returns and claims as applicable.

### o. Other Income

Dividend income is recognised when the right to receive the payment is established. Interest is recognised using the effective interest rate (EIR) method. Difference between the sale price and carrying value of investment is recognised in statement of profit and loss as profit or loss on sale / redemption.

### p. Employee Benefits

All employee benefits like salaries, wages etc. payable wholly within twelve months of rendering the service are classified as short-term employee benefits. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Contribution towards provident fund and employee state

insurance is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution plans as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. Such contributions are charged to the statement of profit and loss for the period of service rendered by the employees.

The Company has a defined benefit gratuity plan and pays annual contribution to Life Insurance Corporation of India (LIC) through a Trust, namely Relaxo Footwears Limited Employees Group Gratuity Scheme. Company's liability is determined using the projected unit credit method at the end of each year.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Compensated absences 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.

Compensated absences 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 gains/losses on compensated absences are immediately taken to the statement of profit and loss.

### q. Employee Share Based Payment

Employees of the Company receive part remuneration in the form of share-based payments in consideration of the services rendered. The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 "Share based Payment". Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of profit and loss on a straight line basis over the vesting period of options which is the requisite service period, with a corresponding increase in equity.

## Significant Accounting Policies

### r. Borrowing Costs

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings and charged to statement of profit and loss on the basis of effective interest rate (EIR).

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

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

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

### s. 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.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

### t. Corporate Social Responsibility (CSR)

Contribution towards CSR under section 135 of the Companies Act 2013 is recognised as an expense in the statement of profit and loss in the period in which it is incurred.

### u. Earnings Per Share

Basic earnings per share is computed by dividing the profit after tax for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events i.e. bonus issue, share splits and further issue of share capital.

Diluted earnings per share is computed by dividing the profit after tax for the year attributable to equity shareholders by the weighted-average number of equity shares outstanding during the year and adjusted for the effects of all dilutive potential equity shares.

### v. New Accounting Pronouncements

#### • Adoption of Indian Accounting Standard Ind AS 116 “Leases”

The Company has adopted Ind AS 116 “Leases” w.e.f. April 1, 2019 (transition date) using the modified retrospective method without restatement of the comparative period. Accordingly, right-of-use asset of ₹ 192.63 crores (including reclassification of lease hold land) and lease liability of ₹ 141.77 crores measured at the present value of the remaining lease payments has been recognised on transition date. Due to adoption of new accounting standard, profit before tax for the year ended March 31, 2020 is lower by ₹ 7.75 crores.

#### • Amendments to other Ind AS

There is no material impact on the financial statements due to amendments to Ind AS 109 “Financial Instruments”, Ind AS 12 “Income Taxes”, Ind AS 19 “Employee Benefits” and Ind AS 23 “Borrowing Costs”.

## Notes forming part of Financial Statements

### Note No. 31: Contingent Liabilities and Commitments

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Contingent Liabilities *</b>		
Claims against the Company not acknowledged as debt in respect of		
Sales Tax Matters	1.41	0.85
Income Tax Matters	4.41	2.28
	<b>5.82</b>	<b>3.13</b>
<b>Others</b>		
Interest on Entry Tax, Haryana**	54.08	46.36
Additional demand for Industrial Plot at Bahadurgarh***	18.73	-
	<b>72.81</b>	<b>46.36</b>
<b>Commitments</b>		
Capital Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advance)		
	<b>53.38</b>	<b>12.45</b>
Others		
Export Obligation under Export Promotion Capital Goods (EPCG) scheme against duty saved of ₹ 18.54 Crores (previous year ₹ 17.92 Crores)		
	<b>111.24</b>	<b>107.55</b>

\*Cash outflows related to disputed tax matters are determinable only on outcome of the pending cases at various forums/authorities. The potential undiscounted amount of total payments for taxes that the Company may be required to make if there was an adverse decision related to these disputed demands of regulators are as stated above.

\*\* In the state of Haryana, tax on entry of goods from outside the state was levied. This position has been challenged by the Company in the respective forums, on the grounds that the specific entry tax is ultra vires to the constitution. The Hon'ble Supreme Court of India upheld the constitutional validity of entry tax levied by few states. However, Supreme Court did not conclude certain aspects such as present levies in each state is discriminatory in nature or not, leaving them open to be decided by regular benches of the Courts but directed petitioner to file fresh appeal in the High Court. The Company filed appeal in the Punjab & Haryana High Court and matter is pending since May 31, 2017. The principal liability for entry tax in the state of Haryana has been disclosed in note no.19.

\*\*\* The Company along with other plot allottees had received a demand notice in June, 2019 from the Haryana State Industrial & Infrastructure Development Corporation ('the HSIIDC') against the industrial plots allotted to them in the year 2010 seeking payment of enhanced cost at the rate of ₹ 9,249/- per square meter and interest thereon for the plot allotted at Sector 4-B, Bahadurgarh, Haryana, on account of enhancement of compensation awarded by the Courts to the ex-landowners. The Company disputed the demand raised by the HSIIDC. The Company along with other plot allottees filed a writ petition in the High Court of Punjab & Haryana ('the High Court') and challenged the demand notice and consequent show cause notices issued by the HSIIDC. The High Court disposed of the writ petition on February 24, 2020 vide an order and directed the HSIIDC to decide upon all the objections raised by the plot allottees including the Company within a period of five months. The High Court while disposing off the petition also asked the petitioner allottees including the Company to pay ₹ 2,500/- per square meter within a period of one month from the date of its order dated February 24, 2020 as part payment of the demand raised by HSIIDC. The High Court has further directed that before the expiry of the said period of five months, HSIIDC shall not insist on payment of an amount more than ₹ 2500/- per square meter. The Company is in the process of exercising its legal remedies against the High Court's order dated February 24, 2020 to the extent of direction to pay ₹ 2,500/- per square meter as part of the demand raised by HSIIDC. Pending legal dispute, the matter has been disclosed as contingent liability.

The lawsuits in respect of certain intellectual property rights and other laws / matter are pending in courts / forums. The proceedings are going on before appropriate authorities and the ultimate outcome of the matter cannot presently be determined. In the opinion of management the amount involved is not material.



## Notes forming part of Financial Statements

### Note No. 32 : Disclosure on Operating Leases

The Company has entered into operating leases for land and building premises. These lease arrangements range for a period between 11 months to 20 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses. (₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
The Future Minimum Lease Payment under Non-Cancellable Operating Leases		
Not later than one year	-	0.32
Later than one year but not later than five years	-	0.23
	-	<b>0.55</b>

Lease rentals charged to statement of profit and loss nil. (previous year ₹ 43.34 crores) (Refer note no. 27)

The Company has adopted Ind AS 116 "Leases" w.e.f. April 1, 2019, hence the nature of expense in respect of operating leases has changed from rent to depreciation on right-of-use asset and finance cost on lease liability. (Refer note no. 25, 26 and 47)

### Note No. 33 : Disclosure on Employee Benefits

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

#### (a) Defined Contribution Plan

During the year, the Company has recognised the following amounts in the statement of profit and loss. (Refer note no. 24)

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution to Provident and Other Funds	15.72	12.98
Employer's Contribution to ESIC Scheme	3.16	3.57
	<b>18.88</b>	<b>16.55</b>

#### (b) Defined Benefit Plan - Gratuity (Funded)

The Company pays annual contribution to Life Insurance Corporation of India (LIC) through a Trust, namely Relaxo Footwears Limited Employees Group Gratuity Scheme. Under the gratuity plan, every employee who has completed atleast five years of service, gets gratuity at the time of separation or retirement, whichever is earlier @ 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method. (₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Reconciliation of Opening and Closing balance of Defined Benefit Obligation</b>		
Present Value of Defined Benefit Obligation at the beginning of year	28.45	23.41
Current Service Cost	5.47	4.56
Interest Cost	2.13	1.70
Benefits Paid	(1.36)	(1.29)
Remeasurement (Gains)/Losses		
Actuarial (Gains)/Losses arising from changes in Demographic Assumptions	(1.38)	-
Actuarial (Gains)/Losses arising from changes in Financial Assumptions	2.63	(0.38)
Actuarial (Gains)/Losses arising from experience Adjustments	(0.27)	0.45
Present Value of Defined Benefit Obligation at the end of year	<b>35.67</b>	<b>28.45</b>

