

July 28, 2022

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

Sub: Notice calling 38th Annual General Meeting (AGM), Addendum to the Notice of the 38th Annual General Meeting (AGM) and Annual Report of the Company for the Financial Year 2021-22

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 2021-22 along with Notice of AGM and Addendum to the Notice of the 38th AGM to be held on Thursday, August 25, 2022 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, featuring the word "RELAXO" in a bold, blue, italicized sans-serif font. A stylized orange and yellow swoosh is positioned between the "L" and "A".

RELAXO

COMMITTED TO PROVIDE
BEST-IN-CLASS FOOTWEAR

ANNUAL REPORT 2021-22

RELAXO FOOTWEARS LIMITED

COMMITMENT OF BEST IN CLASS

It's true, good shoes can take you places. In our case, it was the right pair of unwavering commitment and uncompromising quality. It still is. That's why, being India's best-in-class footwear manufacturer and an emerging global brand, we don't relax. We continue to excel in all our endeavours, from procuring best raw materials, innovating latest designs to making footprints in new territories. So, the more we fly, the more we will keep our feet firmly on the ground.

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

SHARE TRANSFER AGENT

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

BANKERS

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

REGISTERED OFFICE

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

WORKS

RFL-I & II	326-327, MIE, Bahadurgarh, Haryana
RFL-III	A-1130 & 1130 (A), RIICO Industrial Area, Phase-III, Bhiwadi, Rajasthan
RFL-IV	30/3/2, Mooja Hasanpur, Tikri Border, Bahadurgarh, Haryana
RFL-V	83-92, SIDCUL Industrial Area BHEL, Haridwar, Uttarakhand
RFL-VI	342-343, Footwear Park, Industrial Estate, Sector 17, Bahadurgarh, Haryana
RFL-VII	328-329, MIE, Bahadurgarh, Haryana
RFL-VIII	37, Sector 4B, Bahadurgarh, Haryana
RFL-IX	Plot No. SP-6 & 7 Kaharani, Bhiwadi Extn., Rajasthan

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FROM THE MANAGING DIRECTOR'S DESK

Dear Stakeholders,

I am pleased to announce that despite the challenges of abnormally high inflationary pressures, supply chain disruptions and the on-going Covid-19 pandemic during Financial Year 2021-22, your Company, banking on its inherent resilience and position of strength, managed a revenue growth of 12.47% to ₹2653 Crores with EBITDA and PAT at ₹416 Crores and ₹233 Crores respectively. Continuing its commitment to shareholders, your Board has recommended a final dividend of 250%, i.e. ₹2.50/- per fully paid up equity share of ₹1/-, for the Financial Year 2021-22.

The current pandemic has disrupted industrial climate and adversely impacted business performance globally for most industries. Even as footwear industry was anticipating a comeback in 2022 a second wave of COVID-19 emerged, furthering the sense of uncertainty. Nonetheless, in later part of the year Indian economy recovered well from these disruptions aided by India's commendable COVID vaccination coverage. Subsequently, revenues started improving in tandem with the gradual unlock process, giving hope that your Company, with four decades of successful experience will be able to come out of this quicker and stronger.

Keeping a steadfast focus on the consumer during the uncertainties of the year, your Company proactively optimised its product portfolio across business verticals, etched a sharper, more relevant product positioning for its top brands Sparx and Flite, with continued marketing investments and expansion of retail footprint to maintain its leadership position.

With a strategic view to harness the growing digital space your Company pioneered its own D2C channel and launched aggressive marketing campaigns to strengthen its

presence across leading marketplaces with resultant growth, encouraging sustained investment in this direction.

Strengthening of distribution channels, a sharper product portfolio and strategic marketing investments helped your Company to garner considerable growth from export markets with revenues exceeding ₹100 Crores in FY '22.

Despite periodic lockdowns and subdued consumer sentiments, your Company undertook an extensive in-store branding refresh exercise for its Exclusive Brand Outlets (EBO) and implemented a regimented placement planogram for effective product showcasing. As of March 31st, 2022 your Company's Exclusive Brand Outlet network stands at 394.

As a socially responsible corporate, your Company has adopted green fuel technology and switched over to PNG among other initiatives for energy conservation and cost rationalisation across manufacturing locations. Continuing with its objective of enhancing industrial safety and good practices your Company has now embarked upon SHE (Safety, Health & Environment) pillar of TPM.

Technology is the key to successful decision making in today's challenging and ever evolving business environment and so, during the year your Company improved upon its IT security posture by maintaining ISO 27001:2013 certification and implementing robust security solutions like DLP (Data Leak Protection) and CASB (Cloud Access Security Broker). Your Company also implemented SAP-ARIBA application for better transparency and efficiency in material sourcing.

Your Company recognises employees among its core assets and as a welfare measure provided necessary medical and financial aid to the affected families during testing times of the current pandemic.

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

True excellence is a ray that exudes positivity and sets standards for humanity at large. Our mission to rise above mediocrity is as inward as it is an inclusive, outward philosophy. Our journey comprises a series of possibilities, overcoming challenges and achieving a collective brilliance. And yet, every success is still part of our learning curve.

- Launched 'Flite' and 'Sparx' brands
- First COCO store launched
- Commenced Exports

Revenue:
₹ 235.93 Crore

2005-07

IPO to set up a plant in Haryana

Revenue:
₹ 38.17 Crore

1995

Launched Relaxo brand

Revenue:
₹ 0.12 Crore

1976

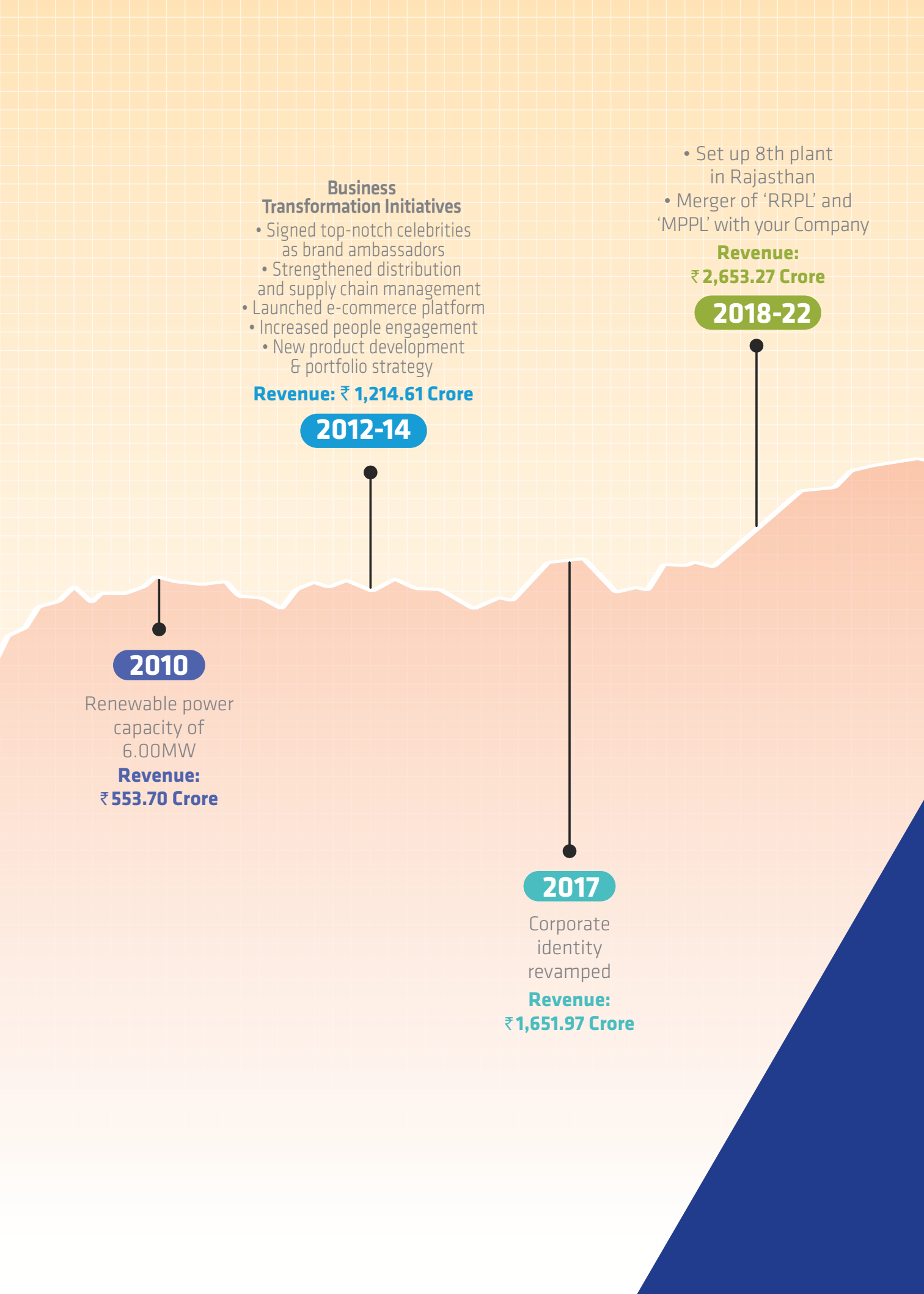
Relaxo Footwears Limited was incorporated

Revenue:
₹ 1.78 Crore

1984

2000

Expanded Capacity in Haryana
Revenue:
₹ 124.24 Crore



2010

Renewable power capacity of 6.00MW

Revenue:
₹ 553.70 Crore

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: ₹ 1,214.61 Crore

2012-14

2017

Corporate identity revamped

Revenue:
₹ 1,651.97 Crore

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

Revenue:
₹ 2,653.27 Crore

2018-22

BEST IN BRANDS

Relaxo is the largest footwear manufacturer in India, serving the nation since four decades, and is today ranked among the top 500 Most Valuable Companies.

Our brands offer an array of footwear at compelling prices for consumers seeking comfort, style and durability, placing them in a position of reckoning and winning trust of millions of customers worldwide.

The Relaxo logo is displayed in a blue, italicized, sans-serif font. The letter 'A' is stylized with a yellow and orange swoosh that extends to the right.

Four decades of consumer trust across age, gender and economic class has made Relaxo a household name, an iconic brand synonymous with rubber hawaii slippers.

The Flite logo features the word 'FLITE' in a bold, blue, sans-serif font. To the right of the text is a stylized graphic element consisting of two curved lines, one blue and one yellow, suggesting a wing or a swoosh.

Flite, is India's leading footwear brand most popular among middle class driving the India growth story and reflects the aspirational and youthful imagery of its consumers. A popular range of fashionable and semi-formal slippers for everyday wear, Flite enables people to take on the day with style and confidence.

The Sparx logo consists of the word 'sparx' in a bold, italicized, black sans-serif font. Below the word, the tagline 'GO FOR IT' is written in a smaller, red, sans-serif font. The entire logo is set against a black rectangular background with a thin red border.

One of the most loved footwear brands, Sparx reflects the attitude, style and spirit of young India - urging the youth to push the limits and seek their inner potential. Endorsed by Bollywood's fitness hero Akshay Kumar, Sparx offers a range of sports shoes, sandals and slippers.

The logo for Bahamas features the word "Bahamas" in a purple, rounded font. Above the letter 'a' is a small green sprig with three leaves.

For the ever-restless youth, change is the only constant. Endorsed by Salman Khan, the colorful range of Bahamas flip flops exude the spirit of freedom, fun and modernity of youth.

The logo for Mary Jane features the name "Mary Jane" in a white, cursive font. To the right of the name is a small black silhouette of a three-leaf sprig.

The women of today have to keep in step with the demands of a fast paced world. Maryjane offers a range of stylish and comfortable footwear for the modern women to put her best foot forward, with panache!

The logo for Casualz features the word "Casualz" in a bold, blue, sans-serif font, centered within a yellow rectangular background.

The ideal walking companion for people bracing the pressures of everyday life. Casualz offers foot-hugging, all-day comfort that make your feet cruise along.

The logo for BOSTON features the word "BOSTON" in a white, bold, sans-serif font, centered within a black rectangular background with thin yellow horizontal lines above and below the text.

A formal footwear for men, Boston is a brand that offers excellent craftsmanship and comfort to men who like to walk with confidence and élan.

The logo for KIDS FUN features the words "KIDS" and "FUN" in a colorful, playful font. "KIDS" is in red and "FUN" is in yellow, both with a blue outline. The text is set against a red and yellow background.

Brimming with energy, children need footwear that can be as exciting as their spirit. KidsFun offers a world of footwear to keep pace with the young champs.

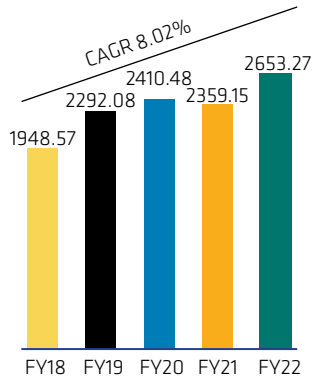
FINANCIAL HIGHLIGHTS

(₹ in Crore)

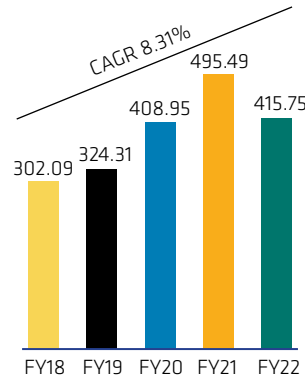
Particulars	FY 22	FY 21	FY 20	FY 19	FY 18
No. of Pairs sold (in Crore)	17.46	19.07	17.92	18.39	15.74
Revenue from Operations	2653.27	2359.15	2410.48	2292.08	1948.57
EBITDA	415.75	495.49	408.95	324.31	302.09
Finance Costs	15.33	17.08	16.87	6.90	8.59
Depreciation and Amortisation Expense	113.54	110.02	109.42	62.41	54.34
Tax Expense	77.92	99.60	65.46	92.54	82.55
Net Profit before OCI	232.68	291.56	226.25	175.44	161.07
Equity Share Capital	24.89	24.84	24.82	12.40	12.03
Net Worth	1760.12	1572.41	1272.40	1105.07	761.21
Net Fixed Assets (Tangible and Intangible)	946.91	872.41	836.67	859.54	662.44
Capital Employed	1799.97	1595.21	1316.31	1226.43	912.87
Capital Expenditure	145.87	101.36	94.77	258.91	112.85
Revenue Growth (%)	12.47	(2.13)	5.17	17.63	17.95
EBITDA (%)	15.67	21.00	16.97	14.15	15.50
Face Value per Share (in ₹)	1.00	1.00	1.00	1.00	1.00
EPS - Basic (in ₹)	9.36	11.74	9.12	^7.07	13.40
EPS - Diluted (in ₹)	9.35	11.72	9.10	^7.06	13.38
Dividend(%)	250	250	125	^90	150
Book Value per share (in ₹)	70.71	63.29	51.26	89.08	63.25
ROCE(%)	19.20	28.04	24.27	25.70	30.09
Market Capitalisation (As on March 31)	26544.23	21773.47	14868.72	9561.22	7727.91

^ Post Bonus

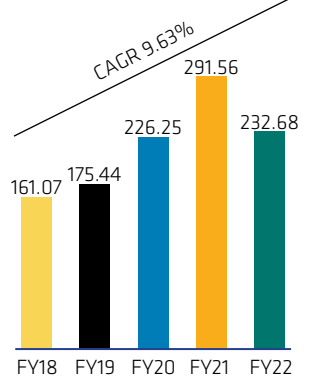
Revenue from Operations (₹ in Crore)



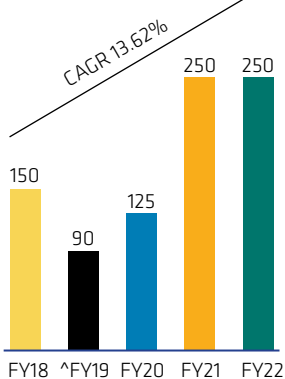
EBITDA (₹ in Crore)



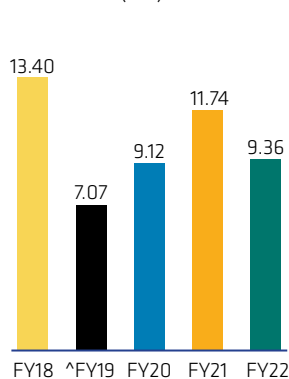
Net Profit (₹ in Crore)



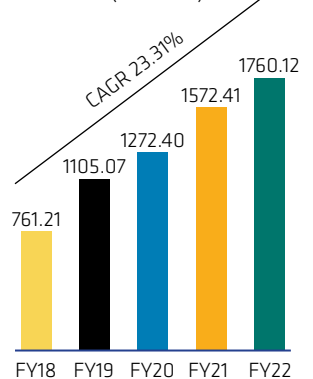
Dividend (%)



EPS - Basic (in ₹)



Net Worth (₹ in Crore)



Directors' Report

Dear Members,

The Board of Directors ("Board") of your Company has pleasure in presenting 38th Annual Report on the Company's business and operations together with the Audited Financial Statements for the Financial Year 2021-22.

1. Company Overview

Incorporated in 1984, Relaxo is the largest footwear manufacturer in India, serving the nation since four decades, and is today ranked among the top 200 Most Valuable Companies with its shares listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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 2021-22. The financial highlights of the Company's operations are as follows:

(₹ in Crore)

Particulars	2021-22	2020-21
Revenue from Operations	2653.27	2359.15
EBITDA	415.75	495.49
Other Income	23.72	22.77
Less: Finance Costs	15.33	17.08
Less: Depreciation and Amortisation Expense	113.54	110.02
Profit before Tax	310.60	391.16
Less: Tax Expense	77.92	99.60
Profit after Tax	232.68	291.56
Other Comprehensive Income	0.31	1.45
Balance brought forward from Previous year	45.55	52.54
Amount available for Appropriation	278.54	345.55
Appropriation:		
• Final Dividend	62.11	-
• Transfer to General Reserve	150.00	300.00
Balance carried to Balance Sheet	66.43	45.55
EPS-Basic (in ₹)	9.36	11.74
EPS-Diluted (in ₹)	9.35	11.72

3. Business Performance

a) Financial

The key highlights of the Company's financial performance during the Financial Year 2021-22 are given below:

- Revenue from operations increased by 12.47% to ₹2653.27 Crore from ₹2359.15 Crore in the last Financial Year

Relaxo is a Fortune 500 (India) company, synonymous with quality products at affordable prices, manufacturing slippers, sandals and sports & casual shoes at 8 State of the Art manufacturing facilities at Bahadurgarh, Bhiwadi and Haridwar.

Your Company's most popular brands - Relaxo, Sparx, Flite & Bahamas are a leader in their space.

Having a pan India distribution footprint, Relaxo also operates 394 strong network of Exclusive Brand Outlets, with availability on all major e-commerce portals as well.

- EBITDA is at ₹415.75 Crore as compared to ₹495.49 Crore in last Financial Year.
- Net profit is at ₹232.68 Crore as compared to ₹291.56 Crore in the last Financial Year.
- Net profit margins is 8.77 %.
- Relaxo Exclusive Brand Outlets (EBOs) were at 394 as on March 31, 2022.

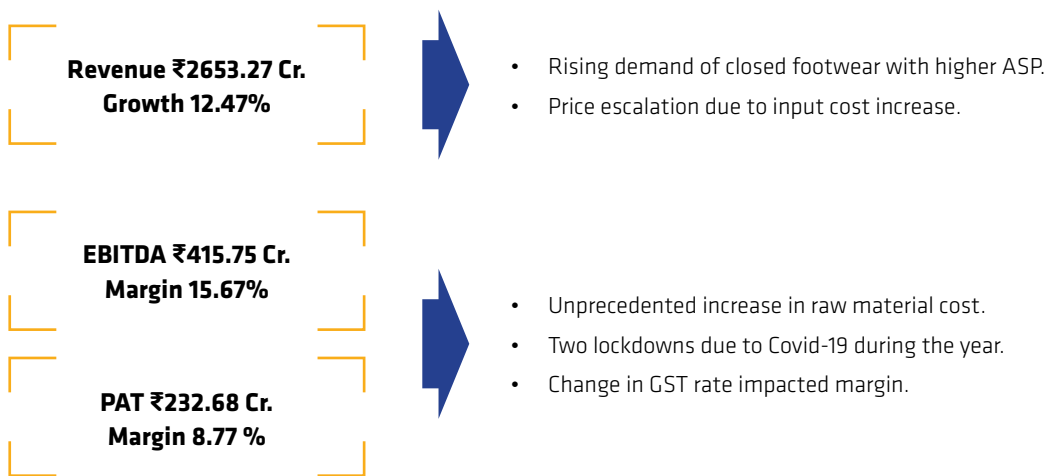
The year saw second wave of Covid-19 pandemic during the month of April-2021 which was very dreadful and impactful, causing irreparable loss of human lives throughout the country. The lockdown imposed by the Government extended from mid of April-2021 till end of May-2021 and additionally for a brief period in the month of January-2022, impacted the operations of your Company.

However, your Company reacted swiftly and adapted its operations to the changed environment. The modified ways of working, gradual ease in restrictions and an already established position of strength helped your Company to tide over the larger crisis. As the economy started to gather itself, demand for basic footwear picked up and the long established, resilient

infrastructure placed your Company in a position of advantage over its peers. All this while your Company was particularly sensitive to the safety of its employees and customers and adopted the best practices in vogue.

With its business operations functional by June 2021, your Company realigned its strategies to counter Covid-19 impact and consolidate its position of leadership.

Financial year 2021-22 has seen unprecedented challenges posed by the pandemic, abnormally high raw material costs and a rising geo-political crisis. Despite this, in a strategic move, your Company has absorbed a part of input cost to unburden the consumer, maintaining its brand equity and topline with a marginal impact on profits in the current year.



b) Non-Financials

Despite periodic lockdowns due to Covid-19, your Company has stayed resilient over the year.

Sales & Marketing

With Covid-19 impacting the usual, your Company also re-aligned its marketing strategies to the new environment. Even as start of this financial year was marred by a vicious spate of covid-19, your Company continued with its marketing initiatives with an eye on the future.

Strategic initiatives:

- Universal product portfolio adopted across all business verticals for greater synergy.
- Continued in - market branding & merchandising activities for visibility.
- New campaigns launched with a refreshed, sharper positioning for our leading brands Sparx and Flite.
- In line with the changing media habits of its consumers, your Company increasingly harnessed

the digital landscape with engaging brand campaigns on social media.

- Strategic initiatives towards Exclusive Brand Outlets (EBO) revamp to personify our brand imagery and serve as a platform for consumer interface.
- Implementation of structured marketing campaigns for key export markets.
- Initiated DMS 2.0 (Distributor Management System) for effective channel management and reseller engagement strategies.

E-commerce

Increasing penetration of internet and digitization has propelled e-commerce activities to higher levels across the nation.

During the year, your Company has continued to strengthen its brand presence with a refreshed appeal across all leading market places with resultant growth, encouraging sustained investments for the future.

Retail

Retail sector was most affected with periodic lockdowns, market uncertainty and dampened consumer sentiment, particularly during the first half of the year.

During the year, your Company continued with its preventive measures for a safe shopping experience for its customers, undertook an extensive in-store branding refresh exercise and implemented a regimented placement planogram for effective product showcasing.

Despite an inhibitive business environment during FY22, your Company's retail network stands at 394 as on March 31, 2022.

Exports

Despite the looming shadow of the ongoing pandemic, exports of your Company have shown considerable growth crossing ₹100.00 Crore revenue, owing to continuous strengthening of distribution channels, a sharper product portfolio and strategic marketing investments.

In recognition, Council for Leather Exports has awarded your Company for excellence in export performance for FY 2019-20 & FY 2020-21 in non-leather footwear category.

Procurement

The continuing global pandemic resulted in material scarcity due to demand supply gaps and transit delays, pushing up raw material prices to unprecedented levels. However, proactive planning and scheduling helped your Company to efficiently manage its supply chain and mitigate disruptions in production. Cost reduction possibilities were also explored and implemented by introducing new alternate materials after extensive research and trials.

Product Development

To stay relevant to evolving consumer preferences, new product development and innovation is a key determinant of success.

Banking on long standing experience in market sensing and research, your Company successfully managed to realign its product portfolio with customer relevant offerings.

Manufacturing and Quality

Having covered 5S and Safety journey over last few years, your Company has now embarked upon TPM pillars like JH - Jishu Hozen (Autonomous

maintenance). As a socially responsible Corporate, your Company has adopted green fuel technology and switched over to PNG for all boilers used across manufacturing locations. Your Company has taken various steps for energy conservation and cost rationalization replacing conventional motors, installing VFD's etc.

In its journey towards continuous improvement in customer satisfaction, your Company has maintained following certifications :

ISO 9001:2015 (Quality Management System)

ISO 14002:2015 (Environmental Management System)

ISO 45001:2018 (Occupational Health and Safety Management System)

Information Technology

During the year your Company has upgraded adequate systems for seamless transition into remote working if the need may arise for hybrid working. Your Company improved upon its IT security posture by maintaining ISO 27001:2013 certification and implemented robust security solution like DLP (Data Leak Protection), and CASB (Cloud Access Security Broker) to provide data protection and secure IT environment.

As a part of customer relationship management (CRM) initiatives, your Company has initiated Distribution Management Solution (DMS), digitizing channel management processes for better efficiencies. Your Company strengthened the supplier-Relaxo bonding with the implementation of SAP-ARIBA sourcing. A digitized contract repository system was implemented during the year.

Human Resource

During the year, your Company initiated succession planning & risk mitigation programme for critical senior leadership positions and undertook strategic initiatives for structured job evaluation, career development for high potential managers and creation of a talent pool.

As a part of employee welfare, your Company supported employee families adversely affected by Covid, not only providing them medical support but financial aid during 2nd wave of Covid-19.

Continuing with retaining and attracting talent pool your Company launched 3rd phase of RFL ESOP Plan 2014 covering 111 employees under the scheme.

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 Financial Year under review is presented in a separate section, forming part of this Annual Report.

The state of the affairs of the business along with the financial and operational developments has been discussed in detail in the Management Discussion and Analysis Report.

5. Dividend

In line with the Dividend Distribution Policy of the Company, the Board of your Company in its meeting held on May 11, 2022 has recommended a final dividend @ 250% equivalent to ₹2.50 (Rupees Two and Fifty Paise Only) per equity share of ₹1/- (Rupee One Only) each for the Financial Year 2021-22 payable to those members whose name appear in the Register of members / list of beneficiaries as on August 18, 2022 i.e. the cut-off date. The total final dividend payout will amount to ₹62.23 Crore (Rupees Sixty Two Crore Twenty Three Lacs Only). The payment of final dividend is subject to the approval of members in the Company's ensuing Annual General Meeting ("AGM").

The Register of Members and Share Transfer Books will remain closed from August 19, 2022 (Friday) to August 24, 2022 (Wednesday) (both days inclusive) for the purpose of payment of final dividend for the Financial Year 2021-22, if declared at the ensuing AGM.

Pursuant to the Finance Act, 2020 read with the Income-tax Act, 1961, the dividend paid or distributed by a company shall be taxable in the hands of the shareholders w.e.f. April 1, 2020. Accordingly, in compliance with the said provisions, your Company shall make the payment of dividend after deduction of tax at source at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereto.

6. Dividend Distribution Policy

As per Regulation 43A of the Listing Regulations, top 1000 listed companies are required to formulate a Dividend Distribution Policy. Accordingly, your 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 available on the website of the Company at the link https://www.relaxofootwear.com/media/file/pdf/download_file/dividend-distribution-policy-1607581017.pdf.

7. Transfer to Reserves

We have transferred ₹150.00 Crore (Rupees One Hundred

and Fifty Crore Only) to the general reserve from net profits. An amount of ₹66.43 Crore (Rupees Sixty Six Crore and Forty Three Lacs Only) is proposed to be retained in the Statement of Profit & Loss of the Company.

8. Public Deposits

Your 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 ("ICSI"), 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 subsidiary, joint venture or associate company, during the Financial Year under review.

11. Changes in Nature of Business

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

12. Share Capital

Authorised Share Capital:

The Authorized share capital of your Company as on March 31, 2022 stood at ₹51,00,00,000 (Rupees Fifty One Crores Only) divided into 51,00,00,000 (Fifty One Crores) Equity Shares of ₹1/- (Rupee One Only) each.

Issued, Subscribed and Paid-up Share Capital:

During the Financial Year 2021-22, the Board of Directors at its meeting held on November 01, 2021, issued and allotted 4,83,945 (Four Lac Eighty three Thousand Nine Hundred and Forty Five) equity shares of ₹1/- (Rupee One Only) each fully paid up on exercise of stock options by the eligible employees under the Employee Stock Option Plan, 2014 (RFL ESOP PLAN-2014).

As on March 31, 2022, the issued, subscribed and paid-up share capital of the Company was ₹24,89,26,046/- (Rupees Twenty Four Crores Eighty Nine Lacs Twenty six Thousand and Forty six Only) divided into 24,89,26,046 (Twenty Four Crores Eighty Nine Lacs Twenty six Thousand and Forty six) equity shares of ₹1/- (Rupee One Only) each.

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

Your 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 Committee had adopted principles for identification of Key Managerial Personnel, Senior Management including the Executive Directors. Pursuant to Section 134(3)(e) and Section 178(3) of the Act, the Nomination and Remuneration Policy adopted by the Board also 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. No change has been made in the Nomination and Remuneration Policy during the Financial Year under review. The detailed Nomination and Remuneration Policy is available on the website of the Company at the link https://www.relaxofootwear.com/media/file/pdf/download_file/nomination--and--remuneration--policy-1607581216.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 - A** 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. Nikhil Dua, Whole Time Director (DIN: 00157919) of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment. The Board has recommended his re-appointment to shareholders.

A brief resume of the Director proposed to be re-appointed, his expertise in specific functional areas, names of companies in which he holds directorships, Committee membership/s / Chairmanship/s, shareholding etc. as stipulated under Secretarial Standard-2 issued by ICSI and Regulation 36(3) of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

The members in the 37th AGM held on August 26, 2021

through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") have approved the re-appointment of Mr. Deval Ganguly (DIN: 00152585) as a Whole-Time Director of the Company for a period of three (3) years w.e.f. November 5, 2021.

As on March 31, 2022, 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 (CFO) and Mr. Vikas Kumar Tak, Company Secretary, are the Key Managerial Personnel (KMP) of your Company.

Additionally, Mr. Pankaj Shrimali (DIN: 00013142), being Non-executive Independent Director of the Company was designated as Chairperson of the Company with effect from April 1, 2022, in compliance with Part 'E' of Schedule II of the Listing Regulations.

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 and Regulation 25 (8) read with Regulation 16 of Listing Regulations (as per the amendment in SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021). The Company has also received from them declaration of compliance of Rule 6 (1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, regarding online registration with the Indian Institute of Corporate Affairs ("IICA") at Manesar, for inclusion/ renewal of name in the databank of Independent Directors. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct for Independent Directors prescribed in Schedule IV of the Act. Accordingly, all the Independent Directors of the Company during FY 2021-22 had registered their names on data bank of IICA.

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

With regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed/ re-appointed during the Financial Year 2021- 22, the Board of Directors has taken on record the declarations and confirmations submitted by the Independent Directors and is of the opinion that all the Independent Directors are persons of integrity and possess relevant expertise and experience and their continued association as Directors will be of immense benefit and in the best interest of the

Company. With regard to proficiency of the Independent Directors, ascertained from the online proficiency self-assessment test conducted by the Institute, as notified under Sub-Section (1) of Section 150 of the Act, the Board of Directors has taken on record the declarations submitted by Independent Directors that they are exempt from appearing in the test.

None of the Directors other than Mr. Ramesh Kumar Dua, Managing Director, Mr. Mukand Lal Dua and Mr. Nikhil Dua Whole time Directors of the Company are related inter-se, in terms of Section 2(77) of the Act including Rules framed there under.

18. Annual Evaluation

In terms of the provisions of section 178 of the Act read with Rules issued thereunder and Regulation 19 read with Part D of Schedule II of the Listing Regulations, the Board of Directors in consultation with Nomination and Remuneration Committee, has formulated a framework recommended by the renowned consultants containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual directors, for the Financial Year 2021-22.

During the reporting year, customized questionnaires were circulated to all the Board members in order to enhance the effectiveness of the Evaluation Process. The Board Evaluation process was carried out to ensure that the Board and various Committees of the Board have appropriate composition and they have been functioning collectively to achieve the business goals of the Company. Directors were evaluated on their contribution at Board / Committee meetings and guidance & support to the management outside Board / Committee meetings and other parameters as specified by the Nomination and Remuneration Committee of the Company.

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 did not have a regular Chairman during the year, 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 <https://www.relaxofootwear.com/terms-conditions-of-independent-director>.

Sessions are conducted at the meetings of the Board and its various Committees on the relevant subjects such as strategy, Company performance, financial performance, internal financial controls, risk management, plants, retail, products, 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 Company's business. The details of the programs/sessions conducted for familiarization of Independent Directors can be accessed on the Company website at the link <https://www.relaxofootwear.com/other-disclosures>.

20. Number of Meetings of the Board

During the Financial Year 2021-22, the Board of Directors met four (4) times on May 20, 2021, July 31, 2021, November 1, 2021 and, January 29, 2022, the details of which are provided in the Report on Corporate Governance, which forms part of the Annual Report. The intervening period between any two consecutive Board meetings was within the maximum time gap prescribed under the Act, Regulation 17 of the Listing Regulations and SS-1 issued by ICSI.

21. Committees of the Board

During the Financial Year 2021-2022, 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 Committees 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 2021-22 and attendance of the Directors at each meeting is provided in

the report on Corporate Governance, which forms part of the Annual 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) such accounting policies have been selected and applied 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) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) Internal Financial Controls have been laid down to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. Statutory Auditors

Under Section 139 of the Companies Act, 2013, and the rules made thereunder, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permitted under the said section. M/s B R Maheswari & Co. LLP, Chartered Accountants (ICAI Firm Registration No. -001035N/N500050), shall be completing their tenure as the Company's Statutory Auditors and shall hold office till the conclusion of ensuing 38th AGM of the Company.

On the recommendation of the Audit Committee, the Board, in its meeting held on May 11, 2022, subject to the approval of the shareholders, has recommended the appointment of M/s Gupta & Dua, Chartered Accountants, (ICAI firm registration number 003849N) as the Statutory Auditors of the Company. M/s Gupta & Dua, Chartered Accountants will hold office for a term of five consecutive years i.e. from the conclusion of ensuing 38th AGM till the conclusion of 43rd AGM. Accordingly, the appointment of M/s Gupta &

Dua, Chartered Accountants as the Company's Statutory Auditors, is placed for approval of the members.

The Company has received a certificate from M/s Gupta & Dua, Chartered Accountants to the effect that their appointment, if made, shall be in accordance with the provisions of Section 141 of the Companies Act, 2013. The first year of audit will be of the financial statements for the year ending March 31, 2023, which will include the audit of the quarterly financial statements for the year.

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, 2022 does not contain any qualification, reservation or adverse remarks. The observation of the Statutory 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 does not fall under the category prescribed under sub-section (1) of Section 148 of the Act and Rules 3 and 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 appointed Deloitte Touche Tohmatsu India LLP, as the Internal Auditor of the Company for Financial Year 2022-23 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 Chandrasekaran Associates to conduct the Secretarial Audit of the Company for the Financial Year 2021-22 as recommended by Audit committee. M/s Chandrasekaran Associates have also confirmed that they are eligible for the said appointment. The Secretarial Auditors have submitted their report,

confirming compliance by the Company of all the provisions of applicable corporate laws. The Secretarial Audit Report for the Financial Year ended March 31, 2022 does not contain any qualification, reservation or adverse remarks. The Secretarial Audit Report for the Financial Year 2021-22 is annexed as **Annexure-B** which forms part of this report.

29. Annual Return

Pursuant to Section 134 and Section 92(3) of the Act read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the annual return as on March 31, 2022 will be available on the website of the Company at the link <https://www.relaxofootwear.com/annual-return>.

30. Contracts and Arrangements with Related Parties

During the Financial Year 2021-22, 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 under review were in the ordinary course of the business, on the arm's length basis and were undertaken in compliance with the applicable provisions of the Act and the Listing Regulations.

During the Financial Year under review, 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 updated Policy on materiality of Related Party Transactions is available on the website of the Company at the link - https://www.relaxofootwear.com/media/file/pdf/download_file/policy-on-materiality-of-related-party-transactions-1646633287.pdf. 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 particulars of the material related party transactions are provided in Form AOC-2 as **Annexure-C** which forms part of this Report. Further, disclosures as per Ind-AS 24 have been made in note 39 of the financial statements for the year ended March 31, 2022.

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, 2022 (including investments made in previous years)

- (i) Investment in equity shares : ₹0.20 Crore
- (ii) Investment in debt instruments : ₹24.78 Crore

- 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 Financial Year 2021-22.

32. Risk Management

Risk management is integral to your Company's strategy and to the achievement of long-term goals. Our success as an organization depends on our ability to identify and exploit the opportunities generated by our business and the markets we operate in. In doing this we take an embedded approach to risk management which puts risk and opportunity assessment at the core of the Board's agenda.

Your Company has a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Board advised by the Risk Management Committee, where ever appropriate, regularly reviews the significant risks and decisions that could have a material impact on the company. These reviews consider the level of risk that the company is prepared to take in pursuit of the business strategy and the effectiveness of the management controls in place to mitigate the risk exposure.

As per SEBI (LODR) (Second Amendment) Regulations, 2021, the Risk Management Committee shall meet at least twice in a year. The details pertaining to the composition, meetings and terms of reference of the Risk Management Committee are included in the Report on Corporate Governance which forms part of the 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 a pre-requisite 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 had constituted a CSR Committee of the Board. 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 https://www.relaxofootwear.com/media/file/pdf/download_file/corporate-social-responsibility-policy-1628254446.pdf.

During the Financial Year 2021-22, the Company decided to expand “Parivartan Model School Program” as its CSR project for the Financial Year 2021-22, adopting 32 additional schools in the Khanpur and Laksar Block of Haridwar District, Uttarakhand. During the year, the Company has continued its work on the long term project undertaken in FY 2020-21, the details of activities are given in **Annexure-D** to this report.

The details of the composition of the CSR Committee, CSR policy, CSR initiatives and activities undertaken during the year are given in the Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 and explained in detail in **Annexure-D** to this report.