## Notes forming part of Financial Statements

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Reconciliation of Opening and Closing balance of the Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of year	27.62	23.07
Interest Income	2.07	1.68
Remeasurement Gains/(Losses)		
Return on Plan Assets Gains/(Losses) (Excluding amounts included in net interest cost)	0.06	0.16
Contribution by the Company	5.90	4.00
Benefits Paid	(1.36)	(1.29)
Fair Value of Plan Assets at the end of year	<b>34.29</b>	<b>27.62</b>
<b>Major Category of Plan Assets as percentage to total Plan Assets</b>		
Asset Invested in Insurance Scheme with LIC (%)	100	100
<b>Amount Recognised in Balance Sheet as Liability (Refer note no.17)</b>		
Present Value of Defined Benefit Obligation at the end of year	35.67	28.45
Fair Value of Plan Assets at the end of year	34.29	27.62
	<b>1.38</b>	<b>0.83</b>
<b>Expenses Recognised in Statement of Profit and Loss (Refer note no.24)</b>		
Current Service Cost	5.47	4.56
Net Interest Cost	0.06	0.03
	<b>5.53</b>	<b>4.59</b>
<b>Remeasurements of the Net Defined Benefit Liability (Asset) Recognised in Other Comprehensive Income</b>		
Actuarial (Gains)/Losses arising from changes in Demographic Assumptions	(1.38)	-
Actuarial (Gains)/Losses arising from changes in Financial Assumptions	2.63	(0.38)
Actuarial (Gains)/Losses arising from experience Adjustments	(0.27)	0.45
Return on Plan Assets (Gains)/Losses (Excluding amounts included in net Interest Cost)	(0.06)	(0.16)
	<b>0.92</b>	<b>(0.09)</b>
<b>Expected Contribution to the Relaxo Footwears Limited Employees Group Gratuity Scheme in next year</b>		
	6.80	5.29
<b>Actuarial Assumptions</b>		
Discount Rate (per annum %)	6.20	7.50
Withdrawal Rate (All Ages) (per annum %)	15	12
Retirement Age		
For Employees of Group A (In years)	60	58
For Employees of Group B (in years)	70	70
Rate of Escalation in Salary (per annum %)	10	10
Method of Computation	Projected Unit Credit Method	
Demographic Assumption: Mortality Rates	IALM (2012-2014)	IALM (2006-2008)

## Notes forming part of Financial Statements

### Quantitative Sensitivity Analysis for Significant Assumptions is as shown below:

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Present Value of Defined Benefit Obligation at the end of year	35.67	28.45
Change in Discount Rate		
Increase by 1%	(2.06)	(1.78)
Decrease by 1%	2.31	2.02
Change in Salary Escalation		
Increase by 1%	2.21	1.95
Decrease by 1%	(2.00)	(1.76)

Figures in bracket denotes reduction in defined benefit obligation.

Changes in defined benefit obligation due to 1% increase / decrease in mortality rate is negligible.

The above sensitivity analysis have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in significant assumptions occurring at the end of the reporting period if all other assumptions remain constant.

### Maturity Profile of Defined Benefit Obligation

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Weighted Average Duration of the Defined Benefit Obligation (In years)	9	11
Expected Payment in future years		
Within next 12 months	4.50	3.23
Between 1 and 5 years	13.67	9.92
More than 5 years	17.50	15.30
	<b>35.67</b>	<b>28.45</b>

The estimates of escalation in salary takes into account inflation, seniority, promotion and other relevant factors.

### Risk Exposure

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

**Investment Risk** - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bonds yield. If plan liability is funded and return on plan assets is below this rate, It will create a plan deficit.

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

**Mortality Risk** - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report, Indian assured lives mortality (2012-14) ultimate table has been used . A change in mortality rate will have a bearing on the plan's liability.

**Salary Risk** - The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

## Notes forming part of Financial Statements

### Note No. 34 : Disclosure on Employee Share Based Payment

Disclosure is hereby given in pursuant to Ind AS 102 "Share Based Payment".

RFL Employee Stock Option Plan 2014 (hereinafter referred to as the "ESOP 2014" / "The Plan"), was approved by the shareholders through postal ballot on August 5, 2014. The plan entitles the permanent employees, existing and future, including the Whole-Time Director (but excluding the Independent Directors and Promoter Directors) of the Company to exercise the option granted for purchase of equity shares in the Company at the exercise price i.e. the market price of the equity shares as on date of grant, subject to compliance with vesting conditions.

Particulars	Details
Name of the Plan	RFL Employee Stock Option Plan 2014
Method used to account for the Employee Share Based Payment Plan	Fair Value
Stock Options approved (No. of Shares)	31,79,940
Persons Entitled	Whole-Time Director and Employees
Options Grant Date during the year	May 10, 2019 Aug 3, 2019 Nov 2, 2019
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

### Details of options granted during the year

Particulars	Options granted		
	May 10, 2019	Aug 3, 2019	Nov 2, 2019
Vesting Schedule (%)	20% first year and 80% second year		
Exercise Period (In years)	4		
Exercise Price (In ₹)*	433.78	428.40	544.40
Market price on the date of grant (In ₹)*	433.78	428.40	544.40

\* Exercise and market price adjusted for bonus issue in reference to options granted on May 10, 2019. (Refer note no. 13)

### The Details of activity under the scheme are summarized below

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	No. of Options	WAEP (in ₹)	No. of Options	WAEP (in ₹)
Outstanding at the beginning of the year	4,69,430	490.48	5,42,090	443.61
Adjusted for Bonus Issue (Refer note no. 13)	4,61,830	248.17	-	-
Granted during the year	58,100	450.92	61,900	708.88
Vested during the year	19,540	264.85	43,350	464.88
Forfeited during the year	1,09,120	279.82	55,760	404.06
Exercised during the year (Refer note no. 13)	1,44,690	217.53	78,800	401.82
Outstanding at end of the year	7,35,550	263.79	4,69,430	490.48
Exercisable at end of the year	41,040	255.44	36,550	376.30

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2020 is 4.90 years. (previous year 5.52 years)

The weighted average exercise price (WAEP) for stock options outstanding as at March 31, 2020 is ₹ 263.79 per option. (previous year ₹ 490.48 per option)

The weighted average fair value of stock options granted during the year ended on March 31, 2020 is ₹ 143.31 per option. (previous year ₹ 300.27 per option)

## Notes forming part of Financial Statements

The Black Scholes valuation model has been used for computing weighted average fair value of stock options granted during the year considering the following inputs.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Stock Price (In ₹)	450.92	708.88
Volatility (%)	29.24	35.73
Risk Free Rate (%)	6.23	7.75
Exercise Price (In ₹)	450.92	708.88
Time to Maturity (In years)	3.83	4.69
Dividend Yield (%)	0.19	0.21

Previous year figures for note no. 34 are pre-bonus.

### Note No. 35 : Disclosure on Earnings Per Share (EPS)

Disclosure is hereby given in pursuant to Ind AS 33 "Earnings Per Share".

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit for the Year (₹ in Crore)	226.25	175.44
Weighted average number of Equity Shares used in calculating Basic EPS	24,81,61,441	12,40,04,241
Dilutive impact for Employee Stock Options (No. of Equity Shares)	4,18,835	1,84,378
Weighted average number of Equity Shares used in calculating Diluted EPS	24,85,80,276	12,41,88,619
Earnings Per Equity Share of ₹ 1/- each (In ₹) *		
Basic	9.12	7.07
Diluted	9.10	7.06

\* Basic and diluted EPS for the year ended March 31, 2019 is restated due to bonus issue. (Refer note no.13)

### Note No. 36 : Foreign Currency Exposure

The details of foreign currency (FCY) exposure are given below.

(Amount in Crore)

Nature of Foreign Currency Exposure	UoM	As at March 31, 2020		As at March 31, 2019	
		FCY	₹	FCY	₹
<b>Unhedged Foreign Currency Exposure</b>					
Import Payables	USD	0.07	5.31	0.08	5.80
Import Payables	AED	0.01	0.28	0.01	0.27
Import Payables	EURO	0.00	0.01	-	-
Import Payables	GBP	0.00	0.07	-	-
Export Receivables	USD	0.46	34.89	0.07	4.66
Export Receivables	EURO	-	-	0.01	0.52
Bank Balance	AED	0.01	0.28	0.02	0.28
Bank Balance	USD	-	-	0.00	0.35
Cash on Hand ( Dubai office)	AED	0.00	0.00	-	-
Employee Benefits Payable	AED	0.00	0.10	0.00	0.04
<b>Hedged Foreign Currency Exposure</b>					
Currency Rate Swaps	USD	-	-	0.20	13.83

## Notes forming part of Financial Statements

(Amount in Crore)

Nature of Foreign Currency Exposure	UoM	As at March 31, 2020		As at March 31, 2019	
		FCY	₹	FCY	₹
Interest Rate Swaps	USD	-	-	0.00	0.06
Number of Buy Forward Contracts	Nos	63		99	
Import Payables	USD	0.37	27.68	0.42	29.06
Import Payables	EURO	-	-	0.17	13.32
Import Orders	USD	0.56	42.01	0.90	62.50
Number of Sell Forward Contracts	Nos	-		19	
Export Receivables	USD	-	-	0.45	30.79

0.00 represents amount less than 50000/-

### Note No. 37: Financial Risk Management

Financial risk management is an ongoing process within the Company. The Company has a robust risk management framework to identify, monitor, mitigate and minimise risks arising from financial instruments.

The Company's principal financial liabilities other than derivative instruments comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations.

The Company's principal financial assets include cash and cash equivalents, trade receivables and security deposits that are derived directly from its operations.

The Company also hold investments carried at fair value through other comprehensive income (FVTOCI).

The Company is exposed to credit risk, liquidity risk and market risk that are summarised as under.

Nature	Exposure arising from	Measurement	Management
<b>Credit Risk</b>	Cash and Cash Equivalents, Trade Receivables, and other Financial Assets.	Ageing analysis.	a. Trade receivables are reviewed and assessed for impairment losses at every reporting period. b. Fixing of credit limits for customers. c. Dealing with high credit rating banks.
<b>Liquidity Risk</b>	Borrowings, Trade Payables and other Financial Liabilities.	Maturity analysis.	a. Preparing and monitoring forecasts of cash flows as well as maintaining sufficient cash and cash equivalents. b. Availability of committed credit lines and borrowing facilities.
<b>Market Risk</b>			
Foreign Exchange Risk	Financial assets and liabilities denominated in other than functional currency.	Sensitivity analysis.	Risk coverage through forward exchange contracts / currency swaps.
Interest Rate Risk	Term Loan and Working Capital Facilities from Bank.	Sensitivity analysis.	a. Foreign currency interest rate swaps. b. Periodical review of interest rate linked to market.
Price Risk	Investment in Securities.	Sensitivity analysis.	Portfolio diversification.

## Notes forming part of Financial Statements

### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily, trade receivables and from its financing activities, including cash and cash equivalents and derivative instruments.

### Management of Credit Risk

Concentration of credit risk with respect to trade receivables are limited, due to the customer base being large across all regions. All trade receivables are reviewed and assessed at every reporting period. The Company has adopted a policy of only dealing with creditworthy counterparties, therefore the Company does not expect any material risk on this account.

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

The Company maintains exposure in cash and cash equivalents and derivative instruments with financial institutions as per details given below. The Company has set counter-party limits based on multiple factors including financial position, credit rating, etc.

(₹ in Crore)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Financial Assets for which Allowances are measured using 12 Months Expected Credit Loss</b>			
<b>Non Current</b>			
Investments	4	0.20	0.20
Loans	5	18.49	17.09
Other Financial Assets	6	0.35	0.12
<b>Current Assets</b>			
Cash and Cash Equivalents	10	2.55	1.88
Bank Balances other than Cash and Cash Equivalents	11	1.54	0.34
Loans	5	0.28	0.39
Other Financial Assets	6	28.03	43.07
		<b>51.44</b>	<b>63.09</b>
<b>Financial Assets for which Allowances are measured using life time Expected Credit Loss</b>			
<b>Current Assets</b>			
Trade Receivables	9	<b>172.08</b>	<b>222.57</b>

The following table summarises the ageing analysis of trade receivables.

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Up to 30 days past due	98.53	181.21
31 to 90 days past due	50.55	29.89
91 to 180 days past due	9.13	7.30
181 to 365 days past due	12.61	3.11
More than 365 days past due	1.26	1.06
	<b>172.08</b>	<b>222.57</b>

## Notes forming part of Financial Statements

The following table summarises the movement in loss allowance for doubtful trade receivables measured using the life time expected credit loss model. (₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Balance	2.98	2.43
Addition during the year (Refer note no. 27)	1.90	0.55
Closing Balance (Refer note no. 9)	4.88	2.98

### Liquidity Risk

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

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

Particulars	Note No.	Carrying Amount	Maturity Profile of Financial Liabilities			
			Within 1 year	Between 1 and 5 years	More than 5 years	Total
<b>As at March 31, 2020</b>						
<b>Non-Current Liabilities</b>						
Financial Liabilities						
Lease Liabilities		119.78	-	82.96	36.82	119.78
Other Financial Liabilities	16	0.01	-	0.01	-	0.01
<b>Current Liabilities</b>						
Financial Liabilities						
Borrowings	15	19.16	19.16	-	-	19.16
Lease Liabilities		27.61	27.61	-	-	27.61
Trade Payables						
Micro Enterprises and Small Enterprises		27.50	27.50	-	-	27.50
Other than Micro Enterprises and Small Enterprises		156.29	156.29	-	-	156.29
Other Financial Liabilities	16	73.50	73.50	-	-	73.50
		<b>423.85</b>	<b>304.06</b>	<b>82.97</b>	<b>36.82</b>	<b>423.85</b>
<b>As at March 31, 2019</b>						
<b>Non-Current Liabilities</b>						
Financial Liabilities						
Other Financial Liabilities	16	0.01	-	0.01	-	0.01
<b>Current Liabilities</b>						
Financial Liabilities						
Borrowings	15	86.92	86.92	-	-	86.92



## Notes forming part of Financial Statements

(₹ in Crore)

Particulars	Note No.	Carrying Amount	Maturity Profile of Financial Liabilities			
			Within 1 year	Between 1 and 5 years	More than 5 years	Total
Trade Payables						
Micro Enterprises and Small Enterprises		13.68	13.68	-	-	13.68
Other than Micro Enterprises and Small Enterprises		158.14	158.14	-	-	158.14
Other Financial Liabilities	16	114.27	114.27	-	-	114.27
		<b>373.02</b>	<b>373.01</b>	<b>0.01</b>	<b>-</b>	<b>373.02</b>

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises of foreign exchange risk, interest rate risk and other price risk, such as equity price risk and commodity price risk. Financial instruments affected by market risk includes Indian rupee loan, foreign currency loan.

### Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (When revenue or expense is denominated in a foreign currency). The Company uses forward exchange contracts to mitigate foreign exchange related risk exposures. The Company's exposure to unhedged foreign currency risk as at March 31, 2020 and March 31, 2019 has been disclosed in note no. 36.

### Foreign Exchange Risk Sensitivity

The following table demonstrate the sensitivity analysis on profit before tax due to change in USD exchange rate, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is given below.

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Impact on Profit Before Tax due to change in USD rate*		
Increase by 2%	0.59	(0.02)
Decrease by 2%	(0.59)	0.02

\* Figures in bracket denotes reduction in profit

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

### Interest Rate Risk

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

### Exposure to Interest Rate Risk

As at March 31, 2020, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 19.16 crores. (previous year ₹ 98.17 crores)

## Notes forming part of Financial Statements

### Interest Rate Risk Sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in interest rate with all other variables held constant. The impact on the Company's profit before tax due to changes in the interest rates on variable rate portion of loans and borrowings is given below. (₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Impact on Profit Before Tax due to change in Interest Rate*		
Increase by 0.50%	(0.23)	(0.37)
Decrease by 0.50%	0.23	0.37

\* Figures in bracket denotes reduction in profit

### Price Risk

#### Equity Price Risk

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

#### Commodity Price Risk

The key raw materials used in the manufacturing of footwear are natural rubber, synthetic rubber, EVA, PU material etc. Price volatility of these commodities depend mainly on demand and supply gap, fluctuation in the price of crude oil and it's derivatives. To mitigate the price risk and availability issues, the Company is taking several pro-active initiatives like continuously monitoring the price trend of key material, review of various study group reports, development of new vendors and alternate material for better price competitiveness and superior quality.

### Note No. 38 : Capital Management

Capital includes equity share capital and other equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximise the shareholder's value. The Company has complied with those covenants throughout the reporting period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions to meet requirements of the financial covenants. To maintain or adjust the capital structure, the Company may review the dividend payment to shareholders, return capital to shareholders or issue new shares.

### Debt to Equity Ratio

(₹ in Crore)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Equity Share Capital	13	24.82	12.40
Other Equity	14	1247.58	1092.67
		<b>1272.40</b>	<b>1105.07</b>
Non Current- Borrowings	15	-	-
Debt to Equity Ratio		-	-

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020.

### Note No. 39: Collaterals

The Company has hypothecated/mortgaged its current assets, specific property, plant and equipment as collateral against its borrowings. (Refer note no.15)

## Notes forming part of Financial Statements

### Note No. 40 : Related Party Transactions

Disclosure is hereby given in pursuant to Ind AS 24 "Related Party Disclosures".