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 the Annual Report.

As per requirement under Section 135 of the Act read with relevant Rules made thereunder, the composition of the CSR Committee, and CSR Policy and Projects approved by the Board are available on the website of the Company at <https://www.relaxofootwear.com/investor-relations>.

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 the Annual Report.

35. Vigil Mechanism

Your 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 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 not received any complaint during the year. 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 https://www.relaxofootwear.com/media/file/pdf/download_file/vigil---mechanism---policy-1607580776.pdf.

36. Business Responsibility Report

SEBI vide its Notification no. SEBI/LAD-NRO/GN/2021/22 dated 5 May, 2021, has discontinued the requirement of submitting a business responsibility report after the Financial Year 2021-22 and thereafter, with effect from the Financial Year 2022-23, the top 1000 listed entities based on market capitalization shall submit a business responsibility and sustainability report in the format as specified by the SEBI.

Your Company has initiated the work on business responsibility and sustainability report by capturing the base year data and has employed reputed consultant for guidance on the subject. For the Financial Year 2021-22, your Company has continued with the mandatory business responsibility reporting which forms part of the Annual Report.

37. Policy on Prevention of Insider Trading

Your Company has adopted a Code for Prohibition of Insider Trading with a view to regulate trading in shares of the Company by Designated Persons (DP) and their immediate relatives. The said Code is available on the website of the Company at https://www.relaxofootwear.com/media/file/pdf/download_file/policy-for-prevention-of-insider-trading-1607581125.pdf.

The Code, inter alia, lays down the procedures to be followed by DPs while trading/ dealing in Company's shares and sharing Unpublished Price Sensitive Information (“UPSI”). The Code includes the obligations and responsibilities of DPs, obligation to maintain the digital database, mechanism for prevention of insider trading and handling of UPSI.

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

At Relaxo, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, colour, gender, religion, political opinion, national extraction, social origin, sexual orientation or age.

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 SHWWP Act, 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 ICC is available at each of the units and offices of the Company as per the requirements of the SHWWP Act. 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 Financial Year 2021-22. It is our constant endeavor to ensure that we provide harassment free, safe and secure working environment to all employees especially women.

39. Significant and Material Litigations / Orders

During the Financial 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.

40. Capital Market Ratings

During the Financial Year 2021-22, ICRA has retained long term rating of the Company at [ICRA] AA (pronounced as ICRA Double A). The Outlook on the long-term rating has been revised to Positive from Stable.

Additionally, ICRA has also retained short term rating of the Company at [ICRA] A1+ (pronounced as ICRA A one plus) which is the highest rating for the category.

41. 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-E** which forms part of this Report.

42. Employees Stock Option Plan

Presently, the Company has one Employee Stock Option Plan 2014 ("RFL ESOP PLAN-2014"/ "ESOP Plan"). 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 2021-22, 4,83,945 (Four Lac Eighty Three Thousand Nine Hundred and Forty Five) options were exercised by the employees of the Company. Accordingly, the Company has on November 01, 2021 made allotment of 4,83,945 (Four Lac Eighty Three Thousand Nine Hundred and Forty Five) equity shares against the options exercised by the employees. During the Financial Year under review, the Company has vested 4,62,340 (Four Lac Sixty Two Thousand Three Hundred and Forty) options to the employees and cancelled 26,200 (Twenty Six Thousand and Two Hundred) options due to resignation as per the Company's ESOP Plan. During the year the Company rolled out third phase of RFL ESOP Plan 2014 and granted 358,000 options to 111 employees.

Pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 (the ESOP Regulations) (replaced by SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021), a disclosure with respect to ESOP Plan of the Company as on March 31, 2022, is available on the website of the Company at the link <https://www.relaxofootwear.com/other-disclosures>

A certificate from M/s Chandrasekaran Associates, Company Secretaries, Secretarial Auditor 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 during business hours.

During the year, RFL ESOP Plan 2014 was amended to the extent by relaxing certain norms for retiring employees, which is beneficial for the employees and is not detrimental to the interest of the employees. Further it is confirmed that ESOP scheme of the Company is in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021.

The details as per the requirements of ESOP Regulations are annexed as **Annexure-F** which forms part of this Report.

43. 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, 2022 of the Company and as on the date of this Report.

44. Internal Controls

Sound internal control systems are a prerequisite for building and enhancing shareholder value in the long run. The Company has a sound system of internal controls commensurate with the size of the Company and the nature of its business to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized and recorded correctly and adequately. The Company's internal controls are supplemented by internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them. The Company has a strong Management Information System, which is an integral part of the control mechanism. The Company continues to strengthen its risk management and internal control capabilities by improving its policies and procedures and introducing advanced risk management tools.

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.

45. 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.

46. Transfer of Unclaimed Shares / Dividend

As per the provisions of Regulation 39(4) read with Schedule VI 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, 2021	31	82,195
2	Number of shares transferred to suspense account during the year	-	-
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	-	-
5.	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on March 31, 2022	31	82,195

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.

In compliance with the statutory provisions, during the Financial Year under review, the Company transferred unclaimed dividend amounting to ₹1,59,289 /- (Rupees One Lac Fifty Nine Thousand Two Hundred Eighty Nine Only) from the Final Dividend for the Financial Year 2013-14 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 August 26, 2021 (date of last AGM) on the website of the Company at the link <https://www.relaxof footwear.com/unpaid-dividend-data>.

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, during the Financial Year 2021-22, the Company transferred 2,142 (Two Thousand One Hundred and Forty Two) equity shares to demat account with IEPF for which dividend was unpaid / unclaimed for seven consecutive years.

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, IEPF-5, for claiming the unpaid dividend / shares from IEPF. The process 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. Mr. Vikas Kumar Tak, Company Secretary & Compliance Officer acts as the Nodal Officer of the Company as per the provisions of IEPF. The contact details of Nodal Officer is available on the website of the Company at the link <https://www.relaxofootwear.com/investor-support>.

47. 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 the 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-G**.

48. 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.

49. Other Disclosures

The Company affirms that the annual listing fees for the Financial Year 2022-23 to National Stock Exchange of India Ltd. and BSE Ltd. is duly paid.

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

There was no instance of onetime settlement with any Bank or Financial Institution.

50. Acknowledgement

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

We would like to place on record sincere thanks and appreciation to 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

	Ramesh Kumar Dua	Mukand Lal Dua
Delhi	Managing Director	Whole Time Director
May 11, 2022	DIN: 00157872	DIN: 00157898

Annexure 'A'

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) 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),

A. Ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the Financial Year 2021-22 is as follows :-

Name of Director	DIN	Ratio of Remuneration of Director to the Median Remuneration
Mr. Ramesh Kumar Dua	00157872	622.35
Mr. Mukand Lal Dua	00157898	622.35
Mr. Nikhil Dua	00157919	53.74
Mr. Deval Ganguly	00152585	190.06
Mr. Pankaj Shrimali	00013142	2.84
Mr. Vivek Kumar	00206819	2.53
Ms. Deepa Verma	06944281	2.32
Mr. Rajeev Rupendra Bhadauria	00376562	2.32

- The aforesaid details are calculated on the basis of remuneration for the Financial Year 2021-22.
- The remuneration includes commission and sitting fee paid to the Directors for attending Board & Committee meetings.
- Median Remuneration for all its employees is ₹2,28,608/- for the Financial Year 2021-22.

B. Details of percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year 2021-22 as compared to last year are as follows :-

Name	Designation	% Increase / Decrease
Mr. Ramesh Kumar Dua	Managing Director	-30.33
Mr. Mukand Lal Dua	Whole Time Director	-30.33
Mr. Nikhil Dua		4.71
Mr. Deval Ganguly		198.46
Mr. Pankaj Shrimali		-7.14
Mr. Vivek Kumar	Independent Director	-8.70
Ms. Deepa Verma		-8.62
Mr. Rajeev Rupendra Bhadauria		3.92
Mr. Sushil Batra		Chief Financial Officer
Mr. Vikas Kumar Tak	Company Secretary	108.57

Note:

The remuneration to Directors is within the overall limit approved by the shareholders. During the current Financial Year commission to the tune of ₹2.50 Lacs was paid to each Independent Directors after approval of financial statements by the shareholders.

C. Percentage increase in the median remuneration of all employees in Financial Year 2021-22 :-

There is increase of 4.15% in median remuneration of all employees in Financial Year 2021-22.

D. Number of Permanent Employees on the roll of the Company as on March 31, 2022:

Particulars	No. of Employees
Staff	2,333
Sub Staff	5,693
Total	8,026

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 Key Managerial Personnel ("KMPs") grew by 10.76% over the previous year. The aggregate decrease in salary for Whole Time Directors and other KMP's was 16.25% in FY22 over FY21. 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 2021-22 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 2021-22 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	Aashish Grover	Senior General Manager	01-Apr-13	45	115.61	B.E.	21	Sarup Tanneries Ltd
2	Amar Kumar Nandi	Senior General Manager	09-Aug-17	64	160.71	B.Sc	40	Albert India
3	Amit Roy	Senior General Manager	25-Feb-13	52	118.47	B.Com., C.A.,CMA	27	Webrain Softech Pvt. Ltd
4	Anil Kumar Jha	Senior General Manager	02-May-16	57	186.53	B.Sc	33	S.R Industries,
5	Ashish Nigam	Assistant Vice President	01-Jun-07	53	139.07	B.Sc, B.Tech.	29	Jubilant Organosys Ltd.
6	Ashish Srivastava	Vice President	15-May-19	47	163.03	MBA, B.Sc	23	Inbisco India Pvt Ltd
7	Ashit Sen	Senior General Manager	12-Dec-12	51	141.83	PGDM, B.Com.	28	SAB Miller India
8	Deepak Bagga	Vice President (Projects)	16-Oct-95	56	212.27	B. Tech, Dip. Civil Engg	32	East Coast Contracting Co.
9	Deval Ganguly	Whole Time Director	05-Nov-12	63	434.50	B.Tech.	41	JK Tyre & Industries Ltd.
10	Gaurav Dua	Executive Vice President (Marketing)	01-Apr-01	42	122.85	B.Com., MBA	21	Relaxo Footwears Ltd.
11	Hans Raj Sapra	Senior Vice President (Material)	16-Oct-93	73	309.28	BE, Dip. Mech. Engg.	49	India Meterological Dept.
12	Manoj Kumar Goel	General Manager-HR/IR	01-Jun-17	46	109.57	M.B.A., L.L.B.	23	Jindal ITF Ltd
13	Manoj Pratap Singh	Senior General Manager	01-Apr-13	50	132.79	B.A, Diploma in Footwear Tech.	30	GRATINGH (INDIA) PVT LTD
14	Mukand Lal Dua	Whole Time Director	13-Sep-84	73	1,422.74	B.Sc.	49	Relaxo Rubber Pvt. Ltd.
15	Neeraj Kumar Awasthi	Senior General Manager	05-Mar-18	49	149.83	MBA, P.G.D.B.A.	28	Karam Industries ESIP
16	Nikhil Dua	Whole Time Director	01-Oct-08	47	122.85	B.Com., Course in Shoe Making (Czech Republic)	26	Marvel Polymers Pvt. Ltd.
17	Nitin Dua	Executive Vice President (Retail)	01-Apr-04	41	122.85	B.Com., PGDBM	18	Relaxo Footwears Ltd.
18	Pankaj Bhalla	General Manager	01-Sep-16	53	105.08	B.Com.	30	Aqualite
19	R Lakshmanan	Vice President	19-Jul-19	57	133.57	MBA, Master of Science, B.E.	35	TVS Srichakra Ltd,
20	Raghubir Singh	Assistant Vice President	14-Sep-15	51	159.44	MBA,B.E.,PG Diploma	30	Usha International Ltd
21	Rahul Dua	Asst. Executive Vice President (Manufacturing)	01-Jul-10	34	110.85	B. Com.	12	Relaxo Footwears Ltd
22	Rajeev Bhatia	Assistant Vice President	16-May-16	58	152.57	B.Com, M.A.	34	Simbhaoli Sugars Ltd
23	Ramesh Kumar Dua	Managing Director	13-Sep-84	68	1,422.74	B.Com., Licentiate of LPRI London	46	Relaxo Rubber Pvt. Ltd.
24	Rishi Mohan Nayyar	Senior General Manager	01-Feb-00	53	108.79	C.A.,CMA	26	Electronics Data System India Ltd.

S. No.	Employee Name	Designation	Date of joining	Age (Years)	Remuneration (₹ in Lacs)	Qualification	Experience (Years)	Last Employment
25	Rishi Mutreja	Senior General Manager	19-May-14	45	208.65	B.Tech, PG Diploma in Scm Logistics	22	Videocon Industries Ltd.
26	Ritesh Dua	Executive Vice President (Finance)	01-Jun-00	45	122.85	B.Com., PGDBM	22	Relaxo Footwears Ltd.
27	Sandeep Singh	Senior General Manager	01-May-15	45	123.89	MBA, B.Tech.	22	Bata India Ltd. Bata Motorola Excellence Centre
28	Sushil Batra	Chief Financial Officer	30-Jul-07	57	324.52	B.Com., FCA	31	A2Z Infra Engg. Ltd.
29	Virender Kumar	Vice President (Manufacturing)	16-Jan-95	59	234.51	PGDM	40	Relaxo Rubber Pvt Ltd
30	Vijay Wadhvani	Assistant Vice President	24-Oct-06	61	205.94	PGDM, B.Com.	38	Dharampal Premchand Ltd.
31	Vinay Kumar Bajaj	Vice President (Sales)	01-Jun-16	60	304.89	B.Com.	31	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 'B'

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31 2022

To,
The Members

Relaxo Footwears Limited

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Relaxo Footwears Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 ("period under review") 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 to the extent of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) 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 to the extent applicable;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 to the extent applicable, prior to its repealment;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 and the Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulation 2008 and the Securities and Exchange Board of India (Issue & Listing of Non-convertible redeemable preference shares) Regulation 2013 prior to their repealment; **Not Applicable during the period under review.**
 - (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 to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable during the period under review;**

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **Not Applicable during the period under review.**

(vi) The other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on the Sectors/ Industry are:

(a) The Rubber Act, 1947

We have also examined compliance with the applicable clauses/Regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable.

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

We further report that

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

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice, 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We 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.

We further report that during the audit period no major events have been happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 1428/2021

Shashikant Tiwari

Partner

Membership No. A28994

Certificate of Practice No. 13050

UDIN: A028994D000260412

Place : New Delhi

Date : May 03, 2022

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 SECRETARIAL AUDIT REPORT ISSUED

To,

The Members

Relaxo Footwears Limited

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random 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 **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 1428/2021

Shashikant Tiwari

Partner

Membership No. A28994

Certificate of Practice No. 13050

UDIN: A028994D000260412

Place : New Delhi

Date : May 03, 2022

Annexure 'C'

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 2021-22:

(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 2021-22::

(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	

3. Details of contracts or arrangements or transactions not in the ordinary course of business during Financial Year 2021-22:

(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, if any	
(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	

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, May 11, 2022

Annexure 'D'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021 - 22

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. A brief outline of the company's CSR Policy, including an overview of projects/ programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects/programs.

Your Company believes in collective development of all the stakeholders especially people at bottom of the pyramid and consider it as prerequisite for the sustainability of the business and society. CSR is not just compliance for the Company but is an opportunity to contribute towards Nation building through well-defined professional approach. Even in the pre CSR era, the promoters of your Company have been contributing to the welfare of society through its NGO's and are continuing to support the society through its initiatives. This culture has embedded throughout the Company.

Your Company has strategically undertaken projects to contribute to the lives of people not immediately but for long term. With its focus on thematic areas of "Education & Skill Development", "Health & Hygiene" your Company is open to new ideas, to address problem issues to undertake any CSR project specified in Schedule VII of the Companies Act, 2013, from time to time. The CSR Policy of your Company was updated to that extent incorporating all changes in the CSR provisions, in the Board Meeting held on March 26 2021, is available at https://www.relaxofootwear.com/media/file/pdf/download_file/corporate--social--responsibility--policy-1607581240.pdf.

During the year, your Company adopted Phase III of the ongoing Parivartan project by adopting additional 32 schools in Khanpur and Laksar blocks, District Haridwar, Uttarakhand. Your Company also continued its social initiatives undertaken in yester years, through its dedicated society, Relaxo Foundation.

During the reporting period, your Company contributed in 5 CSR projects in 3 states viz. Delhi, Rajasthan and Uttarakhand, that helped to impact lives of more than 1.46 lakh people directly or indirectly.

Key initiatives under each thematic area are mentioned below -

A. Education & Skill development

I. "Parivartan" Model School Program

Under the Phase I of this project, your Company adopted 13 Government Primary Schools through

its implementing agency "Relaxo Foundation" and developed the necessary facilities by repairing and renovating the infrastructure works, trainings of teacher, School Management Committee (SMC) members, children, etc. Due to closure of schools due to Covid-19 pandemic, main focus was to engage the students in education activities in their homes or neighbourhood. Small children groups and community youth leaders engaged 1457 children of 12 project villages, by taking appropriate safety measures for Covid-19.

In Financial year 2020-21 your Company had undertaken Phase II of the Parivartan program with the core objective to create demonstrable model of equitable and quality school level education for all children, especially girls, in 32 government schools of Khanpur block of district Haridwar, Uttarakhand. With active engagement of key stakeholders, your Company is implementing this project through the implementing partners viz. Plan India, Mamta HIMC, Shri Bhuvaneshwari Mahila Ashram and Adarsh Yuva Samiti.

During the year, your Company has completed infrastructure, repairing and renovation work in 11 Schools out of 32 schools undertaken in Parivartan Phase II project. Training/ workshop programs were conducted for teachers, parents, SMC members to address issues/ concerns of children in schools. Being a multiyear project, your company will be supporting the Government Education Department to convert Government schools into model schools that will have child-friendly infrastructure, trained & motivated teachers, empowered school management committee for the benefit of students.

During the year, your Company has undertaken Phase III of Parivartan - Model School Program, a long term project which will run till March -2025, showing the continuous commitment of your Company in the education sector for overall development of students of 32 schools of Khanpur and Laksar Blocks of Haridwar District, Uttarakhand.

Phase	Project Name	Time period	Brief details	Total project Cost (₹ in Lacs)
I	Parivartan Model School Program – Phase I	-	Undertaken 13 Government Schools (12 primary and 1 upper primary) in Khanpur block.	Through implementing agency "Relaxo Foundation"
II	Parivartan Model School Program – Phase II	2021-2024	Undertaken 32 Govt. Primary Schools in Khanpur block.	542.71
III	Parivartan Model School Program – Phase III	2022-2025	Undertaken 32 Government schools, in Khanpur and Laksar blocks of Haridawar district.	644.48

II. Remedial Education Program-

During the year Relaxo Foundation partnered with the Navjyoti India Foundation for Remedial Education Project in Bawana, Delhi, sponsoring, 156 underprivileged children, (86 Boys & 70 Girls) of Classes VII & VIII of Government schools. Many awareness programs and introductory sessions were conducted during the year for the students.

III. Vocational Training Program

Relaxo Foundation partnered with, GMR Varalakshmi Foundation to run vocational training course of customer service associate at their vocational training centre in Delhi. Due to Covid-19 impact, all the classes were conducted virtually. During the year out of 45 passing students 37 got placement.