#### i) Names of Related Parties and their relationship

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

Ramesh Kumar Dua, Managing Director

Mukand Lal Dua, Whole Time Director

##### (b) Key Management Personnel (KMP)

Nikhil Dua, Whole Time Director

Deval Ganguly, Whole Time Director

##### (c) Entities where Individuals and Key Management Personnel (KMP) as defined in Note No. 40 (i) (a) and 40 (i) (b) above exercise significant influence

Patel Oil Mills

Ramesh Kumar Dua (H.U.F)

Mukand Lal Dua (H.U.F)

Mool Chand Dua (H.U.F)

Relaxo Foundation

Shrimati Ram Ditti Dua Memorial Society

Shri Mool Chand Dua Memorial Society

##### (d) Relatives of individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and relatives of Key Management Personnel (KMP)

Lalita Dua, wife of Managing Director

Gaurav Dua, son of Managing Director

Rahul Dua, son of Managing Director

Sakshi Dua, daughter of Managing Director

Usha Dua, wife of Whole Time Director

Ritesh Dua, son of Whole Time Director

Nitin Dua, son of Whole Time Director

##### (e) Independent Directors (KMP) and their relatives

Pankaj Shrimali

Vivek Kumar

Deepa Verma

Rajeev Rupendra Bhadauria (w.e.f. August 23, 2019)

Madhuri Shrimali, wife of Pankaj Shrimali

##### (f) Post Employment Benefit Plan Trust

Relaxo Footwears Limited Employees Group Gratuity Scheme

## Notes forming part of Financial Statements

### ii) Related Party Transactions

(₹ in Crore)

Particulars	Individuals having Significant Influence over the Company and KMP	KMP	Entities where KMP and Individuals exercise Significant Influence	Relatives of Individuals and KMP	Independent Directors (KMP) and their Relatives	Post Employment Benefit Plan Trust	Total
Sale of goods	-	-	0.01	-	-	-	0.01
	-	-	(0.08)	-	-	-	(0.08)
Lease Rent paid	1.12	0.74	0.92	2.72	-	-	5.50
	(1.12)	(0.76)	(0.92)	(2.89)	-	-	(5.69)
Final / Interim Dividend (on payment basis)	23.21	2.01	0.11	12.55	0.00	-	37.88
	(8.64)	(0.67)	(0.04)	(4.05)	(0.01)	-	(13.41)
Short-Term Employee Benefits (Salary)	3.60	2.16	-	4.01	-	-	9.77
	(2.41)	(2.08)	-	(3.65)	-	-	(8.14)
Post-Employment Benefits (Provident Fund and Gratuity)	0.44	0.17	-	0.38	-	-	0.99
	(0.29)	(0.14)	-	(0.27)	-	-	(0.70)
Long-Term Employee Benefits (Compensated Absences)	-	0.03	-	-	-	-	0.03
	-	(0.03)	-	-	-	-	(0.03)
Contribution to Post Employment Benefit Plan Trust (Gratuity)	-	-	-	-	-	5.90	5.90
	-	-	-	-	-	(4.00)	(4.00)
Director's Commission Payable (Refer note no.16)	25.80	-	-	-	0.10	-	25.90
	(24.76)	-	-	-	(0.07)	-	(24.83)
Sitting Fee paid	-	-	-	-	0.14	-	0.14
	-	-	-	-	(0.11)	-	(0.11)
CSR (Refer note no.27)	-	-	4.66	-	-	-	4.66
	-	-	(3.53)	-	-	-	(3.53)
Share Based Payments	-	0.13	-	-	-	-	0.13
	-	(0.18)	-	-	-	-	(0.18)
Issue of Shares under Scheme of Amalgamation (No. of Shares)	-	-	-	-	-	-	-
	(22,65,982)	(1,71,387)	-	(11,81,084)	-	-	(36,18,453)
Issue of Bonus Shares (No. of Shares)	5,49,79,832	46,74,093	2,52,000	2,81,93,784	19,956	-	8,81,19,665
	-	-	-	-	-	-	-
Guarantees and Collaterals taken*	260.05	-	-	-	-	-	260.05
	(293.88)	-	-	-	-	-	(293.88)

Previous year figures are given in brackets

Transactions with related parties are on arm's length price.

\* Off Balance Sheet item

0.00 represents amount less than ₹ 50000/-

## Notes forming part of Financial Statements

### Note No. 41 : Fair Value Measurements

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

The following methods, assumptions and valuation techniques were used to estimate the fair values.

- The fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, trade payables, borrowings and other financial assets and liabilities are considered same as their carrying amount due to their short term nature.
- Financial assets and liabilities with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty.
- The Management assessed that fair values of above financial assets and liabilities approximate their carrying value due to amortised cost being calculated based on the effective interest rates.
- The fair value of cross currency interest rate swaps is determined as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward exchange contracts and currency swaps is determined using forward exchange rates at the balance sheet date.

### Fair Value Hierarchy

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

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

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

**Level 3:** Unobservable inputs for the asset or liability.

The below table provides comparison by class of carrying amount and fair value of the Company's financial instruments along with fair value hierarchy. (₹ in Crore)

Particulars	Note No.	As at March 31, 2020			As at March 31, 2019		
		Carrying Amount	Fair Value	Fair Value Hierarchy	Carrying Amount	Fair Value	Fair Value Hierarchy
<b>Financial Assets carried at Amortised Cost</b>							
<b>Non-Current Assets</b>							
Loans	5						
Loans to Employees		0.03	0.03	Level 3	0.00	0.00	Level 3
Security Deposits		18.46	18.46	Level 3	17.09	17.09	Level 3
Other Financial Assets	6						
Balances with Banks held as Margin Money		0.35	0.35	Level 2	0.12	0.12	Level 2
<b>Current Assets</b>							
Trade Receivables	9	172.08	172.08	Level 3	222.57	222.57	Level 3
Cash and Cash Equivalents	10	2.55	2.55	Level 1	1.88	1.88	Level 1
Bank Balances other than Cash and Cash Equivalents	11	1.54	1.54	Level 2	0.34	0.34	Level 2

0.00 represents amount less than ₹ 50000/-

## Notes forming part of Financial Statements

(₹ in Crore)

Particulars	Note No.	As at March 31, 2020			As at March 31, 2019		
		Carrying Amount	Fair Value	Fair Value Hierarchy	Carrying Amount	Fair Value	Fair Value Hierarchy
Loans	5						
Loans to Employees		0.28	0.28	Level 3	0.39	0.39	Level 3
Other Financial Assets	6						
Insurance Claims Receivable		0.15	0.15	Level 3	0.35	0.35	Level 3
Interest accrued on Bank Deposits		0.05	0.05	Level 2	0.03	0.03	Level 2
Export Incentives Receivable		2.75	2.75	Level 2	2.64	2.64	Level 2
Duty Credit Scripts		1.68	1.68	Level 2	1.38	1.38	Level 2
GST Refundable		21.58	21.58	Level 2	37.31	37.31	Level 2
		<b>221.50</b>	<b>221.50</b>		<b>284.10</b>	<b>284.10</b>	
<b>Financial Assets carried at Fair Value through Profit or Loss</b>							
<b>Current Assets</b>							
Other Financial Assets	6						
Foreign Exchange Forward Contracts		<b>1.82</b>	<b>1.82</b>	<b>Level 2</b>	<b>1.36</b>	<b>1.36</b>	<b>Level 2</b>
<b>Financial Assets carried at Fair Value through Other Comprehensive Income</b>							
<b>Non-Current Assets</b>							
Investments	4						
Unquoted Equity Instruments		<b>0.20</b>	<b>0.20</b>	<b>Level 3</b>	<b>0.20</b>	<b>0.20</b>	<b>Level 3</b>
<b>Financial Liabilities carried at Amortised Cost</b>							
<b>Non-Current Liabilities</b>							
Lease Liabilities		119.78	119.78	Level 3	-	-	
Other Financial Liabilities	16						
Retention Money		0.01	0.01	Level 3	0.01	0.01	Level 3
<b>Current Liabilities</b>							
Borrowings	15						
Lease Liabilities		27.61	27.61	Level 3	-	-	
Trade Payables							
Micro Enterprises and Small Enterprises		27.50	27.50	Level 3	13.68	13.68	Level 3
Other than Micro Enterprises and Small Enterprises		156.29	156.29	Level 3	158.14	158.14	Level 3
Other Financial Liabilities	16						
Current Maturities of Term Loans from Banks		-	-		25.08	25.08	Level 2
Interest accrued on Borrowings from Banks		0.05	0.05	Level 2	0.22	0.22	Level 2
Security Deposits received from Customers		10.28	10.28	Level 3	8.13	8.13	Level 3

## Notes forming part of Financial Statements

(₹ in Crore)

Particulars	Note No.	As at March 31, 2020			As at March 31, 2019		
		Carrying Amount	Fair Value	Fair Value Hierarchy	Carrying Amount	Fair Value	Fair Value Hierarchy
Others		0.55	0.55	Level 3	0.50	0.50	Level 3
Unpaid Dividends		0.31	0.31	Level 2	0.17	0.17	Level 2
Employee Benefits Payable		31.56	31.56	Level 3	27.81	27.81	Level 3
Director's Commission Payable		25.89	25.89	Level 3	24.83	24.83	Level 3
Retention Money		2.13	2.13	Level 3	6.06	6.06	Level 3
Payable for Capital Goods		2.73	2.73	Level 3	19.17	19.17	Level 3
		<b>423.85</b>	<b>423.85</b>		<b>370.72</b>	<b>370.72</b>	
<b>Financial Liabilities carried at Fair Value through Profit or Loss</b>							
<b>Current Liabilities</b>							
Other Financial Liabilities	16						
Foreign Exchange Forward Contracts		-	-		<b>2.30</b>	<b>2.30</b>	<b>Level 2</b>

The sensitivity analysis of inputs used in fair valuation of investment carried at fair value through other comprehensive income, is not significant, hence no disclosure is made.

### Note No. 42 : Corporate Social Responsibility (CSR)

Company implements its CSR activities through a registered society, namely Relaxo Foundation whose vision is to ensure sustained human development of the most deprived communities primarily under two thematic areas viz. 'Education & Skill Development' and 'Health & Hygiene'.

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

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amount required to be spent by the Company in accordance with Section 135 of Companies Act ,2013	4.66	4.03
Amount spent during the year (on purpose other than construction/acquisition of assets controlled by the Company) (Refer note no. 27)	4.66	4.03

### Note No. 43 : Payments to Auditor\*

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As Auditor		
Statutory Audit Fees	0.17	0.12
In Other Capacity		
Limited Review and Other Services	0.08	0.07
Tax Audit	0.03	-
	<b>0.28</b>	<b>0.19</b>

\* Included in legal and professional fees (Refer note no. 27)

## Notes forming part of Financial Statements

### Note No. 44 : The Micro, Small and Medium Enterprises Development Act, 2006

The information regarding micro and small Enterprises as defined under "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.

During the year ended March 31, 2020, an amount of ₹ 3.04 crores (previous year ₹ 14.33 crores) was paid beyond the appointed day.

### Note No. 45: Segment Reporting

#### Operating Segment

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

#### Entity-wide Disclosure under Ind AS 108 "Operating Segments"

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Geographical Area wise Revenue (Footwear) *		
Within India	2291.43	2180.73
Outside India	91.57	85.76
	<b>2383.00</b>	<b>2266.49</b>

\* Refer note no. 21.

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

### Note No. 46: Government Grants

Government grant of ₹ 2.90 crores under the scheme of IDLS (Integrated Development of Leather Sector) has been received for specific plant & machinery and moulds. Company has deducted government grant from carrying amount of such plant & machinery and moulds (Refer note no.1). This scheme was aimed at enabling footwear manufacturing units to upgrade themselves leading to productive gains, right-sizing of capacity, cost cutting and employment generation.

### Note No. 47: Disclosure under Ind AS 116 "Leases"

The Company has adopted Ind AS 116 "Leases" w.e.f. April 1, 2019 (transition date) using the modified retrospective method without restatement of the comparative period. Accordingly, right-of-use asset of ₹ 192.63 crores (including reclassification of lease hold land) and lease liability of ₹ 141.77 crores measured at the present value of the remaining lease payments has been recognised on transition date.

In the statement of profit and loss for the year ended March 31, 2020, the nature of expense in respect of operating leases has changed from rent to depreciation on right-of-use asset and finance cost on lease liability. (Refer note no. 25, 26 and 32).

The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined. For cases where rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.



## Notes forming part of Financial Statements

### Note No. 48: Disclosure as per Ind AS 115 "Revenue from Contracts with Customers"

Reconciliation of revenue (footwear) as per contract price and as recognised in statement of profit and loss: (₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue as per Contract Price	2529.25	2404.12
Less: Discounts and Incentives	146.25	137.63
Revenue as per Statement of Profit and Loss *	<b>2383.00</b>	<b>2266.49</b>

\* Refer note no. 21.

### Note No. 49: Impact of Global Health Pandemic COVID -19

The Company has done assessment of recoverability and carrying values of its assets comprising of receivables, inventories, plant and equipment, intangible assets and on the basis of assessment, the Company expects to recover the carrying amount of these assets. The Company will continue to closely monitor any material changes to future economic conditions due to uncertainties linked to COVID -19.

**Note No. 50:** 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 **B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N/N500050

**Sudhir Maheshwari**  
Partner  
Membership No. 081075

Delhi, June 6, 2020

For and on behalf of the Board of Directors

**Ramesh Kumar Dua**  
Managing Director  
DIN :00157872

**Sushil Batra**  
Chief Financial Officer

**Mukand Lal Dua**  
Whole Time Director  
DIN :00157898

**Vikas Kumar Tak**  
Company Secretary

# BEST AMONGST THE REST



RELAXO

FLITE



INDIA  
LEGA  
FLITE.



FL-341



PUL-90



PUG-86



FL-370

Ranveer is wearing FL-330

[www.relaxofootwear.com](http://www.relaxofootwear.com)

Shop online at [www.shopatrelaxo.com](http://www.shopatrelaxo.com) | Download ShopatRelaxo app on  

 / flite.footwear |  / FliteFootwear |  / relaxoindia

# RELAXO

## RELAXO FOOTWEARS LIMITED

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

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

**Email:** [rfl@relaxofootwear.com](mailto:rfl@relaxofootwear.com) | [www.relaxofootwear.com](http://www.relaxofootwear.com)

**CIN No:** L74899DL1984PLC019097

 Shop online at [www.shopatrelaxo.com](http://www.shopatrelaxo.com) | Download ShopatRelaxo app on  

 /relaxofootwears |  @relaxofootwears |  /relaxoindia

# RELAXO

## RELAXO FOOTWEARS LIMITED

Corporate Identity No. L74899DL1984PLC019097

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

### NOTICE

NOTICE is hereby given that the 36th Annual General Meeting (AGM) of the members of Relaxo Footwears Limited to be held through Video Conferencing ('VC') / Other Audio Visual Means ("OAVM") on Thursday, the 24th day of September, 2020 at 10.30 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020, which includes Balance Sheet as at March 31, 2020 and the statement of Profit and Loss Account for the year ended on that date including Statement of cash flows for the year ended as at March 31, 2020, together with the Reports of Board of Directors and Auditors thereon.
2. To ratify payment of interim dividend of ₹ 1.25/- per equity share for the financial year 2019-20.
3. To consider appointment of a Director in place of Mr. Deval Ganguly (DIN - 00152585) who retires by rotation and being eligible offers himself for reappointment.

### SPECIAL BUSINESS

#### 4. RE-APPOINTMENT OF MR. NIKHIL DUA (DIN - 00157919) AS A WHOLE TIME DIRECTOR OF THE COMPANY

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], the consent of members of the Company be and is hereby accorded to the re-appointment of Mr. Nikhil Dua (DIN - 00157919), as a Whole time Director of the Company (liable to retire by rotation), for a period of 3 (three) years

with effect from October 1, 2020 till September 30, 2023 at a monthly remuneration of ₹ 8,00,000/- in the pay scale of (₹ 8,00,000 - ₹ 50,000 - ₹ 9,00,000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade and performance bonus / variable payout i.e. 0.01% of turnover of the Company as defined under the Companies Act, 2013, subject to maximum of ₹ 40.00 Lacs in a Financial Year and on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions/or remuneration subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

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

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper, expedient to give effect to this resolution.

#### 5. RE-APPOINTMENT OF MR. RITESH DUA (RELATIVE OF DIRECTORS) AS AN EXECUTIVE VICE PRESIDENT (FINANCE) OF THE COMPANY

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

**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], the consent of members of the Company be and is hereby accorded to the re-appointment of Mr. Ritesh Dua (relative of Mr. Mukand Lal Dua & Mr. Nikhil Dua, Whole Time Directors) to hold and continue to hold office or place of profit in the Company as an Executive Vice President (Finance) of the Company for a period of 3 (three) years with effect from October 1, 2020 till September 30, 2023 at a monthly remuneration of ₹ 8,00,000/- in the pay scale of (₹ 8,00,000 – ₹ 50,000 – ₹ 9,00,000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade and performance bonus / variable payout i.e. 0.01% of turnover of the Company as defined under the Companies Act, 2013, subject to maximum of ₹ 40.00 Lacs in a Financial Year and on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper, expedient to give effect to this resolution.

**6. RE-APPOINTMENT OF MR. GAURAV DUA (RELATIVE OF DIRECTOR) AS AN EXECUTIVE VICE PRESIDENT (MARKETING) OF THE COMPANY**

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

**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force ], the consent of members of the Company be and is hereby accorded to the re-appointment of Mr. Gaurav Dua (relative of Mr. Ramesh Kumar Dua, Managing Director) to hold and continue to hold office or place of profit in the Company as an Executive Vice President (Marketing) of the Company for a period of 3 (three) years with effect from October 1, 2020 till September 30, 2023 at a monthly remuneration of ₹ 8,00,000/- in the pay scale of (₹ 8,00,000 – ₹ 50,000 – ₹ 9,00,000)

and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade and performance bonus / variable payout i.e. 0.01% of turnover of the Company as defined under the Companies Act, 2013, subject to maximum of ₹ 40.00 Lacs in a Financial Year and on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any committee thereof) be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper, expedient to give effect to this resolution.