B. Health & Hygiene

I. Smile on Wheels (SoW), Comprehensive Health Project

Relaxo Foundation continued its partnership with Smile Foundation to cater the primary health requirements. The mobile van equipped with MBBS Doctor, Pharmacist, ANM, Lab Technician, and Community Mobilizer, with the basic testing kits and equipment visited selected villages on periodic basis.

During the reporting period total 17446 OPD's were registered in 542 health camps. 327 ANC/PNC, 969 lab tests were also undertaken through Mobile Health Van. 268 awareness sessions were organized with the community people over various topics like diabetic & hypertension, maternal & child health care, nutrition, breastfeeding etc.

II. Project 'NAYAN' Giving Sight to the Underprivileged

Relaxo Foundation continued its association with Dr. Shroffs Charity Eye Hospital, to reduce the burden of avoidable blindness at early stage under the project "Nayan" in Tijara Block of Alwar District of Rajasthan, covering 194 villages. Both organizations are working towards identification, awareness, counselling and treatment of avoidable blindness since 2018.

During the year, 28,402 screenings, 737 cataract surgeries, 39 speciality surgeries were done. Screenings were done through two vision centres, door to door campaigning and community camps. As the Covid restrictions eased out 3 community camps were conducted in the reporting year with the support of local volunteers. On World Diabetic Retinopathy Day and World Glaucoma Day, some events and awareness sessions were organized in villages.

2. Composition of CSR Committee:

The Composition and attendance of members at the meetings held during the Financial Year 2021-22 is as following:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ramesh Kumar Dua	Chairman / Managing Director	2	2
2	Mr. Mukund Lal Dua	Member / Whole Time Director	2	2
3	Mr. Pankaj Shrimali	Member / Independent Director	2	2
4	Ms. Deepa Verma	Member / Independent Director	2	2

The CSR meetings were held on July 31, 2021 and January 29, 2022 during the Financial Year 2021-22 and were attended by all the members.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The weblink for the composition of CSR committee as part of the CSR Policy and CSR projects approved by the board are disclosed on the website on <https://www.relaxofootwear.com/investor-relations>.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Your Company does not fall in the criteria of Impact assessment as per sub-rule (3) of rule 8 of the CSR Rules. Though your Company believe that Impact assessment of a project is important to ascertain the change it brings to the society. However, due to Covid-19, impact assessment could not be done during the year.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Lacs)	Amount required to be setoff for the financial year, if any (₹ in Lacs)
Not Applicable			

S. No.	Particulars	Amount (₹ in Lacs)
6.	Average net profit of the company as per section 135(5)	32223.98
7. (a)	Two percent of average net profit of the company as per section 135(5)	644.48
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (7a+7b+7c)	644.48

8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year	Amount Unspent (₹ in Lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	644.48	April 26, 2022	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lacs.)	Amount spent in the current Financial Year (₹ in Lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lacs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number

Nil - Your Company has not spent against any ongoing projects during the Financial Year 2021-22 due to Covid-19 pandemic and delay in identification of the ongoing project. The Board of the Company on the recommendation of CSR Committee, had approved Parivartan Model School Project Phase-III, on January 29, 2022 with an outlay of ₹644.48 Lacs. However, the project could not be initiated due to the schools remaining closed under the Covid-19 restrictions and hence the entire amount of ₹644.48 lacs at the end of the Financial Year 2021-22 has been transferred to the Unspent CSR account of the Company on April 26, 2022.

(c) Details of CSR amount spent against other than ongoing projects for the financial year

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (₹ in Lacs).	(7) Mode of implementation on - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name.	CSR registration number.
1	NA -Your Company has not undertaken any project other than ongoing project for the Financial Year 2021-22. However, your Company through its implementation agency (Relaxo Foundation) has spent on various projects undertaken in yester years (details in point 11).								
(d)	Amount spent in Administrative Overheads								Nil
(e)	Amount spent on Impact Assessment, if applicable								NA
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)								Nil

(g) Excess amount for set off, if any:

S. No.	Particular	Amount (₹ in Lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	644.48
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lacs)	Amount spent in the reporting Financial Year (₹ in Lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (₹ in Lacs)
				Name of the Fund	Amount (₹ in Lacs)	Date of transfer.	
1.	2020-21	542.71	120.51	-	-	-	422.20

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) S. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (₹ in Lacs)	(7) Amount spent on the project in the reporting Financial Year (₹ in Lacs)	(8) Cumulative amount spent at the end of reporting Financial Year. (₹ in Lacs)	(9) Status of the project - Completed / Ongoing.
1		Parivartan Phase II	2020-21	3 Years	542.71	120.51	120.51	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details).

(a)	Date of creation or acquisition of the capital asset(s)	NA
(b)	Amount of CSR spent for creation or acquisition of capital asset	NA
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NA
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Your Company has decided to take up the "Parivartan" Model School Program – Phase III, by adopting 32 schools of Khanpur and Laksar Blocks of Haridwar District, Uttarakhand, for Financial Year 2021-22 and the same was approved by the Board of Directors, as recommended by the CSR committee on January 29, 2022. The project will be undertaken for a period of 3 (three) years i.e. till the Financial Year 2024-25. However, due to Covid -19, actual execution will start from the next Financial Year i.e. 2022-23, however the ground work of project has been started. The full amount of ₹644.48 Lacs has been transferred to Relaxo

Footwears Ltd Unspent CSR Account 2021-22 on April 26, 2022, and will be utilized for Project Parivartan Phase III, during the upcoming years.

Relaxo Foundation has spent ₹182.70 Lacs only, towards different projects from the CSR funds available of yester years. The details are given in the below table:

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	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 13 Schools	Education	Haridwar, Uttrakhand	25.39	24.12	24.12	Plan International (India Chapter) & Relaxo Foundation
2	Remedial Education Program	Education	Delhi	20.00	20.00	44.12	Navjyoti India Foundation
3	Customer Service Associate Vocational Course	Vocational skills	Delhi	5.61	6.66	50.78	GMR Varalakshmi Foundation
4	Smile on Wheels (SoW) Mobile Health Unit	Healthcare	Bhiwadi, Rajasthan	42.41	42.41	93.19	Smile Foundation
5	'NAYAN' Giving Sight to the Underprivileged	Healthcare	Bhiwadi, Rajasthan	72.50	72.50	165.69	Dr. Shroff's Charity Eye Hospital
	Sub Total			165.91	165.69		
6	Administrative Expenses			20.00	17.01	182.70	Direct
	Total			185.91	182.70		

Note: All the above projects has been implemented by Relaxo Foundation (CSR00004306) through the partner agencies as mentioned above.

Delhi, May 11, 2022

Ramesh Kumar Dua
(Managing Director & Chairman of CSR Committee)

Sushil Batra
(Chief Financial Officer)

Annexure 'E'

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:

- Achieved better steam to fuel ratio of boilers by adopting various measures including but not limited to segregation of high & low pressure lines, insulation of steam headers etc., resulting in reduction in steam cost per pair.
- Changeover to PNG (Piped Natural Gas), from LPG, in Bahadurgarh plants for Boiler Operation.
- Replaced some of the conventional lights with LEDs, conventional motors with servo motors and installed VFDs for compressors across plants.

(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:-

- Conducted a regular energy audit, for identifying power losses at the retail outlets and exploring appropriate steps to reduce power consumption without affecting the operations.
- Reduced energy consumption through using Inverter air conditioner in new Retail outlets and replacement old units at existing outlets.
- Replacement of conventional lights fitting by Efficient lighting fixtures in renovation and repair.
- Prompted to retail outlet staff regarding awareness of energy saving.

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

Traditionally, your Company has been using Pet Coke, followed by agro based biofuel for all boilers across plants, requiring steam for process. As a strategic measure, your Company has changed all its agro / solid fuel based boilers to gas fired boilers (PNG & LPG), thereby changing over to green fuel and also helping environment through much cleaner stack emission and clean environment at boiler floor level.

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

- Inhouse PU Blending - PU products comprises of two main components, Polyol & Isocyanate blended in-house. Earlier your Company was purchasing blended Polyol from Market which was much costlier, which is now being blended in-house.
- Setting up of captive fly-knit upper Manufacturing facility, to cater to huge demand in Shoe & PU Division for Knitted uppers.
- Two Stage Mixing all across and Introduction of Polymer Blends for all Hawaii/ EVA products, ensuring better physical properties and market competitiveness.

b) Benefit derived as a result of the above efforts

- Better environment friendly fuel.
- Better Quality of products.
- Better shop floor environment in plants.
- Less reliance on vendors
- Cost saving

c) Technology imported during last 3 years: None

d) Expenditure on R & D -

The Company has incurred expenditure of ₹5.66 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	2021-22	2020-21
Used	565.61	299.94
Earned	105.14	89.66

Annexure 'F'

EMPLOYEE STOCK OPTION PLAN (“ESOP”)

The Company had instituted the Employee Stock Option Plan 2014 (the "Plan") for employees of the Company by granting stock options convertible into equity shares of the Company. The Plan was formulated in accordance with the SEBI (ESOS & ESPS) Guidelines, 1999, which were prevailing at the time of institution of the Plan. The SEBI (ESOS & ESPS) Guidelines, 1999 stood repealed upon introduction of the SEBI (Share Based Employee Benefits) Regulations, 2014 which have been further replaced by the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. 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 9,00,090 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. Further, the Company hereby submit that it is in compliance with the

provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and during the year, there is no material change in the Scheme/ Plan:

Disclosures in compliance with Employee Stock Option Plan of the Company, are set below:

- I. The information pursuant to the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, erstwhile SEBI (Share Based Employee Benefits) Regulations, 2014, 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 and Sweat Equity) Regulations, 2021

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, June 6, 2020, August 1, 2020, October 31, 2020 and November 1, 2021
4	Options Granted	20,50,130
5	Vesting Schedule	Minimum 1 Year from the date of Grant
6	Pricing Formula	Closing Market Price prior to the date of the meeting of the Nomination and Remuneration Committee in which options are granted, on the stock exchange on which the shares of the Company are listed. In case shares are listed on more than one stock exchange then the stock exchange where the highest trading volume is recorded on the said date shall be considered.
7	Maximum Term of Options Granted	8 years from the date of Grant
8	Source of Shares	Primary
9	Variation in terms of Options	No Variations
10	Method used for Accounting of ESOP	Fair Value Method

B. Option Movement During the year

S. No.	Particulars	ESOP Scheme
1	Options Outstanding at the Beginning of the year	5,08,995
2	Number of Options Granted during the year	3,58,000
3	Number of options vested during the year	4,62,340
4	Number of options exercised during the year	4,83,945

S. No.	Particulars	ESOP Scheme
5	Total number of shares arising as a result of exercise of options	4,83,945
6	Number of options Cancelled & lapsed during the year	26,200
7	Number of Options outstanding at the end of the year	3,56,850
8	Number of Options exercisable at the end of the year	23,450
9	Money realised by exercise of options during the year (₹)	13,93,32,870
10	Loan repaid by the trust during the year from the exercised price received	NA

C. Employee-wise details of options granted to:

(i) Senior managerial personnel

Name	No. of options granted
Anil Kumar Jha	4,500
Ashish Nigam	4,200
Ashish Srivastava	6,000
Deval Ganguly	9,700
Hans Raj Sapra	9,600
Manoj Pratap Singh	4,500
Neeraj Kumar Awasthi	5,400
P N Tiwari	2,200
Pratikshit Gupta	1,600
R Lakshmanan	6,400
Rajesh Manuja	2,800
Rishi Mutreja	4,500
Sushil Batra	10,600
Syed Shahroze Farhat	2,700
Verinder Kumar	7,300
Vijay Wadhvani	4,700
Vikas Kumar Tak	2,600
Vinay Kumar Bajaj	9,400
Total	98,700

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

Name	No. of options granted
NIL	

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

Name	No. of options granted
NIL	

D(i).	Weighted average exercise price of Options granted during the year whose	
(a)	Exercise price equals market price (₹)	1,331.00
(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 (₹)	382.15
(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 (₹)	1,331.00
	Volatility	29.69%
	Risk free Rate	5.20%
	Exercise Price (₹)	1,331.00
	Time to Maturity (In Years)	3.50
	Dividend yield	0.19%
b)	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	
c)	There are no market conditions attached to the grant and vest.	

Annexure 'G'

INDEPENDENT AUDITORS' 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, 2022, 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 controls 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, 2022.
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

Akshay Maheshwari
Partner
Membership No. 504704
UDIN: 22504704AJMDHX4315

New Delhi, May 11, 2022

CORPORATE GOVERNANCE REPORT

Corporate Governance is about our commitment to human values in business which translates into ethical corporate conduct. Corporate Governance is about balancing economic goals with greater responsibilities towards society and creating valuable impact with practices and policies embedded within Company's value system, management ethos, and business practices. Corporate Governance practices 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 impacts 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 encourage a sense of trustworthiness amongst the society at large, influence the immediate corporate environment positively and have an overall healthy impact on the national economy.

At Relaxo Footwears Limited ("Relaxo"), we believe that good Corporate Governance is a continuing exercise and that each one at Relaxo is equally responsible and committed to support this cause in all management and operational activities. Integrity and transparency are key to our Corporate Governance practices helping us earn trust of our stakeholders and facilitate effective and prudent management to come up to their expectations. Your Company is conscious of the fact that success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to regulatory compliance, your Company endeavours to meet highest standards of ethical and responsible conduct throughout the organisation in letter and in spirit.

The Board of Directors (the "Board") are responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders.

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's governance framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. The Company continuously endeavors to maintain pace 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 voluntarily adopted and evolved various practices of Governance conforming to highest ethical and responsible standards of business. 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

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, 2022, 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 an optimal mix of professionalism, knowledge, experience and expertise in varied fields enabling it to discharge its responsibilities and provide effective leadership for long-term vision with highest standards 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, 2022, the Board of Directors of the Company met 4 (Four) times on May 20, 2021, July 31, 2021, November 1, 2021, and January 29, 2022. The intervening period between the Board Meetings were within the maximum time gap prescribed under the Companies Act, 2013 (hereinafter referred as the "Act") and Regulation 17 of the Listing Regulations.

Necessary disclosures regarding Directorship and Committee positions in other Companies as on March 31, 2022 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 (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than 5 (Five)

Committees across all listed companies in which he / she is a Director. Also, none of the Directors serve as a 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, 2022 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 (August 26, 2021) attended through VC/ OAVM	No. of positions held as on March 31, 2022			Name of Listed Entity where the person is a Director (Category)	No. of equity shares held as on March 31, 2022
				No. of other Directorship ¹	Committee ² (including the Company)			
					Membership	Chairmanship		
Ramesh Kumar Dua	Promoter Managing Director- Executive	4(4)	Yes	1	1	-	-	5,78,17,744
Mukand Lal Dua	Promoter Whole Time Director- Executive	4(4)	Yes	-	1	-	-	5,01,41,920
Nikhil Dua	Promoter Whole Time Director- Executive	4(4)	Yes	-	1	-	-	93,43,674
Deval Ganguly	Whole Time Director- Executive	4(4)	Yes	-	-	-	-	5,929
Vivek Kumar	Independent Director- Non-Executive	4(4)	Yes	-	2	1	-	-
Pankaj Shrimali	Independent Director- Non-Executive	4(4)	Yes	-	1	1	-	16,050
Rajeev Rupendra Bhaduria	Independent Director- Non-Executive	4(4)	Yes	-	1	-	-	-
Deepa Verma	Independent Director- Non-Executive	4(4)	Yes	-	-	-	-	-

- 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.
- 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.
- 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 as per Sec 2(77) of the Act including rules thereunder.

The below matrix summarizes the skills, expertise and competencies possessed by our individual directors, which are key to corporate governance and board effectiveness as on March 31, 2022:

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 Bhadauria	√			√
Deepa Verma	√			√

Familiarization Program

In order to encourage active participation of Independent Directors and in order to understand the business of the Company, programs are conducted for the Independent Directors with detailed presentations covering all aspects of information that they need to possess/update. The details of the programs/sessions conducted for familiarization of Independent Directors can be accessed on the Company website at the link <https://www.relaxofootwear.com/other-disclosures>.

Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee Meetings. The Company Secretary attends all the Meetings of the Board and its Committees, either in the capacity of Secretary of the Committees or as a Member of the Committee. The Company Secretary advises / assures the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the Meetings.

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.relaxofootwear.com/terms-conditions-of-independent-director>.

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 and submitted the declarations with the Company that they are exempt from appearing in the test as required under 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 Act and Listing Regulations 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 2021-22, the Independent Directors met once on March 11, 2022.

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 Independent Directors inter alia discuss the issues arising out of Committee meetings and Board discussion including the quality, quantity and timely flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Familiarization program imparted to Independent Directors is available on the Company's website at the following web link: <https://www.relaxof footwear.com/other-disclosures>.

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 Committee ("CSR")
- 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) Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 on quarterly basis.
- u) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- v) 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.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses;
- e) Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
- f) Statement of deviations;
- g) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); and
- h) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Composition and Attendance

As on March 31, 2022, the Audit Committee comprised of 4 (Four) members namely Mr. Pankaj Shrimali Chairman, Mr. Vivek Kumar, Mr. Nikhil Dua and Mr. Rajeev Rupendra Bhadauria - Members.

During the Financial Year under review, the Audit Committee met 4 (Four) times i.e. May 20, 2021, July 31, 2021, November 1, 2021, and January 29, 2022. All the Audit Committee meetings were held within the period of 120 days.

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	4
Mr. Nikhil Dua	Member	Whole Time Director	4	4
Mr. Rajeev Rupendra Bhadauria	Member	Non-Executive & Independent Director	4	4
Mr. Vivek Kumar	Member	Non-Executive & Independent Director	4	4

Members of the Audit Committee have requisite Financial and Management expertise. The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and Internal Auditor as special invitees. The Chairman of the Committee was present at the last AGM of the Company held on August 26, 2021 through VC/OAVM.

Mr. Vikas Kumar Tak, acts as Company Secretary and Compliance Officer of the Company.

II. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with Regulation 20 read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act, the Company has constituted Stakeholders' Relationship Committee.

The role of the Committee inter-alia includes the following:

- 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.
- Review of measures taken for effective exercise of voting rights by shareholders.

- 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.
- 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.
- Any allied matter out of and incidental to these functions.

Composition and Attendance

As on the Financial Year ended March 31, 2022, the Stakeholders' Relationship Committee comprised of 3 (Three) members. Mr. Vivek Kumar, a Non Executive Independent Director of the Company is the Chairman of the Committee. The other members of the Committee are Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua.

During the Financial Year under review, the Stakeholders' Relationship Committee met 3 (three) times i.e. July 31, 2021, November 1, 2021, and November 19, 2021. 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	3	3
Mr. Ramesh Kumar Dua	Member	Managing Director	3	3
Mr. Mukand Lal Dua	Member	Whole Time Director	3	3

Status of total complaints received during the Financial Year ended March 31, 2022:

S. No.	Particulars	No. of Complaints
1	Complaints, suggestions and grievances received during the year	39
2	Complaints resolved within 15 days	38
3	Complaints pending on March 31, 2022	1

The Chairman of the Committee was present at the last AGM held on August 26, 2021 through VC/OAVM. Mr. Vikas Kumar Tak, Company Secretary of the Company is the 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 2,142 (Two Thousand One Hundred and Forty Two) equity shares to the IEPF Authority.

III. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with Section 178 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 inter-alia includes the following:

- (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.
- (a1) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.
- (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 Benefit and Sweat Equity) Regulations, 2021, erstwhile SEBI (Share Based Employee Benefits) Regulations, 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, 2022 the Committee comprised of 3 (Three) members. Mr. Pankaj Shrimali, Non-Executive Independent Director of the Company is the Chairman of the Committee. The other members of the Committee are Ms. Deepa Verma and Mr. Vivek Kumar.

The Chairman of the NRC was present at the last AGM held on August 26, 2021. During the Financial Year under review, the Committee met 4 (Four) times i.e. May 20, 2021, July 31, 2021, November 1, 2021, and January 29, 2022. 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	4
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 https://www.relaxofootwear.com/media/file/pdf/download_file/nomination--and--remuneration--policy-1607581216.pdf.

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board of Directors, 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 2021-22 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 2021-22 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	90.95	98.45
Commission Payable	1,219.00	1,219.00	-	-
Contribution to Provident Fund	21.60	21.60	4.75	5.01
Perquisite value of Stock Options	-	-	-	303.94
Allowance/ Perquisites	2.14	2.14	3.70	3.81
Performance Incentive	-	-	23.45	23.29
Total	1,422.74	1,422.74	122.85	434.50

1. 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.
2. Mr. Deval Ganguly, Whole-Time Director, was re-appointed with effect from November 5, 2021 for a period of three (3) years.
3. During the year, 9,700 options were granted and 27,300 options were exercised by Mr. Deval Ganguly. The options were granted and vested as per the RFL ESOP, 2014 and details are provided in **Annexure F** of the Board Report.
4. Mr. Nikhil Dua, Whole-Time Director was re-appointed with effect from October 1, 2020 for a period of three (3) years and is related to Mr. Mukand Lal Dua.

5. No severance fee is payable to Managing Director and Whole-Time Directors.
6. Notice period for the Executive Directors is three (3) 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, 2022 and the number of shares held by the Non-Executive and Independent Directors as on March 31, 2022 are as under:

(₹ in Lacs)

Name of Directors	Category	Sitting Fees	Commission	Total	No. of shares held
Mr. Pankaj Shrimali	Non -Executive & Independent Director	4.00	2.50	6.50	16,050
Mr. Vivek Kumar	Non -Executive & Independent Director	3.28	2.50	5.78	-
Ms. Deepa Verma	Non -Executive & Independent Director	2.80	2.50	5.30	-
Mr. Rajeev Rupendra Bhadauria	Non -Executive & Independent Director	2.80	2.50	5.30	-

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

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees and commission. The Company has not granted any stock options to any of its Non-Executive Independent Directors.

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 https://www.relaxofootwear.com/media/file/pdf/download_file/corporate-social-responsibility-policy-1628254446.pdf.

IV. CORPORATE SOCIAL RESPONSIBILITY 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:

- a) 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.
- b) Recommend the amount to be spent on the CSR activities.
- c) Monitor the Company's CSR Policy periodically.
- d) Attend to such other matters and functions as may be prescribed from time to time.

The Report on CSR activities for the Financial Year 2021-22 forms a part of the Directors' Report.

Composition and Attendance

As on March 31, 2022, the Committee comprised of 4 (Four) members namely Mr. Ramesh Kumar Dua-Chairman, Mr. Mukand Lal Dua, Mr. Pankaj Shrimali and Ms. Deepa Verma- Members.

During the Financial Year under review, the Committee met 2 (Two) times on July 31, 2021 and January 29, 2022. 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/media/file/pdf/download_file/risk-management-policy-1607581048.pdf.

As on March 31, 2022, the Committee comprised of 5 (Five) members namely Mr. Ramesh Kumar Dua- Chairman, Mr. Deval Ganguly, Mr. Pankaj Shrimali, Mr. Ritesh Dua and Mr. Sushil Batra- Members.

As per SEBI (LODR) (Second Amendment) Regulations, 2021, the Risk Management Committee shall meet at

least twice in a year. During the Financial Year under review, the Committee met 2 (Two) times on August 31, 2021 and February 21, 2022. All the Risk Committee meetings were held within the period of 180 days. 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

7. 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
2020-21	AGM held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), due to COVID-19 pandemic in compliance with various circulars issued by MCA and SEBI.	2	Thursday, August 26, 2021	10.30 a.m.
2019-20	AGM held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), due to COVID-19 pandemic in compliance with various circulars issued by MCA and SEBI.	5	Thursday, September 24, 2020	10.30 a.m.
2018-19	Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi-110 003	2	Thursday, September 26, 2019	10.30 a.m.

8. EXTRA ORDINARY GENERAL MEETING

During the Financial Year 2021-22, no Extra Ordinary General Meeting was held.

9. POSTAL BALLOT

No special resolution was passed through postal ballot during the last year.

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

No Special Resolution was passed through Postal Ballot during the Financial Year and no resolution is proposed to be passed through Postal Ballot.

10. 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 2021-22, 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. 39 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 Updated Policy is posted on the website of the Company at https://www.relaxofootwear.com/media/file/pdf/download_file/policy-on-materiality-of-related-party-transactions-1646633287.pdf. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

Disclosure of related party transactions on a standalone basis is also sent to the Stock Exchanges after publication financial results for the half year.

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 [https://](https://www.relaxofootwear.com/media/file/pdf/download_file/vigil---mechanism---policy-1607580776.pdf)

www.relaxofootwear.com/media/file/pdf/download_file/vigil---mechanism---policy-1607580776.pdf.

The Audit Committee periodically reviews the existence and functioning of the mechanism. It reviews the status of complaints received under this policy on a quarterly basis. The Committee has, in its report, affirmed that no personnel 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 Listing Regulations and Quarterly compliance report on Corporate Governance, in the prescribed format duly signed by the compliance officer, is submitted quarterly with the Stock Exchanges where the shares of the Company are listed. 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 the Listing Regulations, relating to Corporate Governance. In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements i.e. 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, 2022.

ii. Reporting of Internal Auditors

Internal Auditors directly report to the Audit Committee.

iii. The Board of Directors in its meeting held on January 29, 2022 has designated Mr. Pankaj Shrimali, Non- Executive Independent Director, as the Chairman of the Board w.e.f April 1, 2022.

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 Code, inter alia, lays down the procedures to be followed by DPs while trading/ dealing in Company shares and while sharing Unpublished Price Sensitive Information (UPSI). The Code includes the obligations and responsibilities of DPs, obligation to maintain the digital database, mechanism for prevention of insider trading and handling of UPSI.

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 the Financial Year 2021-22, Company had foreign exchange exposure towards the working capital loans, import and export. However, the Company as a policy, hedges major part of the import 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 as specified under Regulation 32 (7A) of the Listing Regulations.

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. 42 of Financial Statements.

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

As per the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), your Company has a robust mechanism in place to redress complaints reported under it. Status of Complaints during the year are as follows:-

- a. number of complaints pending at the start of the Financial Year- Nil
- b. number of complaints filed during the Financial Year- Nil
- c. number of complaints disposed of during the Financial Year- Nil
- d. number of complaints pending as on end of the Financial Year- Nil

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.

11. 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.

12. 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. https://www.relaxofootwear.com/media/file/pdf/download_file/code-of-conduct-1616405984.pdf. 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 by Board members and Senior Management for the Financial Year ended March 31, 2022, is enclosed with this report.

13. 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:

During the Financial Year, Company's quarterly, half-yearly and annual audited financial results were published in Economic Times (in English Language- Mumbai and Delhi); and Navbharat Times (in Hindi Language- Delhi). However, the results were filed with the Stock Exchanges and uploaded on the website of the Company, i.e. <https://www.relaxofootwear.com/financial-results>.

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. <https://www.relaxofootwear.com/investor-relations>.

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

f) Listing on Stock Exchanges:

Name and address of the Stock Exchange	Scrip Code	Status of listing fee paid for the FY 2022-23
National Stock Exchange of India Limited Exchange Plaza C-1, Block - G, Bandra-Kurla Complex, Bandra (E) Mumbai-400 051	RELAXO	Paid
BSE Limited Phirozee Jeejeebhoy Towers, Dalal Street, Mumbai-400001.	530517	Paid

the Company are available on the Company's website www.relaxofootwear.com.

14. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting

Date : August 25, 2022

Day : Thursday

Time : 10.30 a.m.

Venue : The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular bearing no. 20/2020 dated May 5, 2020 and 02/2021 dated January 13, 2021, 02/2022 dated May 5, 2022 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, 2021 – March 31, 2022. 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 from time to time.

c) Book Closure Date:

Friday, August 19, 2022 to Wednesday, August 24, 2022 (both days inclusive).

d) Dividend Payment Date:

On or before September 23, 2022 (subject to approval of shareholders in AGM).

e) Registered Office:

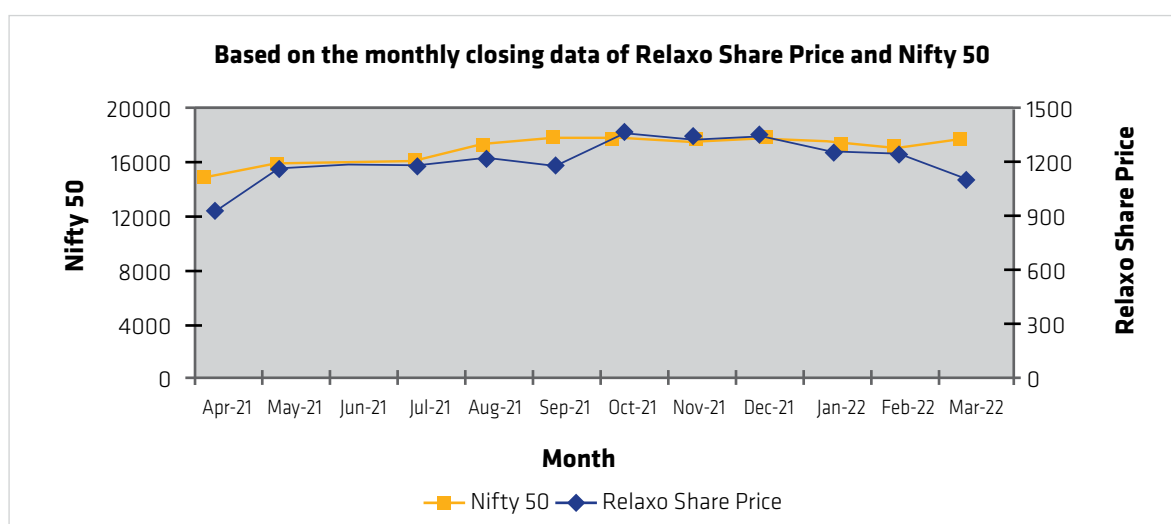
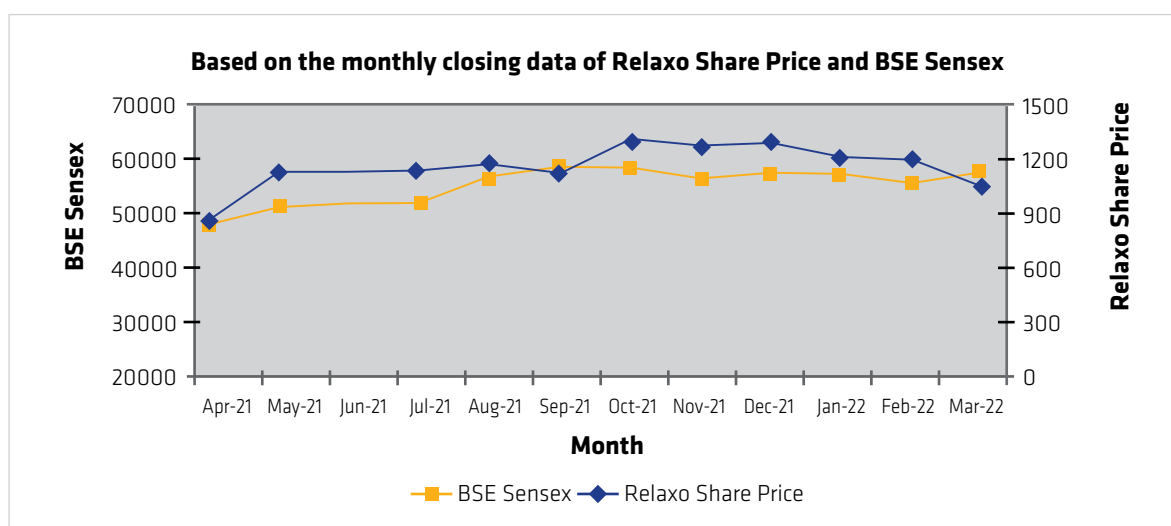
Aggarwal City Square, Plot No. -10 Manglam Place, District Centre, Sector-3 Rohini, Delhi -110085, Tel.: 011- 46800600, 46800700.

g) Market Price Data

Table showing monthly price movement on BSE & NSE during the Financial Year 2021-22:

(in ₹)

Month & Year	BSE			NSE		
	High	Low	Close	High	Low	Close
Apr-21	974.15	848.00	874.75	974.60	841.00	874.95
May-21	1170.30	850.65	1135.40	1164.75	866.25	1135.45
Jun-21	1272.00	1055.00	1152.25	1242.90	1052.00	1151.95
Jul-21	1218.00	1126.60	1149.80	1215.00	1126.70	1150.00
Aug-21	1253.65	1120.85	1191.60	1253.95	1122.55	1191.50
Sep-21	1229.95	1137.00	1141.90	1230.00	1136.00	1141.05
Oct-21	1404.40	1138.00	1329.60	1404.50	1138.95	1331.00
Nov-21	1447.00	1165.50	1293.15	1448.00	1164.30	1294.65
Dec-21	1336.80	1216.55	1309.25	1336.85	1215.00	1313.40
Jan-22	1375.00	1228.15	1231.55	1373.90	1227.55	1231.00
Feb-22	1348.80	1160.00	1216.20	1339.85	1160.20	1216.90
Mar-22	1244.00	1006.25	1065.20	1226.00	1005.85	1066.35



h) Registrar and Share Transfer Agent (RTA): 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 Limited (Formerly known as Kfin Technologies Private Limited) as the Registrar and Share Transfer Agent of the Company. As required under Regulation 7(3) of the Listing Regulations, the Company files, on yearly basis, certificate issued by RTA and compliance officer of the Company certifying that all activities in relation to share transfer facility are maintained by RTA registered with SEBI i.e. KFin Technologies Limited. Detail of the Registrar and Share Transfer Agent of the Company is given below:-

M/s. Kfin Technologies Limited (formerly Kfin Technologies 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) of the Listing Regulations, 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. Now as per Amendment in SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2022, w.e.f. January 24, 2022, transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form only.

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

j) Distribution Pattern as on March 31, 2022:

i) Shareholding pattern (in form of size):

S. No.	No. of Equity Shares held	2022				2021			
		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	3,17,405	99.81	1,31,06,061	5.27	1,25,009	99.51	1,01,76,487	4.10
2	5001- 10000	309	0.10	22,46,466	0.90	306	0.24	22,30,151	0.90
3	10001- 20000	125	0.04	18,37,568	0.74	135	0.11	19,66,484	0.79
4	20001- 30000	30	0.01	7,34,108	0.30	42	0.03	10,42,830	0.42
5	30001- 40000	22	0.01	7,79,843	0.31	27	0.02	9,75,394	0.39
6	40001- 50000	12	0.00	5,48,559	0.22	10	0.01	4,41,411	0.18
7	50001- 100000	32	0.01	22,02,277	0.88	27	0.02	18,50,495	0.74
8	100001 & Above	61	0.02	22,74,71,164	91.38	72	0.06	22,97,58,849	92.48
	Total	3,17,996	100.00	24,89,26,046	100.00	1,25,628	100.00	24,84,42,101	100.00

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

S. No.	Category	2022				2021			
		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	0.00	17,61,94,906	70.78	12	0.01	17,61,94,906	70.92
2	Bodies corporate	705	0.22	2,61,16,404	10.49	602	0.48	2,64,04,419	10.63
3	Resident individuals	3,10,052	97.50	1,69,12,185	6.79	1,20,658	96.04	1,48,29,023	5.97
4	H U F	1734	0.55	6,65,993	0.27	975	0.78	6,45,900	0.26
5	Clearing Members	155	0.05	1,43,634	0.06	191	0.15	1,23,295	0.05
6	Non-resident Indians	5,028	1.58	12,49,028	0.50	2,927	2.33	14,02,210	0.56
7	Foreign Portfolio Investors	134	0.04	80,08,899	3.22	93	0.07	96,32,742	3.88
8	Others	176	0.06	1,96,34,997	7.89	170	0.14	1,92,09,606	7.73
	Total	3,17,996	100.00	24,89,26,046	100.00	1,25,628	100.00	24,84,42,101	100.00

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, 2022, is given below:

Particulars	No. of Shares	% of Paid up Capital	No. of Shareholders
National Securities Depository Limited (a)	23,94,16,636	96.18	70,506
Central Depository Services (India) Limited (b)	89,17,370	3.58	2,47,351
Shares in Demat Form (a+b)	24,83,34,006	99.76	3,17,857
Shares in Physical Form (c)	5,92,040	0.24	139
Total (a+b+c)	24,89,26,046	100.00	3,17,996

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 38 investors' complaints were resolved and 1 complaint was pending as on March 31, 2022.

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 - 6 & 7 Kaharani, Bhiwadi Extn, Rajasthan

n) Corporate Identity Number (CIN): L74899DL1984PLC019097

o) Per Share Data:

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
Net Earning (₹ in Crore)	232.68	291.56	226.25	175.44	161.07
Cash Earning (₹ in Crore)	345.87	412.52	341.04	245.00	217.48
EPS-Basic (in ₹)	9.36	11.74	9.12	7.07*	13.40
Dividend (including Interim Dividend per share) (in ₹)	2.50	2.50	1.25	0.90*	1.50
Dividend Pay out (%)	26.71	21.29	13.71	12.72	11.19
Book Value Per Share (in ₹)	70.71	63.29	51.26	89.08	63.25
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 2021-22, ICRA has retained Long term rating of the Company to [ICRA] AA (pronounced as ICRA Double A). The outlook has been enhanced from "Stable" to "Positive".

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.

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 unpaid/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

₹1,59,289 /- from the Final Dividend for the year 2013 - 14 due for transfer to IEPF.

The details of disclosure with respect to unclaimed demat suspense account is provided in point no. 46 of the Directors Report.

- s)** During the Financial Year 2021-22, Company had foreign exchange exposure towards the working capital loans, import and export. However, the Company has hedged major part of the import transactions.

t) Other useful information for the shareholders:

- Equity Shares of the Company are under compulsory demat trading. To avail the advantage of scripless trading, Shareholders are advised to consider dematerialization of their shareholding so as to avoid inconvenience in future.
- Members/Beneficial owners are requested to quote their Folio No./ D.P. & Client ID Nos. as the case may be, in all correspondence with the Company.
- In case of loss/misplacement of shares, a complaint shall be lodged with the Police Station and an intimation shall be sent to the Company along with original or certified copy of FIR/acknowledgement of the Complaint.

- 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 particulars those holding shares in single name, may avail of the above facility by furnishing the particulars of their nomination in the prescribed Nomination form.
- viii) As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, it is mandated by the SEBI to mandatorily update the PAN, KYC, Nomination details, Bank details, Contact details and Specimen Signature of all shareholders holding shares in physical form and compulsory linking of PAN with Aadhar number by all shareholders.

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
May 11, 2022

CEO / CFO CERTIFICATION

To
The Board of Directors
Relaxo Footwears Limited

Subject: CEO and CFO Certification

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

1. We have reviewed financial statements and the cash flow statements for the Financial Year ended on 31st March, 2022.
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.

Place: Delhi
Date: May 11, 2022

Ramesh Kumar Dua
Managing Director
DIN: 00157872

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 31st March, 2022, a confirmation that they are in compliance with the Company's Code of Conduct.

Place: Delhi
Date: May 11, 2022

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) 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 31st March, 2022 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 / Re-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

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 : F003616D000290155

ICSI Peer Review Certificate No. :1205/2021

ICSI Unique Identification No. :I1999DE144000

Place : Delhi

Date : May 9, 2022

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

The recent growth in Indian footwear industry has been fuelled by advent of new technologies, growth of e-commerce channels and an inflow of fresh investment coupled with changing consumer perceptions wherein footwear has come to be reckoned as an expression of one's personality.

The temporary contraction in the Indian footwear market in last two years is primarily due to Covid-19 pandemic and the market is expected to grow to ~ ₹82,000 Crore by 2025. India is the second largest footwear manufacturer in the world after China with about 90% of its production being consumed by the domestic market and the remaining exported. While USA leads the per capita consumption of footwear in the world with 8.1 pairs, Japan follows with 6.4 pairs and China with 3.3 pairs. India, with its per capita consumption of 1.9 pairs (in 2019), is much below the global average of 3.2 pairs, suggesting the immense potential waiting to be tapped.

Increasing consumer preference for brands and a bent towards premium products will be facilitating growth in the forecast period for Indian footwear market. Coupled with a dynamic lifestyle, evolving purchase habits and impact of social media, rapid changes have come about in fashion trends, influencing footwear industry as well. Increasing awareness towards fitness and well-being has only further spurred footwear styling and growth, more so in the branded segment.

Rising disposable income is edging individuals up the value chain promoting occasion based purchases, leading to emergence of new product segments, differentiated by aesthetics, performance and price, be it shoes, sandals or even basic slippers, driving industry leaders to continually innovate their offerings, fuelling growth in every category.

Today consumers have become technology savvy, at ease with digital marketing practices and demand latest trends and

contemporary styles unique to their choice. The companies too, are quick to spot this emerging trend and have adapted their strategies and earmarked significant investments to tap this market. Emergence of online market places coupled with support infrastructure for logistics and billing has created a perfect interface to tap the latent demand across the country. Further, availability of big 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. There is visible consumer inclination towards e-commerce purchase platforms as it translates into a bonanza of greater availability, convenience and price optimisation, helping them in taking informed and hassle free shopping decisions.

It is expected that the market for footwear will grow on the back of a growing middle-income group and increase in literacy rate. Further, active participation in the workforce, supported by ever-growing population and urbanization in the country will fuel market growth. 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. The growth of multi-channel sales strategy by different players is expected to play a major role in driving demand for footwear.

However the blip caused by Covid 19 pandemic has disrupted both production and demand, as well as logistics, negatively impacting overall footwear market at least in the short run. Going forward as the situation improves, increasing demand and supply of footwear products from India and other exporting countries is expected to restore the momentum.

Opportunities and challenges

Opportunities:

Presently about 90% of the footwear produced in India is consumed by the domestic market and the rest is exported. Footwear demand is expected to pick up momentum with favourable government initiatives & policy framework for the industry, growth in organised retail, increasing urban population and changing consumption patterns.

Footwear, being a labour intensive industry, also presents a unique 'social' opportunity with a potential to generate significant employment 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 vast growth potential of 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, creating new jobs, primarily for weaker sections of the society.

On consumption front, growing consciousness among consumers about the latest trends in India as well as other developing countries, provides the Indian footwear industry with significant opportunities. Increasing business momentum within tier II & III cities coupled with demographic changes make way for a whole set of new ventures to be explored. Consumers are now seeking more and more variety in their footwear of choice with the functional benefits of comfort and durability being a given and an increasing interest in fitness and wellbeing have only added further to this transition.

Indian Government's strategy of creating an 'Atmanirbhar Bharat' will encourage Indian producers and manufactures across industries to expand existing businesses and initiate new ventures with a make in India focus. Footwear industry has been listed as a champion sector in "Make in India 2" initiative of Indian Government. This substantiates the growth potential of the industry and its contribution to the Indian economy by way of generating employment opportunities as also foreign exchange earnings. Better infrastructure and conducive State policies towards e-commerce as well as greater acceptance among consumers has created a whole new marketing channel for footwear industry, giving access to hitherto untapped market potential. The Government has taken various initiatives for the footwear sector including 100% FDI under the automatic route in single brand, up to 51% FDI for multi brand, and hiking custom duty on footwear products. Moreover, there has been focus on skill development in the sector under National Skill Certification and Monetary Reward Scheme of the National Skill Development Corporation, and The Human Resources Development sub-scheme under ILDP implemented by DPIIT.

Challenges:

A large section of the footwear industry still remains unorganised in nature and offers a strong price competition to those dealing in branded products, forcing them to rely on innovation and technology enabled marketing solutions. Sourcing skilled workforce in wake of increasing demand poses a real challenge across manufacturing processes.

The industry operates in a complex regulatory environment. Any change in the laws and regulations governing the footwear industry may affect the business and financial performance of the industry.

Adverse effects of supply chain turbulence, increasing raw material costs and inflation pressures may necessitate an out of the box and innovative strategic thought process to maintain profitability. On - going geo political tensions in Europe and other parts of the world may also disturb the growth momentum.

The periodic outbreak of Covid-19 pandemic has caused unexpected economic impact worldwide and footwear industry is no exception. With greater incidence of remote working and setting in for work from home culture, consumption patterns have undergone a change impacting both product mix and volumes in footwear industry in the past two years. Growth in retail business is likely to remain subdued at least in near future before complete normalcy resumes.

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.

The raw material prices, notwithstanding slight moderation in recent months, continue to remain high which if sustained may negatively impact profitability of the industry in FY23.

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 concerned including the Risk Management Committee and the Audit Committee of the Board to identify and mitigate such risks. The Board is responsible for reviewing the Enterprise Risk Management Policy of the Company whereas the Audit Committee of the Board is responsible for evaluating the risk management systems in the Company.

Impact of Covid-19

The pandemic has caused heavy losses to all industries across the country. Even as the footwear industry was anticipating a comeback of momentum in 2022 over the previous year a second wave of COVID-19 rendered even greater damage, furthering the

sense of uncertainty. Subsequently, in tandem with the gradual unlock process, revenues started improving, even as periodic lockdowns affected consumer sentiments amidst subdued demand.

Nonetheless, in later part of the year Indian economy recovered well from the pandemic induced disruptions aided by India's commendable COVID vaccination coverage, which has crossed 190 crore mark, with almost 90% of the eligible population receiving at least one dose. Further, the government has started vaccination drive for youngsters in the age group 15-18 years. These developments seem to have helped curtail the mortality impact of the more transmissible Omicron variant and gives us hope that we will be able to come out of this quicker and stronger.

Your Company, with four decades of experience in manufacturing and marketing of footwear, is better placed than its peers to counter these 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 has been cordial during the year.

As on March 31, 2022, the total number of employees of the Company is 8,026 against 8,229 on March 31, 2021.

Financial Performance of the Company

During the Financial Year 2021-22, your Company achieved a turnover of ₹2653.27 crores and profit of 232.68 crores. Detailed report on financial performance of the Company is provided in point no. 1, 2 & 3 of the Director's Report.

The Board have recommended a final dividend @ 250% equivalent to ₹2.50/- per equity share of ₹1/- each fully paid up for the Financial Year 2021-22.

The capital expenditure incurred during the Financial Year 2021-22 amounted to ₹145.87 Crore as compared to ₹101.36 Crores in Financial Year 2020-21. The capital expenditure was in line with the growth strategy of the Company and was funded through internal accruals.

The Company has no term loan outstanding as on March 31, 2022.

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	2021-22	2020-21
1	Debtors Turnover	Times	11.36	12.46
2	Inventory Turnover	Times	3.31	3.41
3	Interest Coverage Ratio	Ratio	21.26	23.90
4	Current Ratio	Ratio	2.57	2.40
5	Debt Equity Ratio	Ratio	0.01	-
6	Operating Margin i.e. EBITDA	%	15.67	21.00
7	Net Profit Margin	%	8.83	12.43
8	Return on Net worth	%	13.96	20.50

The Net Profit Margin, Operating Margin (EBITDA) and Return on Net worth were adversely impacted due to increase in raw material prices and normalisation of selling, marketing and administrative expenses in FY 22 as compared to FY 21.

Outlook

Overall, despite the challenging environment, the growth-story of India remains intact. India remains a preferred investment destination for FDI amidst global asset shifts towards emerging economies. Proactive and decisive measures taken by governments and policy makers will certainly help kick-off the growth bandwagon again and put economic recovery back on rails. "Make in India 2" initiative under the "Atma-Nirbhar Bharat Abhiyan" (Self-reliant India Mission) entails greater focus on local manufacturers and service providers, thereby giving impetus to economic growth.

The raw material prices still seem a concern, but with control of Covid pandemic the prices are expected to settle down in near future. However, Global unrest or spread of any new variant may have adverse impact on prices.

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.

Aggressive marketing strategies adopted by your Company over time have placed its brands in a position of leadership in their category, not only making the products more aspirational but also creating a significant barrier for competition. Coupled with a proactive approach towards the key drivers of manufacturing, supply chain and distribution your Company has kept abreast of changing consumer expectations.

BUSINESS RESPONSIBILITY REPORT

About Relaxo

Relaxo Footwears Limited (“Relaxo / Company”) is the largest footwear manufacturing company in India, which deals in non-leather products i.e. rubber / EVA / PU slippers, canvas/ sport / school shoes, sandals, etc. A Fortune 500 (India) company, synonymous with quality products & affordable prices, it manufactures slippers, sandals and sports & casual shoes, at its 8 state of the art manufacturing facilities with a capacity to produce ~10 Lac pair/day, five in Bahadurgarh (Haryana), two in Bhiwadi (Rajasthan) and one in Haridwar (Uttarakhand). It has a portfolio of brands including major brands like Relaxo, Flite, Sparx and Bahamas. Having a pan India distribution footprint, Relaxo also operates around 400 strong network of own retail outlets, with availability on all major e-commerce portals as well. Relaxo has sustained to maintain its leadership in the footwear sector in India.

About Business Responsibility Report

The Securities and Exchange Board of India (“SEBI”) has mandated the top 1,000 listed Companies by market capitalization to include Business Responsibility Report (“BRR”) 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. Our BRR includes our responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f)

of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (“Listing Regulations”) covering topics across environment, governance, and stakeholder relationships.

Furthermore, SEBI, in its meeting held on March 25, 2021 followed by an amendment to Regulation 34(2)(f) of the SEBI LODR vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021, has introduced a new sustainability reporting requirement called as Business Responsibility and Sustainability Report (“BRSR”) which would replace the existing BRR. The BRSR is applicable to the top 1000 listed entities (by market capitalization), for reporting on a mandatory basis from the Financial Year (“FY”) 2022-23 and Relaxo will comply with the requisite provisions as per the SEBI guidelines from its effective date.

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 174 by National Stock Exchange of India Limited, on the basis of the market capitalization as on March 31, 2022.

The Directors hereby present the BRR of the Company for the Financial Year ended on March 31, 2022, which conforms to the BRR requirement of the Listing Regulations and NVG on Social, Environmental and Economic Responsibilities of Business.

The BRR for FY 2021-22 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	www.relaxofootwear.com
5	E-mail id	rfl@relaxofootwear.com
6	Financial Year reported	2021-22
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 Retail Outlet (EBO) - 394
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	24.89
2	Total Turnover	2636.13
3	Total profit after taxes	232.68
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Nil*
5	List of activities in which expenditure in 4 above has been incurred:	Company has adopted 32 more schools for ongoing project (education sector) and has allocated ₹644.48 Lacs.

* ₹644.48 Lacs has been approved for long term project and funds has been transferred to Relaxo Footwears Ltd Unspent CSR account 21-22.

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? [Less than 30%, 30-60%, More than 60%]	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@relaxofootwear.com

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

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

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Business Ethics	Product Responsibility	Employee Wellbeing	Shareholder Engagement	Human Rights	Environment Protection	Public & Regulatory Policy	CSR	Customer relation
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

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Business Ethics	Product Responsibility	Employee Wellbeing	Shareholder Engagement	Human Rights	Environment Protection	Public & Regulatory Policy	CSR	Customer relation
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 of the Company are compliant of the applicable laws in India, general business standards, fair trade practices and good corporate governance.
- The Board monitors policy implementation and progress on initiatives and actions through periodic reviews and policies have been signed by Managing Director.
- The policies which are mandatorily required to be uploaded on the website are available at the website of the Company i.e. <https://www.relaxofootwear.com/investor-relations>. 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)	Your Company is a member of various industrial and trade bodies and 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 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?	Yes, it is published annually. Company publish its Business Responsibility Report annually as a part of Annual Report and these reports are available online at https://www.relaxofootwear.com/annual-reports .

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 runs its business in fair and transparent manner and is committed to adherence to the highest standards of transparency, business conduct ethics, corporate culture, values, legal principles. Also, the Company has in place the Code of Conduct for all its Directors and employees applicable across the Company. The Code of Conduct is applicable to employees, vendors and all its associates with whom your Company does business. The code serves as a guide to each employee on values, ethics and business principles expected of him or her in personal and professional conduct. The code deals with gifts, bribery, sexual harassment etc. and 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 align with changes in regulatory environment and to make it more inclusive and effective. The policy is available online at https://www.relaxofootwear.com/media/file/pdf/download_file/vigil---mechanism---policy-1607580776.pdf.

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

Your Company has resolved 38 out of 39 complaints received during the year, one complaint was pending as on March 31, 2022.

No complaint was received during FY 2021-22 under Code of Conduct.

Principle 2: Product Life Cycle Sustainability

Your Company tries to embed the principles of sustainability into various stages of product, procurement of raw material, manufacturing of products, transportation of raw materials and supply of finished goods. As a responsible Corporate, 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.**

The ethos of your Company is to provide qualitative but value for money (VFM) products to its customers. It 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. The Company has been manufacturing and selling synthetic EVA (Ethylene Vinyl Acetate) products instead of using natural rubber thereby contributing towards natural resource conservation. For better quality and market competitiveness, your Company has adopted two stage mixing all across and introduced polymer blends mainly for all EVA products.

Our products such as 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?**

Your Company is committed to conservation and optimal utilisation of all resources, zero waste to landfill and recycling by-products. Your Company keeps proper record of Yield measurement to track wastages and ensure improvement in product quality. Your Company is certified for Quality Management System (ISO 9001:2015) by British Standards Institute, a certification body of global repute. For planned consumption of electricity, your Company has been using power trading tool for better efficiencies. Continuous awareness programs are run among staff for energy conservation at offices and retail outlets to reduce

energy consumption by using inverter air conditioners and LED lights. Company also saves energy by its rooftop solar power unit in one of its plants.

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, your Company, over the years, has worked towards embedding sustainability throughout its inbound supply chain and will continue to do so. For maintaining sustainability of supply line, your Company prefers indigenous sourcing wherein locally available raw materials are generally used by the Company. To support the sustainability and environmental purpose, your Company also uses some packing materials made of waste products. Substantial raw material procured is based on sustainable sourced materials. To reduce the overall carbon footprint on transportation, a substantial share of raw materials are procured by suppliers in close proximity to the manufacturing plants. Your Company also conducts regular audits of vendors to ensure quality systems and sustainable manufacturing capabilities.

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, your Company outsources job-work to 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, your Company prefers to procure materials from local and small producers. It treats its local, small vendors as business partners by closely interacting with them for quality improvement, waste reduction and in taking cost savings initiatives. Your 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. Companies strategies are directed towards achieving the greenest and safest operations across all units by optimising usage of natural resources and providing a safe and healthy workplace.

Your Company has mechanism to recycle the products like rubber in new production. In certain products the waste is recycled completely while in few, it is recycled partially. In addition to this, your Company has tie up with cement companies to consume our waste as fuel. Rain water harvesting facilities have been installed in plants.

Principle 3: Employee wellbeing

1. Please indicate the Total number of employees.

Number of Permanent employees as on March 31, 2022 is 8026.

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

Number of Temporary / Contractual / Casual employees as on March 31, 2022 is 11287.

3. Please indicate the Number of permanent women employees.

Number of Permanent women employees as on March 31, 2022 is 442.

4. Please indicate the Number of permanent employees with disabilities

Number of Permanent employees with disabilities as on March 31, 2022 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, subsidised food for workers etc. Your Company, organizes various training sessions in-house on a regular basis. E-learning modules have also been rolled out in Microsoft teams for creating awareness.

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 builds trust through productive relationships, fosters working partnerships and considers stakeholders both internal and external as integral to its business.

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 are given preference in all decision making. During the Financial Year, Company focussed on education sector by adopting another 32 Government schools in Khanpur and Laksar blocks of district Haridwar of Uttarakhand.

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.

During the year, your Company has undertaken Phase III of Parivartan – Model School Program, a long term project which will run till March -2025, showing the continuous commitment of your Company in the education sector for overall development of students of 32 schools of Khanpur and Laksar Blocks of Haridwar District, Uttarakhand.

Apart from CSR, your Company continued to support workers e.g. financial aid to Meritorious students (children of workmen), sanitary napkins to the female workmen and educate them on basic hygiene and health and subsidized canteen food for workmen.

During the year your Company, in addition to the Parivartan project for supporting the Government Education

Department to convert Government schools into model schools in Haridwar Uttarakhand, has continued its following projects through Relaxo Foundation for welfare of people:

- i) Remedial education Project in Bawana, Delhi, sponsoring, 156 underprivileged children.
- ii) Vocational training course of customer service associate partnering with GMR Varalakshmi Foundation.
- iii) Partnering with Smile Foundation for the mobile van equipped with MBBS Doctor, Pharmacist, ANM, Lab Technician etc. in selected villages on periodic basis.
- iv) Association with Dr. Shroffs Charity Eye Hospital, to reduce the burden of avoidable blindness at early stage under the project "Nayan" in Tijara Block of Alwar District of Rajasthan

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). Your Company does not employ any person below the age of eighteen as per its recruitment policy. Your Company 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 FY22.

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. The Company does not have specific strategies/ initiatives to address global environmental issues.

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

Yes, some of the environmental risk are identified in process of EMS implementation periodically and company take action to mitigate these risks. Your Company has replaced all conventional boilers at its plants to environment friendly gas fired boilers which is environment friendly and improves environmental conditions. The Company has initiated measures across business units to ensure waste minimisation, segregation at source and recycling.

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?

Yes. The Company has undertaken initiatives to reduce Carbon footprint through reduction in the amount of Greenhouse Gases emissions . 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. The project is 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. In view of green energy consumption, all the solid fuel based boilers at the plants have been replaced by gas fired boilers (PNG & LNG).