**7. RE-APPOINTMENT OF MR. NITIN DUA (RELATIVE OF DIRECTORS) AS AN EXECUTIVE VICE PRESIDENT (RETAIL) OF THE COMPANY**

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

**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], the consent of members of the Company be and is hereby accorded to the re-appointment of Mr. Nitin Dua (relative of Mr. Mukand Lal Dua & Mr. Nikhil Dua, Whole Time Directors) to hold and continue to hold office or place of profit in the Company as an Executive Vice President (Retail) of the Company for a period of 3 (three) years with effect from October 1, 2020 till September 30, 2023 at a monthly remuneration of ₹ 8,00,000/- in the pay scale of (₹ 8,00,000 – ₹ 50,000 – ₹ 9,00,000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade and performance bonus / variable payout i.e. 0.01% of turnover of the Company as defined under the Companies Act, 2013, subject to maximum of ₹ 40.00 Lacs in a Financial Year and on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any committee thereof) be and is hereby authorised to do all such acts and take all such

steps as may be necessary, proper, expedient to give effect to this resolution.

#### **8. RE-APPOINTMENT OF MR. RAHUL DUA (RELATIVE OF DIRECTOR) AS AN ASSISTANT EXECUTIVE VICE PRESIDENT (MANUFACTURING) OF THE COMPANY**

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

**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], the consent of members of the Company be and is hereby accorded to the re-appointment of Mr. Rahul Dua (relative of Mr. Ramesh Kumar Dua, Managing Director) to hold office or place of profit in the Company as an Assistant Executive Vice President (Manufacturing) of the Company for a period of 3 (three) years with effect from October 1,

2020 till September 30, 2023 at a monthly remuneration of ₹ 7,00,000/- in the pay scale of (₹ 7,00,000 - ₹ 50,000 - ₹ 8,00,000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade and performance bonus / variable payout i.e. 0.01% of turnover of the Company as defined under the Companies Act, 2013, subject to maximum of ₹ 40.00 Lacs in a Financial Year and on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper, expedient to give effect to this resolution.

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

**Vikas Kumar Tak**  
Company Secretary

Delhi, June 6, 2020

#### **NOTES:-**

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (the Act) with respect to special business set out in the Notice is annexed.
2. Pursuant to Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Secretarial Standards 2 issued by Institute of Company Secretaries of India (ICSI) details of Director retiring by rotation / seeking re-appointment at the ensuing meeting are provided in the "Annexure" to the Notice.
3. In view of the massive outbreak of the COVID - 19 pandemic, social distancing is a norm to be followed and pursuant to Ministry of Corporate Affairs (MCA) Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020, and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 have permitted companies to hold their AGM through VC/OAVM for the calendar year 2020 and prescribed the procedures and manner of conducting the AGM through VC/ OAVM.
4. In compliance with applicable provisions of the Act read with aforesaid MCA circulars, the 36th Annual General Meeting of the Company being conducted through Video Conferencing (VC) herein after called as "e-AGM". Hence, members can attend and participate in the AGM through VC/OAVM only.
5. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/ Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
6. Company has appointed KFin Technologies Private Limited, Registrar & Share Transfer Agent (RTA) of the Company, (earlier known as Karvy Fintech Private Limited) ("KFin" or "KFintech") to provide facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and voting through InstaPoll during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No 16 below.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act,

2013 and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 24, 2020. Members seeking to inspect such documents can send an email to [cs@relaxof footwear.com](mailto:cs@relaxof footwear.com). The Register of Members and Share Transfer Books will remain closed from Friday, September 18, 2020 to Wednesday, September 23, 2020 (both days inclusive) in connection with AGM.

8. Pursuant to the circulars issued by MCA on conducting the AGM through VC/OAVM:
  - a. Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue has been dispensed with.
  - b. Appointment of proxy to attend and cast vote on behalf of the member is not available for this e-AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
  - c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
9. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served (FIFO) basis.
10. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
11. The attendance of the Members (through members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members through M/s KFin Technologies Private Limited.

13. **E-voting system at the e-AGM:** Members who could not vote through remote e-voting may avail the e-voting system at the e-AGM i.e. InstaPoll provided by M/s KFin Technologies Private Limited.

14. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the e-AGM has been uploaded on the website of the Company at [www.relaxof footwear.com](http://www.relaxof footwear.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and is also available on the website of e-voting agency M/s KFin Technologies Private Limited at the website address <https://evoting.karvy.com/>.

15. **Procedure for obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:**

In accordance with the MCA General Circular No. 20/2020 dated May 5, 2020 and SEBI Circular No. SEBI/ HO/CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended March 31, 2020 pursuant to section 136 of the Act and Notice calling the Annual General Meeting pursuant to section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/ KFinTech or the Depository Participant(s). The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member. Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with KFinTech by following due procedure:

- a) Members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) and in respect of shares held in physical form by clicking at [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/) or by writing to the RTA with details of folio number and self-attested copy of PAN card at KFin Technologies Private Limited, Unit: Relaxo Footwears Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, India or by sending email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- b) After due verification, the Company/KFin will



forward your login credentials to your registered email address.

- c) Members are advised to receive the Notice convening the 36th AGM and Annual Report for FY 2019-20 via e-mail, by updating their email ID by accessing the link [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/). Alternatively, Notice of 36th AGM can be downloaded through <https://evoting.karvy.com/public/Downloads.aspx>.
- d) Shareholders are also requested to visit the website of the company [www.relaxofootwear.com](http://www.relaxofootwear.com) or the website of the Registrar and Transfer Agent [www.kfintech.com](http://www.kfintech.com) for downloading the Annual Report and Notice of the e-AGM.

**16. Instructions for the Members for attending the AGM through Video Conference:**

The Company will provide VC / OAVM facility to its Members for participating at the AGM.

- a) Members will be able to attend the AGM through VC at <https://emeetings.KFintech.com> by using their e-voting login credentials.

**Members are requested to follow the procedure given below:**

- i. Launch internet browser (chrome/firefox/safari) by typing the URL: <https://emeetings.KFintech.com>.
  - ii. Enter the login credentials (i.e., User ID and password for e-voting).
  - iii. After logging in, click on "Video Conference" option.
  - iv. Then click on camera icon appearing against AGM event of Relaxo Footwears Limited, to attend the Meeting.
- b) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the e-voting instructions.
  - c) Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.Kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during September 19, 2020 (09:00 a.m. IST) to September 21, 2020 (5:00 p.m. IST). Only those members who have registered themselves as speaker will be allowed to express their views or ask questions at the AGM. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

Members are requested to remember the same and wait for their turn to be called by the Chairman of the Meeting during the Question and Answer Session. Due to inherent limitation of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Question and Answer Session. Hence, Members are encouraged to get themselves registered as speaker during that period to ask questions/queries etc. at the AGM.

- d) Members will be allowed to attend the AGM through VC/OAVM on first come, first served basis.
- e) Facility to join the meeting shall be opened 15 minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
- f) Members who need assistance before or during the AGM can contact KFin on [evoting@kfintech.com](mailto:evoting@kfintech.com) or call on toll free numbers 040-6716 2222 / 1800-345-4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.
- g) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
- h) Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
- i) Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

**17. Instructions for members for e-Voting during the e-AGM:**

- a) Only those Members/ shareholders, who will be present in the e-AGM through Video Conference facility and have not casted their vote through remote e-Voting are eligible to vote through 'InstaPoll' in the e-AGM.
- b) However, members who have voted through Remote e-Voting will be eligible to attend the e-AGM.
- c) The procedure for Instapoll on the day of the e-AGM is same as the instructions mentioned for Remote e-voting.

**18. Members holding shares in physical mode:**

- a. are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Registrar, if not registered with the Company as mandated by SEBI;
- b. are advised to register the nomination in respect of their shareholding in the Company in Nomination Form (SH-13);

- c. are requested to register / update their e-mail address with the Company / Registrar for receiving all communications from the Company electronically;
- d. are requested to notify the Company / Registrar, of any change in their address or bank mandates immediately.

Members holding shares in physical mode are requested to always quote their Folio Number or DP ID and Client ID Numbers in all correspondence with the Company.

**19. Members holding shares in electronic mode:**

- a. are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts;
- b. are advised to contact their respective DPs for registering the nomination;
- c. are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically;
- d. are requested to notify respective depository participant of any change in their addresses and particulars of their bank accounts immediately.

**20. Non-Resident Indian members are requested to inform Registrar/ respective DPs, immediately of:**

- a. change in their residential status on return to India for permanent settlement;
- b. particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

**21. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules, 2019 notified by the Ministry of Corporate Affairs,**

the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF) demat Account. Adhering to various requirements set out in the Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded details of such members whose shares are transferred to IEPF demat Account on its website at [www.relaxofootwear.com](http://www.relaxofootwear.com). The shares transferred to IEPF demat Account including all benefits accruing on such shares, if any, can be claimed by the members from IEPF Authority, after following the procedure prescribed under the Rules. Pursuant to the provisions of Sections 124 and 125 of the Act, dividends which remain unclaimed for a period of seven years from the date of transfer to the unpaid dividend account are required to be transferred to IEPF established by the Central Government. The details of unpaid dividend are placed on the website of the Company at [www.relaxofootwear.com](http://www.relaxofootwear.com). During FY20, the Company transferred unclaimed dividend amounts of ₹ 89,068.00 from the Final Dividend for the financial year 2011 - 2012 to the IEPF. Members who have not encashed their dividend warrants towards the Final Dividend for the financial year 2012-2013 or thereafter are requested to write to the Company's Registrars and Share Transfer Agent.