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 monitored on regular basis 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 FY22.

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 firmly believes in collective development of all the stakeholders especially people at bottom of the pyramid and consider it as prerequisite for the sustainability of the business. Your Company strives to bring positive impact on the lives of vulnerable poor population associated or impacted by the business. 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 centre 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.

Your Company has identified 'Education & Skill Development' and 'Health & Hygiene' as two focus areas to implement different social initiatives towards betterment of socially & economically excluded communities.

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

The Board's Report- **Annexure D** 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 undertaken Phase III of the Parivartan project by adopting 32 schools in block Khanpur and Laskar of district Haridwar, Uttarakhand. However, apart from this, your Company has continued projects undertaken in yester years, through its CSR arm "Relaxo Foundation". The projects pertain mainly to Education & Skill Development' and 'Health & Hygiene' whose details are provided in **Annexure D**.

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 on periodic basis. We consider independent impact assessment as equally crucial and intend to have independent assessment at the end of the projects. We are considering to have periodic assessment of the different phases of Parivartan project undertaken by the Company at district Haridwar, Uttarakhand to ensure whether the project is moving in right direction or not and do necessary course correction.

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

During the FY ended March 31, 2022, your Company has undertaken Phase III of the Parivartan project in January 2022 at block Khanpur and Laskar of district Haridwar, Uttarakhand. The total project cost is ₹644.48 Lacs and has to be utilized in three years. The amount has been transferred to the Relaxo Footwears Limited Unspent CSR Account 21-22 and will be utilized on the project in three years. During the year, your Company has also continued its commitment towards the projects like Parivartan model school, Mobile health unit project, Nayan project, Vocational training programmes, Remedial Education program etc. through its implementing agency "Relaxo Foundation". The details thereof have been provided in the **Annexure-D** to this Annual Report.

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

Yes, the Company ensures the community development

initiative through internal tracking mechanisms and field visits. 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. Since the programmes are developed after a detailed need assessment, it ensures that the initiatives are successfully adopted by the community.

Your Company, is actively involved in the projects and monitors the progress of the projects minutely. For sustainability of the project, key stakeholders are identified 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 and are going to continue it in the ongoing project undertaken at district Haridwar, Uttarakhand.

Principle 9: Customer/ Consumer value

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

No consumer complaints are pending as on March 31, 2022.

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. Your Company, also seeks consumer and trade feedback before and after launch of its products through a random sampling approach among target consumers. The Company has a strong Customer Feedback Mechanism to capture feedback from customers on their shopping experience. The Company also conducts brand track study for its brands.



FINANCIAL STATEMENTS

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 March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), 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 (hereinafter referred to as the "financial statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matters:

Key audit matters	How our audit addressed the key audit matter
<p>Revenue Recognition (Refer Note no.20,29 and 47 to the Financial statements:</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 and discounts 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">• the rebates/ discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company; and• discounts offered by the customers to the ultimate consumers at the behest of the Company. <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">• Obtained an understanding from the management with regard to controls relating to recording of rebates and discounts and period end provisions relating to estimation of revenue, and tested the operating effectiveness of such controls;• Tested the inputs used in the estimation of revenue in context of rebates and discounts to source data;• Assessed the underlying assumptions used for determination of rebates and discounts;• Ensured the completeness of liabilities recognised by evaluating the parameters for sample schemes;• Performed look-back analysis for past trends by comparing recent actuals with the estimates of earlier periods and assessed subsequent events;• Tested credit notes issued to customers and payments made to them during the year and subsequent to the year-end along with the terms of the related schemes. <p>Based on the above procedures, we did not identify any significant deviation to the assessment made by management in respect of estimation of rebates and discounts.</p>

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
<p>Provisions, Litigations, Claims and Contingent Liabilities: (Refer Note-15, 29 and 30)</p> <p>The management is required to make judgements and estimates in relation to the issues and exposures arising from a range of matters relating to direct tax, indirect tax, general legal proceedings and other eventualities arising in the regular course of business. The Company is also subject to complexities arising from uncertain tax positions on deductibility of expenses and allowance of certain tax deductions.</p> <p>The key judgement lies in determining the likelihood and magnitude of the possible cash outflows and interpretations of the legal aspects, tax legislations and judgements previously made by authorities. By nature, these are complex and include many variables.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We tested the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions. • We inquired the status in respect of significant provisions with the Company's internal tax and legal team. • We assessed the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. • We challenged the assumptions and critical judgements made by the Company which impacted their estimate of provision required, considering judgements previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company's advisors and assessing whether there was an indication of management bias. • We verified the calculation of provision on a test check basis.

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 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 Act, 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, 2020 ("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 including Other Comprehensive Income, 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.
 - (e) On the basis of written representations received from the directors as at March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2022 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

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.

iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company

from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend (Refer Note No.13 to the financial statements).

b) As stated in Note No. 48 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **B R Maheswari & Co LLP**
Chartered Accountants

Firm's Registration No. 001035N/N500050

Akshay Maheshwari

Partner

Membership No.504704

UDIN: 22504704AIUEAO2463

New Delhi, May 11, 2022

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)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1. a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and equipment.
(B) The Company has maintained proper records showing full particulars of intangible assets
- b) According to the information and explanations given to us, property, plant and equipment 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) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- d) The Company has not revalued its Property, plant and equipment (including Right of use Assets) and intangible assets during the year end.
- e) According to the information and explanations given to us, no proceedings have been initiated or pending against the Company for holding any benami property under the “Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
2. In respect of its inventories:
 - a) The management has physically verified the inventories. In our opinion, the frequency, coverage and procedure of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
 - b) The Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets during the year. According to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
3. In our opinion and according to the information and explanations given to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties.
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. In our opinion and 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. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
7. In respect of statutory dues:
 - a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below: (₹ in Crore)

S.No.	Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount
1.	Haryana General Sales Tax Act, 1973.	Purchase Tax	Jt. Commissioner	2001-02 2002-03	0.20 0.15
2.	Delhi Value Added Tax Act, 2005	Input Tax	Appellate Tribunal, Delhi	2005-06 2013-14	0.04 0.22
3.	Rajasthan Tax on Entry of Goods into Local Area Act, 1999	Entry Tax	Tax Board, (Ajmer).	2011-12 to 2016-17	0.71
4.	Income Tax Act, 1961	Income Tax (*)	Assessing Officer & CPC	2006-07, 2008-09 to 2013-14, 2016-17 to 2019-20	4.80(*)
		TDS	Assessing Officer, Commissioner (A), ITAT	2008-09 to 2011-12, 2013-14 to 2015-16, 2017-18 to 2019-20 and 2022-23	0.04
	Total				6.16

(*) 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. The Company has disputed the same as the said DDT has already been deposited on time and the Company has submitted the proof for payment to the Department for deleting the said demands.

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. a) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lenders.
b) The Company is not declared a willful defaulter by any bank or financial institution or other lender.
c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
e) The Company has no subsidiaries, associates or joint ventures. Hence, reporting under clause 3 (ix)(e) and (f) of the Order is not applicable
10. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Hence, reporting under clause 3(x)(a) of the Order is not applicable.
b) The company has not made any preferential allotment of shares or fully or partially convertible debentures during the year. Hence, reporting under clause 3 (x) (b) of the Order is not applicable.
11. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
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, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business
b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
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 is not applicable.

16. a) The Company is not engaged in business of Non-Banking Financial Company or Housing Finance Company or Core Investment Company requiring registration under the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) The Company is not a part of a Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has not incurred any cash losses in the financial year covered by our audit and in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.
- In respect of ongoing projects, the Company has transferred the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amounts that was required to be spent during the year, to a Special Account in compliance with the provision of sub-section (6) of section 135 of the Act.

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

Akshay Maheshwari
Partner
Membership No.504704
UDIN: 22504704AIUEA02463

New Delhi, May 11, 2022

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 March 31, 2022 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 Act.

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 Act, 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 March 31, 2022 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

Akshay Maheshwari

Partner

Membership No.504704

UDIN: 22504704AIUEAO2463

New Delhi, May 11, 2022

Balance Sheet as at March 31, 2022

(₹ in Crore)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	769.35	721.05
Capital Work-in-Progress	1	145.18	112.23
Intangible Assets	2	28.60	33.33
Intangible Assets under Development	2	3.78	5.80
Right-of-Use Asset	3	189.31	183.68
Financial Assets			
Investments	4	24.98	0.20
Loans	5	0.08	0.09
Other Financial Assets	6	17.53	17.23
Other Non-Current Assets	7	16.82	22.30
		1195.63	1095.91
Current Assets			
Inventories	8	673.25	422.14
Financial Assets			
Investments	4	169.27	337.98
Trade Receivables	9	250.79	181.46
Cash and Cash Equivalents	10	7.10	6.34
Bank Balances other than Cash and Cash Equivalents	11	5.40	1.35
Loans	5	0.43	0.41
Other Financial Assets	6	0.83	0.07
Other Current Assets	7	79.89	130.14
		1186.96	1079.89
Total Assets		2382.59	2175.80
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	24.89	24.84
Other Equity	13	1735.23	1547.57
		1760.12	1572.41
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities		122.78	115.23
Other Financial Liabilities	14	0.15	0.17
Provisions	15	18.67	16.10
Deferred Tax Liabilities (Net)	16	19.85	22.80
		161.45	154.30
Current Liabilities			
Financial Liabilities			
Borrowings	17	20.00	-
Lease Liabilities		31.26	28.93
Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer note no. 43)		54.20	47.36
Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		167.54	175.44
Other Financial Liabilities	14	94.76	105.62
Other Current Liabilities	18	60.28	57.81
Provisions	15	29.16	27.18
Current Tax Liabilities (Net)	19	3.82	6.75
		461.02	449.09
Total Equity and Liabilities		2382.59	2175.80
Significant Accounting Policies	29		

The accompanying notes 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

Akshay Maheshwari
Partner
Membership No. 504704

Sushil Batra
Chief Financial Officer

Vikas Kumar Tak
Company Secretary

Delhi, May 11, 2022

Statement of Profit and Loss for the year ended March 31, 2022

(₹ in Crore)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue from Operations	20	2653.27	2359.15
Other Income	21	23.72	22.77
Total Income		2676.99	2381.92
EXPENSES			
Cost of Materials Consumed, including Packing Material		1307.88	863.85
Purchases of Stock-in-Trade		81.13	95.28
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	22	(172.31)	44.15
Employee Benefits Expense	23	334.69	301.39
Finance Costs	24	15.33	17.08
Depreciation and Amortisation Expense	25	113.54	110.02
Other Expenses	26	686.13	558.99
Total Expenses		2366.39	1990.76
Profit Before Tax		310.60	391.16
Tax Expense			
Current Tax	27	80.84	102.03
Deferred Tax		(3.06)	(2.43)
Tax for Earlier years		0.14	-
		77.92	99.60
Profit for the year		232.68	291.56
Other Comprehensive Income not to be reclassified to Profit or Loss			
Remeasurement Gains / (Losses) on Defined Benefit Plan	31(b)	0.42	1.93
Income Tax effect on above		(0.11)	(0.48)
		0.31	1.45
Total Comprehensive Income for the year		232.99	293.01
(Comprising Profit and Other Comprehensive Income for the year)			
Earnings Per Equity Share of ₹1/- each (In ₹)			
Basic	33	9.36	11.74
Diluted		9.35	11.72
Significant Accounting Policies	29		

The accompanying notes are an integral part of financial statements.
As per our report of even date

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

Akshay Maheshwari
Partner
Membership No. 504704

Delhi, May 11, 2022

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

Statement of Cash Flows for the year ended March 31, 2022

(₹ in Crore)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from Operating Activities			
Profit Before Tax		310.60	391.16
Adjustments for			
Depreciation and Amortisation Expense	25	113.54	110.02
Finance Costs	24	15.33	17.08
Interest Income	21	(1.21)	(0.74)
Net (Gain) on Current Investments	21	(7.98)	(7.41)
Net Unrealised (Gain) / Loss on Foreign Currency Transactions and Translations		(0.38)	0.70
(Gain) on Lease Modification, Termination and Concession	21	(8.47)	(11.82)
Share Based Payments	23	2.89	2.11
Net Fair Valuation (Gain) / Loss on Derivative Instruments	21, 26	(0.63)	2.31
Write Down / (Reversal of Write Down) of Inventories		(2.91)	4.89
Bad debts Written off	26	0.04	0.06
Allowances for Doubtful Trade Receivables	26	0.04	0.19
Net loss on Disposal / Write off of PPE and Intangible Assets	26	0.60	0.68
Operating Profit Before Working Capital Changes		421.46	509.23
Changes in Working Capital			
Adjustments for (Increase) / Decrease in Operating Assets			
Loans to Employees	5	(0.01)	(0.19)
Security Deposits		(1.05)	3.13
Other Non-Current Assets		(1.62)	(4.44)
Trade Receivables		(68.84)	(11.49)
Other Current Assets	7	50.25	28.84
Inventories		(248.20)	20.71
Adjustments for Increase / (Decrease) in Operating Liabilities			
Trade Payables		(1.26)	40.18
Other Financial Liabilities		(14.05)	33.33
Provisions		0.75	(16.28)
Other Current Liabilities		2.47	(0.78)
Net Cash Flow from / (used in) Working Capital		(281.56)	93.01
Cash Generated from Operations		139.90	602.24
Taxes Paid *		(83.91)	(89.12)
Net Cash Generated from / (used in) Operating Activities		55.99	513.12
Cash Flow from Investing Activities			
Payment for Purchase of PPE including Capital Work-in-Progress and Intangible Assets		(139.51)	(123.32)
Proceeds from Sale of PPE and Intangible Assets		0.59	1.42
(Purchase) / Redemption of Investments (Net)		151.91	(330.57)
Interest Income		0.59	0.72
(Purchase) / Maturity of Bank Deposits and Margin Money	6, 11	0.97	(1.41)
Net Cash Flow from / (used in) Investing Activities		14.55	(453.16)
Cash Flow from Financing Activities			
Proceeds from Issuance of Equity Shares under Employee Stock Option Plan	12	0.05	0.02
Securities Premium received on exercise of Equity Shares issued under Employee Stock Option Plan	13	13.89	4.87
Proceeds from / (Repayment) of Current Borrowings (Net)	17	20.00	(19.16)

Statement of Cash Flows for the year ended March 31, 2022 (contd.)

(₹ in Crore)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Payment of Principal Lease Liabilities		(26.28)	(24.75)
Dividend Paid		(62.11)	-
Finance Costs (Including Interest on Lease Liabilities)		(15.33)	(17.13)
Net Cash Flow from / (used in) Financing Activities		(69.78)	(56.15)
Net Increase / (Decrease) in Cash and Cash Equivalents		0.76	3.81
Cash and Cash Equivalents at beginning of the year		6.34	2.55
Exchange Fluctuation Gain / (Loss) on Foreign Currency Bank Balances		0.00	(0.02)
Cash and Cash Equivalents at end of the year	10	7.10	6.34
Components of Cash and Cash Equivalents (At end of the year)	10		
Balances with Banks on Current Accounts		6.50	5.66
Cash on Hand		0.60	0.68
		7.10	6.34
Significant Accounting Policies	29		

The above cash flow statement has been prepared under the indirect method as 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.

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	As at April 1, 2021	Cash Flows from / (used in)	Non Cash Changes		As at March 31, 2022
			Addition in Assets	Lease Modification, Termination and Concession	
Borrowings	-	20.00	-	-	20.00
Lease Liabilities	144.16	(26.28)	44.63	(8.47)	154.04
	144.16	(6.28)	44.63	(8.47)	174.04

(₹ in Crore)

Particulars	As at April 1, 2020	Cash Flows from / (used in)	Non Cash Changes		As at March 31, 2021
			Addition in Assets	Lease Modification, Termination and Concession	
Borrowings	19.16	(19.16)	-	-	-
Lease Liabilities	147.39	(24.75)	33.34	(11.82)	144.16
	166.55	(43.91)	33.34	(11.82)	144.16

The accompanying notes are an integral part of financial statements.

As per our report of even date

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

Akshay Maheshwari
Partner
Membership No. 504704

Delhi, May 11, 2022

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

Statement of Changes in Equity for the year ended March 31, 2022

Equity Share Capital (Refer note no. 12)

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at beginning of the year		
24,84,42,101 (previous year - 24,82,46,436) Equity Shares of face value of ₹1/- each (previous year ₹1/- each)	24.84	24.82
Changes in Share Capital		
4,83,945 (previous year 1,95,665) Equity Shares of face value of ₹1/- each (previous year ₹1/- each) Issued under Employee Stock Option Plan (Refer note no. 32)	0.05	0.02
Balance at end of the year		
24,89,26,046 (previous year - 24,84,42,101) Equity Shares of face value of ₹1/- each (previous year ₹1/- each)	24.89	24.84

There are no changes in equity share capital due to prior period errors.

Other Equity (Refer note no. 13)

(₹ in Crore)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Securities Premium	Share Options Outstanding Account	General Reserve	Retained Earnings		
As at April 1, 2021	194.45	7.34	1300.23	42.83	2.72	1547.57
Profit for the year	-	-	-	232.68	-	232.68
Remeasurement Gains / (Losses) on Defined Benefit Plan (Net of Tax)	-	-	-	-	0.31	0.31
Transfer from Retained Earnings to General Reserve	-	-	150.00	(150.00)	-	-
Share Based Payments under Employee Stock Option Plan	-	2.89	-	-	-	2.89
Transferred from Share Options Outstanding Account to Securities Premium on issuance of 4,83,945 Equity Shares of face value of ₹1/- each under Employee Stock Option Plan	7.86	(7.86)	-	-	-	-
Securities Premium received on exercise of 4,83,945 Equity Shares of face value of ₹1/- each under Employee Stock Option Plan	13.89	-	-	-	-	13.89
Final Dividend on Equity Shares for the year ended March 31, 2021 @ ₹2.50 per equity share	-	-	-	(62.11)	-	(62.11)
As at March 31, 2022	216.20	2.37	1450.23	63.40	3.03	1735.23
Significant Accounting Policies (Refer note no. 29)						

Statement of Changes in Equity for the year ended March 31, 2022 (contd.)

Other Equity (Refer note no. 13) (contd.)