Please note that no claim shall lie against the Company in respect of the shares so transferred to such IEPF Demat Account and dividend transferred to IEPF Account.

Members are requested to note that the unclaimed dividends will be transferred to IEPF after the below mentioned due dates:

Financial Year	Date of Declaration	Date of Transfer to Unpaid Dividend A/C	Last date of Claim	Due date of transfer to IEPF	Amount of Unclaimed Dividend as on March 31, 2020 (₹)
2012-13	19.09.13	25.10.13	24.10.20	23.11.20	1,35,062.00
2013-14	18.09.14	24.10.14	23.10.21	22.11.21	1,60,305.00
2014-15	24.09.15	30.10.15	29.10.22	28.11.22	1,86,926.00
2015-16	15.09.16	21.10.16	20.10.23	19.11.23	2,35,153.80
2016-17	21.09.17	27.10.17	26.10.24	25.11.24	3,75,398.00
2017-18	27.09.18	02.11.18	01.11.25	01.12.25	5,16,175.50
2018-19	26.09.19	01.11.19	31.10.26	30.11.26	3,51,433.80
2019-20	27.02.20	03.04.20	02.04.27	01.05.27	11,27,008.75

Members who have not encashed their dividend warrants are requested to send back their warrants for revalidation or lodge their claims to our Registrar and Share Transfer Agent.

22. Pursuant to Regulation 39 and Schedule V and VI of the Listing Regulations the details of unclaimed shares in its Unclaimed Suspense Account are given in Directors Report.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

23. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to Company or Registrar for doing the needful.
24. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members who still hold share certificates in physical form are advised to dematerialise their shareholding.

## **25. GENERAL INFORMATION AND INSTRUCTIONS FOR REMOTE E- VOTING:**

- a) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by M/s Kfin Technologies Private Limited, on all the resolutions set forth in this Notice.
- b) Further, the facility for voting through electronic voting system will also be made available at the AGM ("InstaPoll") and members attending the Meeting who have not casted their vote(s) by remote e-voting, will be able to vote at the Meeting through InstaPoll. The Company has engaged the services of KFin as the agency to provide e-voting facility at the AGM
- c) E-voting is optional. The members of the Company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cut-off date, may cast their vote electronically either through remote e-voting or at the meeting through InstaPoll. The cut-off date for eligibility for remote e-voting is September 17, 2020.

A person who is not a member as on cut-off date should treat this notice for information purpose only. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date. The members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting through VC/OAVM but shall not be entitled to cast their vote again. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again.

- d) The e-voting facility will be available during the following period:
- Commencement of e-voting : 09:00 Hours (IST) on Monday, September 21, 2020
  - End of e-voting : 17:00 Hours (IST) on Wednesday, September 23, 2020
- e) The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Registrar upon expiry of aforesaid period.
- f) The Board of Directors has appointed Mr. Baldev Singh Kashtwal, Practicing Company Secretaries, (C.P. No. 3169) as the Scrutinizer to scrutinize the remote e-voting and InstaPoll process in a fair and transparent manner.
- g) The detailed procedure and instruction for remote e-voting is as under:
- A. **In case of members receiving an e-mail from Kfin** [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:
- i) Launch an internet browser by typing the URL: <https://evoting.karvy.com>.
  - ii) Enter the login credentials (i.e. User ID and initial password) as provided in the e-mail, forwarding the Notice along with Annual Report. Your Folio No. or DP ID along with Client ID (For NSDL) / 16 digits beneficiary ID (For CDSL), will be your User ID. However, if you are already registered with Kfin for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 040-67162222 / 1800 3454 001 (from 9:00 a.m. to 6:00 p.m.) for re-setting the password.
  - iii) After entering the above details, click on "Login".

- iv) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will also prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the e-voting Event Number for Relaxo Footwears Limited.
- vii) On the voting page, you will see resolutions description and against the same the option 'FOR/AGAINST' for voting. Enter the number of shares (which represents the number of votes) as held by member as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding.
- viii) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- ix) Voting must be done for each items of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED".
- x) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- xii) Corporate / Institutional members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Power of Attorney/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: bskashtwal@gmail.com with a copy marked to evoting@Kfintech.com. It is also required to upload the same in the e-voting module in their login. The scanned image of the abovementioned documents should be in the naming format "Corporate Name\_EVENT NO."
- B. In case of Members who have not registered their e-mail address (including Members holding shares in physical form), please follow the steps for registration of e-mail address as mentioned in para 15 of the "Notes".
- C Any member who holds shares as on cut-off date i.e September 17, 2020, may obtain User id and password in the manner as mentioned below:
- i) If the mobile number of the member is registered against shares held in demat form, the member may send SMS: MYEPWD<space> DP ID Client ID to 9212993399  
Example for NSDL:  
MYEPWD <SPACE> IN12345612345678  
Example for CDSL:  
MYEPWD <SPACE> 1402345612345678
- ii) If the mobile number of the member is registered against shares held in physical form the member may send SMS: MYEPWD<space> Event no. + Folio no. to 9212993399.  
Example for Physical:  
MYEPWD <SPACE> XXXX1234567890
- iii) If e-mail address of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- For member whose mobile number and email address is not registered, may call Kfin toll free number 040-6176 2222 / 1800-3454-001 (from 9:00 a.m. to 6:00 p.m.) or may send an e-mail request at [evoting@kfin.com](mailto:evoting@kfin.com)
- Information and instructions for InstaPoll:**  
Facility to cast vote through InstaPoll will be

made available on Video Conferencing screen and will be activated once the InstaPoll is announced at the AGM.

- h) Once the vote on a resolution is cast by a member, the member shall not be allowed to modify it subsequently. The Company shall also provide facility for InstaPoll system at the e-AGM and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the e-AGM through InstaPoll. A member can opt for only single mode of voting i.e. through Remote e-voting or InstaPoll at the e-AGM. If a member casts votes by both modes then voting done through Remote e-voting shall prevail and vote through InstaPoll shall be treated as invalid.
- i) The members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting through VC/OAVM but shall not be entitled to cast their vote again.
- j) The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date, being September 17, 2020. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
- k) The results shall be declared on or after the e-AGM. The results along with the Scrutinizer's Report shall be displayed for at least 3 (three) days on the Notice Board of the company at its Registered Office i.e. Relaxo Footwears Limited, Aggarwal City Square, Plot No.10, Manglam Place, District Centre, Sector-3, Rohini, Delhi- 110085. The same shall also be placed on the website of the Company and Kfin's website (<https://www.kfintech.com/>).
- l) In case of any query and/or grievance, in respect of voting by electronic means, members may refer

to the Help & Frequently Asked Questions (FAQs) for shareholders' and 'e-voting user manual for shareholders', available at the download section of <https://evoting.karvy.com> and/or contact Mr. Raj Kumar Kale, Manager- Corporate Registry, Unit: Relaxo Footwears Limited of Kfin Technologies Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [evoting@kfin.com](mailto:evoting@kfin.com) or contact no. 040 - 6716 2222 or call Kfin's toll free No. 1800-3454-001 for any further clarifications. The members of the Company can also contact Mr. Vikas Kumar Tak, Company Secretary, Relaxo Footwears Limited, Aggarwal City Square, Plot No.10, Manglam Place, District Centre, Sector-3, Rohini, Delhi- 110085, Contact No: 011 - 46800600 and may write an e-mail to [cs@relaxofootwear.com](mailto:cs@relaxofootwear.com)

- m) The Scrutinizer shall after the conclusion of e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company. The Scrutinizer's decision on the validity of the vote shall be final and binding. The Scrutinizer shall submit his / her report, to the Managing Director or any other person authorised by Board, on the voting in favour or against, if any, within a period of forty- eight hours from the date of conclusion of the meeting. The results declared along with the consolidated Scrutinizer's Report shall be placed on the website of the Company [www.relaxofootwear.com](http://www.relaxofootwear.com). The results shall simultaneously be communicated to the Stock Exchanges.
26. Since the AGM will be held through VC / OAVM, the Route Map, proxy form and attendance slip are not annexed in this Notice.

## “Annexure” to the Notice

Information pursuant to Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards 2 issued by Institute of Company Secretaries of India (ICSI)

Name of Director(s)	Mr. Deval Ganguly (DIN - 00152585) (Item No-3)	Mr. Nikhil Dua (DIN - 00157919) (Item No-4)
<b>Qualifications</b>	Mr. Deval Ganguly is B.Tech from IIT Kanpur.	Mr. Nikhil Dua is a Commerce graduate and has studied from International School of Modern Shoe-making, Czech Republic.
<b>Age</b>	61 years	44 years
<b>Experience and nature of his Expertise in Specific functional areas</b>	Over 39 years of experience in areas of manufacturing, project and plant management in various reputed organisations.	Over 24 years of experience in production and new product development and has rich knowledge of product mix in Footwear Industry
<b>Disclosure of relationship between Directors inter-se/ relationship with other Directors, Manager and other key managerial personnel of the company</b>	None	Related to Mr. Mukand Lal Dua, Whole Time Director of the company
<b>Date of First Appointment on the Board</b>	November 5, 2012	February 22, 1997
<b>Name of entities in which persons hold Directorship of the Board</b>	Nil	Nil
<b>Shareholding in the company</b>	3,000 equity shares	93,43,674 equity shares
<b>Terms and conditions of re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable</b>	Re-appointment pursuant to Section 152 of the Companies Act, 2013.  Please refer Corporate Governance Report section for past remuneration.	Re-appointment pursuant to Section 149, 152, 196, 197 and 203 read with Schedule V of the Companies Act, 2013.  Please refer to explanatory statement for remuneration sought and Corporate Governance Report section for past remuneration.
<b>Number of meetings of the Board attended during the Year (01.04.2019 to 31.03.2020)</b>	Please refer Corporate Governance Report Section of the Annual Report	Please refer Corporate Governance Report Section of the Annual Report
<b>Chairman / member of Committees of other Boards</b>	Nil	Nil
<b>Chairman / member of Committee of Relaxo Footwears Limited</b>	Member in Risk Management Committee	Member in Audit Committee.

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

### Item No. 4

Mr. Nikhil Dua was re-appointed as Whole Time Director of the Company by way of a special resolution passed by the members at the 33rd Annual General Meeting of the Company held on September 21, 2017 for a period of three years from October 1, 2017 to September 30, 2020.

Mr. Nikhil Dua has spent 23 years with the Company and has been instrumental in the growth of the Company in last decade. His contribution has been mainly in the Strategy & planning, manufacturing and Product Development of the Company which have grown substantially in the last decade. Considering the background and experience of Mr. Nikhil Dua the Board of Directors at its meeting held on June 6, 2020, based on the recommendation of Nomination and Remuneration Committee and subject to the approval of members at the ensuing Annual General Meeting has reappointed Mr. Nikhil Dua as Whole Time Director of the Company liable to retire by rotation for three years i.e., from October 1, 2020 to September 30, 2023, on the terms and conditions given below:-

1. Term: Three years commencing from October 1, 2020 to September 30, 2023.
2. Nature of Duties : Mr. Nikhil Dua shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole and in the best interests of the Company, its employees, the shareholders and the community. He shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and/or the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company. He shall also exercise his duties with due and reasonable care, skill and diligence and independent judgment.
3. Gross Salary : Gross salary per month ₹ 8,00,000/- in the pay scale of (₹ 8,00,000 -₹ 50,000 -₹ 9,00,000).
4. Performance Bonus / Variable Payout :  
0.01% of turnover of the Company as defined under the Companies Act, 2013, upto a maximum of ₹ 40.00 Lacs in a Financial Year.
5. Other benefits :  
In addition to the above remuneration Mr. Nikhil Dua shall be entitled for following perquisites :-

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

### Explanation :-

Perquisites shall be evaluated as per the Income Tax Rules where ever applicable and in the absence of any such rule perquisite shall be evaluated at actual cost to the Company.

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

### Overall Remuneration

The total remuneration payable to Mr. Nikhil Dua by way of salary perquisites, allowances, benefits and amenities as approved by the Board shall not exceed the limits laid down in Sections 197, 198 and other relevant provisions of Companies Act, 2013 or any statutory modifications or re-enactments thereof and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Minimum Remuneration:

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

Mr. Mukand Lal Dua, Whole Time Director of the Company is related to Mr. Nikhil Dua. None of the other Directors and Key Managerial Personnel of the Company or their respective relative is concerned or interested financially or otherwise in the Resolution set out at Item No. 4 of the accompanying Notice. The relatives of Mr. Nikhil Dua, may be deemed to be interested in the respective resolution to the extent of their and Mr. Nikhil Dua's shareholding, if any, in the Company.

The Board recommends the resolution set out at Item No. 4 of the Notice for approval by the members as special resolution.

- Mr. Nitin Dua - Executive Vice President (Retail)
- Mr. Rahul Dua - Assistant Executive Vice President (Manufacturing)

#### Item No. 5-8

In accordance with the provisions of Section 188 of the Companies Act 2013, the members in the 33rd Annual General Meeting held on September 21, 2017 had approved the appointment of following executives of the Company in the place of profit for a period of three years with effect from October 1, 2017 to September 30, 2020:-

- Mr. Ritesh Dua - Executive Vice President (Finance)
- Mr. Gaurav Dua - Executive Vice President (Marketing)

The Board and Audit Committee at their respective meetings held on June 6, 2020, based on the recommendation of Nomination and Remuneration Committee, had accorded their approval for re-appointment of Mr. Ritesh Dua as an Executive Vice President (Finance), Mr. Gaurav Dua as an Executive Vice President (Marketing), Mr. Nitin Dua as an Executive Vice President (Retail) and re-appointment of Mr. Rahul Dua as an Assistant Executive Vice President (Manufacturing) of the Company on the following terms and remuneration:-

Particulars	Item No. 5 - 7	Item No. 8
Term	Three years commencing from October 1, 2020 to September 30, 2023.	
Gross Salary	Gross salary per month ₹ 8,00,000/- in the pay scale of (₹8,00,000 -₹ 50,000 -₹ 9,00,000)	Gross salary per month ₹ 7,00,000/- in the pay scale of (₹ 7,00,000 - ₹ 50,000 - ₹ 8,00,000)
Performance Bonus / Variable Payout	0.01% of turnover of the Company as defined under the Companies Act, 2013, upto a maximum of ₹ 40.00 Lacs in a Financial year.	
Other benefits	Contribution to Retirement funds, Superannuation fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.  Perquisites include use of Company's Car with driver, Club Membership Fee subject to maximum two clubs, Medical Insurance, Group Personal Accidental coverage as applicable to all employees of the Company from time to time and reimbursement of entertainment and all other expenses incurred by him for business of Company as per the Company Rules.	

#### Explanation:-

Perquisites shall be evaluated as per Income Tax Rules whenever applicable and in the absence of any such rule perquisite shall be evaluated at actual cost to the Company.

Mr. Mukand Lal Dua & Mr. Nikhil Dua, Whole Time Directors of the Company are related to Mr. Ritesh Dua & Mr. Nitin Dua are considered interested in the resolution no 5 & 7 of the accompanying Notice.

Mr. Ramesh Kumar Dua, Managing Director of the Company is related to Mr. Gaurav Dua & Mr. Rahul Dua is considered interested in the resolution no. 6 & 8 of the accompanying Notice.

None of the other Directors and Key Managerial Personnel of the Company or their respective relative are concerned or interested financially or otherwise in the Resolution set out at Item No. 5-8 of the accompanying Notice

The relatives of Mr. Ritesh Dua, Mr. Gaurav Dua, Mr. Nitin Dua and Mr. Rahul Dua, may be deemed to be interested in the respective resolution to the extent of their shareholdings, if any, in the Company.

The Board recommends the Special Resolution set out at Item No. 5 to 8 of the Notice for approval by the members.

Information required to be given under Rule 15 of the Companies (Meeting of Board and its powers) Rule 2014:



S. No.	Particulars	Description			
		Item No -5	Item No -6	Item No -7	Item No -8
1	Name of Related Party	Mr. Ritesh Dua	Mr. Gaurav Dua	Mr. Nitin Dua	Mr. Rahul Dua
2	Name of Director or Key Management Personnel who is related, if any	Mr. Mukand Lal Dua & Mr. Nikhil Dua	Mr. Ramesh Kumar Dua	Mr. Mukand Lal Dua & Mr. Nikhil Dua	Mr. Ramesh Kumar Dua
3	Nature of Relationship	Son of Mr. Mukand Lal Dua & Brother of Mr. Nikhil Dua	Son of Mr. Ramesh Kumar Dua	Son of Mr. Mukand Lal Dua & Brother of Mr. Nikhil Dua	Son of Mr. Ramesh Kumar Dua
4	Nature, material terms, monetary value and particulars of the Contract	Reappointment as Executive Vice President (Finance) on terms & conditions as mentioned above	Reappointment as Executive Vice President (Marketing) on terms & conditions as mentioned above	Reappointment as Executive Vice President (Retail) on terms & conditions as mentioned above	Reappointment as Assistant Executive Vice President (Manufacturing) on terms & conditions as mentioned above

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

**Vikas Kumar Tak**  
Company Secretary

Delhi, June 6, 2020