(₹ in Crore)

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Securities Premium	Share Options Outstanding Account	General Reserve	Retained Earnings		
As at April 1, 2020	186.53	8.29	1000.22	51.27	1.27	1247.58
Profit for the year	-	-	-	291.56	-	291.56
Remeasurement Gains / (Losses) on Defined Benefit Plan (Net of Tax)	-	-	-	-	1.45	1.45
Transfer from Retained Earnings to General Reserve	-	-	300.00	(300.00)	-	-
Share Based Payments under Employee Stock Option Plan	-	2.11	-	-	-	2.11
Transferred from Share Options Outstanding Account to Securities Premium on issuance of 1,95,665 Equity Shares of face value of ₹1/- each under Employee Stock Option Plan	3.05	(3.05)	-	-	-	-
Securities Premium received on exercise of 1,95,665 Equity Shares of face value of ₹1/- each under Employee Stock Option Plan	4.87	-	-	-	-	4.87
Transferred from Share Options Outstanding Account to General Reserve on cancellation of Vested Options under Employee Stock Option Plan	-	(0.01)	0.01	-	-	-
As at March 31, 2021	194.45	7.34	1300.23	42.83	2.72	1547.57

The accompanying notes are an integral part of financial statements.
As per our report of even date

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

Akshay Maheshwari
Partner
Membership No. 504704

Delhi, May 11, 2022

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

Notes forming part of Financial Statements

Note No. 1: Property, Plant and Equipment & Capital Work-in-Progress

(₹ in Crore)

Particulars	Gross Carrying Amount				Accumulated Depreciation			Net Carrying Amount
	As at April 1, 2021	Additions	Deletions/ Adjustments	As at March 31, 2022	As at April 1, 2021	Depreciation	Deletions/ Adjustments	As at March 31, 2022
Property, Plant and Equipment (PPE)								
Freehold Land	163.30	-	-	163.30	-	-	-	163.30
Buildings	305.53	12.62	0.03	318.12	44.56	11.10	0.00	262.46
Leasehold Improvements	16.35	1.09	0.67	16.77	8.85	1.83	0.29	6.38
Plant and Equipments	290.11	69.34	1.81	357.64	89.43	23.45	1.25	246.01
Moulds	89.10	20.35	0.10	109.35	59.04	18.20	0.10	32.21
Computers	15.37	3.22	0.59	18.00	10.34	2.53	0.56	5.69
Vehicles	13.45	1.35	0.23	14.57	5.49	1.60	0.20	7.68
Furniture and Fixtures	22.62	1.74	0.20	24.16	8.85	2.23	0.11	13.19
Electrical Installations	28.50	4.71	0.14	33.07	12.65	2.79	0.08	17.71
Office Equipments	11.47	0.92	0.63	11.76	7.57	1.46	0.52	3.25
Wooden Structure	2.17	0.26	0.06	2.37	1.67	0.32	0.06	0.44
Wind Power Generation Plant	17.32	-	-	17.32	5.79	0.50	-	11.03
	975.29	115.60	4.46	1086.43	254.24	66.01	3.17	317.08
Capital Work-in-Progress								
	112.23	76.28	43.33	145.18	-	-	-	145.18
	112.23	76.28	43.33	145.18	-	-	-	145.18

For capital commitments, refer note no. 30.

The company has taken loans from banks which carry charge over certain assets (Refer note no. 17 & note no. 38).

Capital work-in-progress includes plant & machinery and factory building under construction alongwith expenditure during construction period.

There are no changes due to revaluation and acquisition through business combination.

Title deeds of immovable properties are held in the name of the company.

For ageing of capital work-in-progress, refer note no.49(a).

Notes forming part of Financial Statements

Note No. 1: Property, Plant and Equipment & Capital Work-in-Progress (Contd.)

(₹ in Crore)

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount	
	As at April 1, 2020	Additions	Deletions/ Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation	Deletions/ Adjustments	As at March 31, 2021
Property, Plant and Equipment (PPE)								
Freehold Land	162.82	0.48	-	163.30	-	-	-	163.30
Buildings	305.53	-	-	305.53	33.46	11.10	-	260.97
Leasehold Improvements	16.45	0.63	0.73	16.35	7.05	2.11	0.31	7.50
Plant and Equipments	281.01	9.69	0.59	290.11	68.65	21.07	0.29	200.68
Moulds	73.00	16.15	0.05	89.10	43.88	15.21	0.05	30.06
Computers	14.60	1.06	0.29	15.37	8.03	2.57	0.26	5.03
Vehicles	14.07	3.26	3.88	13.45	6.44	1.80	2.75	7.96
Furniture and Fixtures	21.01	1.99	0.38	22.62	6.99	2.18	0.32	13.77
Electrical Installations	27.97	0.54	0.01	28.50	9.99	2.67	0.01	15.85
Office Equipments	11.08	0.75	0.36	11.47	6.33	1.54	0.30	3.90
Wooden Structure	2.42	0.13	0.38	2.17	1.57	0.40	0.30	0.50
Wind Power Generation Plant	17.32	-	-	17.32	4.80	0.99	-	11.53
	947.28	34.68	6.67	975.29	197.19	61.64	4.59	721.05
Capital Work-in-Progress	43.81	71.82	3.40	112.23	-	-	-	112.23
	43.81	71.82	3.40	112.23	-	-	-	112.23

Notes forming part of Financial Statements

Note No. 2: Intangible Assets & Intangible Assets under Development

(₹ in Crore)

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
	As at April 1, 2021	Additions	Deletions/ Adjustments	As at March 31, 2022	As at April 1, 2021	Amortisation	Deletions/ Adjustments	As at March 31, 2022	As at March 31, 2022
Intangible Assets									
Computer Software and Licenses	14.17	0.83	-	15.00	10.15	1.70	-	11.85	3.15
Intellectual Property Rights	62.96	2.97	-	65.93	33.65	6.83	-	40.48	25.45
	77.13	3.80	-	80.93	43.80	8.53	-	52.33	28.60
Intangible Assets under Development									
	5.80	1.06	3.08	3.78	-	-	-	-	3.78
	5.80	1.06	3.08	3.78	-	-	-	-	3.78

Intangible assets under development includes cost related to SAP HANA and intellectual property rights under registration.

There are no changes due to revaluation and acquisition through business combination.

For ageing of intangible assets under development, refer note no.49(a).

Note No. 2: Intangible Assets & Intangible Assets under Development (contd.)

(₹ in Crore)

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount
	As at April 1, 2020	Additions	Deletions/ Adjustments	As at March 31, 2021	As at April 1, 2020	Amortisation	Deletions/ Adjustments	As at March 31, 2021	As at March 31, 2021
Intangible Assets									
Computer Software and Licenses	13.46	0.94	0.23	14.17	8.31	2.05	0.21	10.15	4.02
Intellectual Property Rights	62.75	0.21	-	62.96	26.92	6.73	-	33.65	29.31
	76.21	1.15	0.23	77.13	35.23	8.78	0.21	43.80	33.33
Intangible Assets under Development									
	1.79	4.58	0.57	5.80	-	-	-	-	5.80
	1.79	4.58	0.57	5.80	-	-	-	-	5.80

Notes forming part of Financial Statements

Note No. 3: Right-of-Use Asset

(₹ in Crore)

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount		
	As at April 1, 2021	Additions	Deletions/ Adjustments	As at March 31, 2022	As at April 1, 2021	Depreciation	Deletions/ Adjustments	As at March 31, 2022	As at March 31, 2022
Leasehold Land *	52.44	-	-	52.44	2.69	0.56	-	3.25	49.19
Buildings	189.97	65.10	48.28	206.79	56.04	38.44	27.81	66.67	140.12
	242.41	65.10	48.28	259.23	58.73	39.00	27.81	69.92	189.31

There are no changes due to revaluation and acquisition through business combination.

* Title deeds of leasehold land are held in name of the company.

Note No. 3: Right-of-Use Asset (contd.)

(₹ in Crore)

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Carrying Amount		
	As at April 1, 2020	Additions	Deletions/ Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation	Deletions/ Adjustments	As at March 31, 2021	As at March 31, 2021
Leasehold Land	52.44	-	-	52.44	2.14	0.55	-	2.69	49.75
Buildings	177.81	50.42	38.26	189.97	38.17	39.05	21.18	56.04	133.93
	230.25	50.42	38.26	242.41	40.31	39.60	21.18	58.73	183.68

Notes forming part of Financial Statements

Note No. 4: Investments

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Investment at Fair Value through Other Comprehensive Income (FVTOCI)		
Unquoted		
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
Investment at Fair Value through Profit or Loss (FVTPL)		
Quoted		
25 (previous year- Nil) Perpetual Bonds of face value of ₹100000000/- each Fully Paid up of 7.55% State Bank of India Unsecured Non - Convertible Perpetual Subordinated Basel III Compliant Tier 1 Bonds (first Call Option December 14, 2026)	24.78	-
	24.98	0.20
Current		
Investment at Fair Value through Profit or Loss (FVTPL)		
Quoted		
1,19,993.66 (previous year 1,33,548.70) Units of Mutual Funds of face value of ₹1000/- each of SBI Magnum Ultra Short Duration Fund Regular Growth	58.15	62.47
4,23,61,176.61 (previous year 19,23,93,750.81) Units of Mutual Funds of face value of ₹10/- each of HDFC Ultra Short Term Fund - Regular Growth	52.01	227.92
1,69,43,147.97 (previous year 1,41,09,505.49) Units of Mutual Funds of face value of ₹10/- each of Kotak Savings Fund - Growth (Regular Plan)	59.11	47.59
	169.27	337.98
Aggregate Amount of Unquoted Investments	0.20	0.20
Aggregate Amount of Quoted Investments and Market Value thereof	194.05	337.98

Note No. 5: Loans*

Unsecured, considered good unless otherwise stated

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Loans to Employees	0.08	0.09
	0.08	0.09
Current		
Loans to Employees	0.43	0.41
	0.43	0.41

There are no loans granted to promoters, directors, KMPs and related parties.

*There are no loans which have significant increase in credit risk and no loans are credit impaired.

Notes forming part of Financial Statements

Note No. 6: Other Financial Assets

Unsecured, considered good unless otherwise stated

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Security Deposits [^]	16.39	15.34
Fixed Deposits with Bank	1.12	-
Balances with Banks held as Margin Money*	0.02	1.89
	17.53	17.23
Current		
Interest accrued on Bank Deposits / Bonds	0.69	0.07
Derivative Instruments measured at Fair Value through Profit or Loss		
Foreign Exchange Forward Contracts	0.14	-
	0.83	0.07

[^] Security deposits are recoverable upon termination of agreement unless otherwise agreed.

* Represents margin money against various bank guarantees, letters of credit and other commitments issued by banks on behalf of the company.

Note No. 7: Other Assets

Unsecured, considered good unless otherwise stated

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Capital Advances*	7.40	14.50
Prepaid Expenses	2.21	0.59
Balances / Deposits with Statutory or Government Authorities	7.21	7.21
	16.82	22.30
Current		
Advance for Supply of Goods and rendering of Services*	8.45	8.85
Prepaid Expenses	10.12	9.34
Insurance Claims Receivable	0.15	-
Export Incentives Receivable	1.24	2.31
Duty Credit Scripts	0.55	0.00
Input Tax Balances	53.25	82.58
GST Refundable	6.13	27.06
	79.89	130.14

* There are no advances given to promoters, directors, KMPs and related parties.

Notes forming part of Financial Statements

Note No. 8: Inventories

Valued at lower of cost and net realisable value

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials including Packing Material	189.38	115.27
Work-in-Progress	92.17	77.90
Finished Goods	341.75	172.78
Stock-in-Trade*	31.34	42.27
Stores and Spares including Fuel	18.61	13.92
	673.25	422.14

Inventories are hypothecated by way of first pari passu charge against working capital facilities (*Refer note no. 17*).

Reversal of write down amounting to ₹2.91 crores due to disposal of inventories (previous year Nil).

Write down of inventories to net realisable value related to raw materials, work-in-progress and finished goods amounting to Nil (previous year ₹4.89 crores).

* In respect of goods acquired for trading.

Note No. 9: Trade Receivables

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Trade Receivables, Secured*		
Considered Good	0.75	-
	0.75	-
Trade Receivables, Unsecured		
Considered Good	250.04	181.46
Credit Impaired	5.01	5.01
	255.05	186.47
Allowances for Doubtful Trade Receivables (<i>Refer note no. 26 & 36</i>)	5.01	5.01
	250.04	181.46
	250.79	181.46

*Against bank guarantees.

There are no trade receivables which have significant increase in credit risk. For ageing of trade receivables refer note no. 35.

There are no debts due by promoters, directors, KMPs and related parties.

Note No. 10: Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks on Current Accounts	6.50	5.66
Cash on Hand	0.60	0.68
	7.10	6.34

There are no repatriation restrictions with regard to cash and cash equivalents.

Notes forming part of Financial Statements

Note No.11: Bank Balances other than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposits with Bank	0.88	-
Earmarked Balances with Banks - Unpaid Dividends (Refer note no. 14)	0.30	0.25
Balances with Banks held as Margin Money*	-	1.10
Unspent Corporate Social Responsibility Account^	4.22	-
	5.40	1.35

*Represents margin money against various bank guarantees, letters of credit and other commitments issued by banks on behalf of the company.

^Earmarked for execution of project approved by the Board. (Refer note no. 41).

Note No. 12: Equity Share Capital

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
51,00,00,000 (previous year - 51,00,00,000) Equity Shares of face value of ₹1/- each (previous year ₹1/- each)	51.00	51.00
	51.00	51.00
Issued, Subscribed and Fully Paid up		
24,89,26,046 (previous year - 24,84,42,101) Equity Shares of face value of ₹1/- each (previous year ₹1/- each)	24.89	24.84
	24.89	24.84

Reconciliation of Share Capital

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at beginning of the year		
24,84,42,101 (previous year - 24,82,46,436) Equity Shares of face value of ₹1/- each (previous year ₹1/- each)	24.84	24.82
Changes in Share Capital		
4,83,945 (previous year 1,95,665) Equity Shares of face value of ₹1/- each (previous year ₹1/- each) Issued under Employee Stock Option Plan (Refer note no. 32)	0.05	0.02
Balance at end of the year		
24,89,26,046 (previous year - 24,84,42,101) Equity Shares of face value of ₹1/- each (previous year ₹1/- each)	24.89	24.84

There are no changes in equity share capital due to prior period errors.

Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of equity shares having a face value of ₹1/- each (previous year ₹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 for issue under Employee Stock Option Plan

For details of shares reserved under Employee Stock Option Plan refer note no. 32.

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.

Notes forming part of Financial Statements

Details of Shareholders holding more than 5% Shares in the Company

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
Ramesh Kumar Dua	5,78,17,744	23.23%	5,78,17,744	23.27%
Mukand Lal Dua	5,01,41,920	20.14%	5,01,41,920	20.18%
VLS Securities Limited	1,55,94,000	6.26%	1,62,49,000	6.54%
SBI Focused Equity Fund	1,37,55,087	5.53%	-	-

Details of Promoters Shareholding

Name of Promoters	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of Total Shares	% Change during the Year	No. of Shares	% of Total Shares	% Change during the Year
Ramesh Kumar Dua	5,78,17,744	23.23%	-	5,78,17,744	23.27%	-
Mukand Lal Dua	5,01,41,920	20.14%	-	5,01,41,920	20.18%	-
Lalita Dua	95,32,362	3.83%	-	95,32,362	3.84%	-
Usha Dua	94,60,510	3.80%	-	94,60,510	3.81%	-
Nikhil Dua	93,43,674	3.75%	-	93,43,674	3.76%	-
Nitin Dua	93,43,674	3.75%	-	93,43,674	3.76%	-
Gaurav Dua	93,43,674	3.75%	-	93,43,674	3.76%	-
Ritesh Dua	93,43,674	3.75%	-	93,43,674	3.76%	-
Rahul Dua	93,43,674	3.75%	-	93,43,674	3.76%	-
Sakshi Dua	20,20,000	0.81%	-	20,20,000	0.81%	-
Mukand Lal Dua (HUF)	4,64,000	0.19%	-	4,64,000	0.19%	-
Ramesh Kumar Dua (HUF)	40,000	0.02%	-	40,000	0.02%	-

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).

Note No. 13: Other Equity

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Reserves and Surplus		
Securities Premium	216.20	194.45
Share Options Outstanding Account	2.37	7.34
General Reserve	1450.23	1300.23
Retained Earnings	63.40	42.83
Other Comprehensive Income		
Remeasurement Gains / (Losses) on Defined Benefit Plan	3.03	2.72
	1735.23	1547.57

Notes forming part of Financial Statements

Movement in Other Equity

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Securities Premium		
Opening Balance	194.45	186.53
Transferred from Share Options Outstanding Account on issuance of Equity Shares under Employee Stock Option Plan	7.86	3.05
Securities Premium received on exercise of Equity Shares under Employee Stock Option Plan	13.89	4.87
Closing Balance	216.20	194.45
Share Options Outstanding Account		
Opening Balance	7.34	8.29
Share Based Payments under Employee Stock Option Plan (Refer note no. 23)	2.89	2.11
Transferred to Securities Premium on issuance of Equity Shares under Employee Stock Option Plan	(7.86)	(3.05)
Transferred to General Reserve on cancellation of Vested Options under Employee Stock Option Plan	-	(0.01)
Closing Balance	2.37	7.34
General Reserve		
Opening Balance	1300.23	1000.22
Transferred from Retained Earnings	150.00	300.00
Transferred from Share Options Outstanding Account on cancellation of Vested Options under Employee Stock Option Plan	-	0.01
Closing Balance	1450.23	1300.23
Retained Earnings		
Opening Balance	42.83	51.27
Profit for the year	232.68	291.56
Transferred to General Reserve	(150.00)	(300.00)
Final Dividend on Equity Shares for the year ended March 31, 2021 @ ₹2.50 per equity share (previous year Nil)	(62.11)	-
Closing Balance	63.40	42.83
Other Comprehensive Income		
Opening Balance	2.72	1.27
Remeasurement Gains / (Losses) on Defined Benefit Plan (Net of Tax)	0.31	1.45
Closing Balance	3.03	2.72
	1735.23	1547.57

Nature and Purpose of Reserves

Securities Premium - Securities Premium 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 Options Outstanding Account - The Share Options Outstanding Account is used to record the fair value of equity-settled, share-based payment transactions with employees. The amount recorded in share options outstanding account is transferred to securities premium upon issuance of equity shares and transferred to general reserve on cancellation of vested options.

Notes forming part of Financial Statements

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 accumulated as on balance sheet date.

Remeasurement Gains / (Losses) on Defined Benefit Plan in Other Comprehensive Income - Remeasurement comprises of the actuarial gains and losses on the defined benefit obligation, the difference between the actual total return on assets and the interest income on plan assets calculated based on the discount rate used to determine the defined benefit obligation, as well as any changes in the effect of the asset ceiling excluding the amount included in net interest. These are subsequently not to be reclassified to profit or loss.

Note No. 14: Other Financial Liabilities

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Retention Money	0.15	0.17
	0.15	0.17
Current		
Retention Money	2.39	1.92
Interest accrued on Borrowings from Banks	0.00	-
Security Deposit		
Customers* (Refer note no. 24)	28.09	26.20
Others**	0.48	0.58
Unpaid Dividends^ (Refer note no. 11)	0.30	0.25
Employee Benefits Payable	34.52	37.94
Director's Commission Payable (Refer note no. 39)	24.47	36.89
Payable for Capital Goods	4.51	1.35
Derivative Instruments measured at Fair Value through Profit or Loss		
Foreign Exchange Forward Contracts	-	0.49
	94.76	105.62

*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. 15: Provisions

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Provision for Employee Benefits		
Compensated Absences	12.04	10.67
Others		
Corporate Social Responsibility (Refer note no. 26 & 41)	6.63	5.43
	18.67	16.10
Current		
Provision for Employee Benefits		
Compensated Absences	4.74	3.73
Gratuity [Refer note no. 31(b)]	2.54	2.43
Others		
Corporate Social Responsibility (Refer note no. 26 & 41)	4.03	-
Rebates and Discounts Payable	17.85	21.02
	29.16	27.18

Notes forming part of Financial Statements

Movement in Provision for Compensated Absences

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Balance	14.40	14.53
Created during the year	3.76	1.16
Utilised during the year	1.38	1.29
Closing Balance	16.78	14.40

Movement in Provision for Corporate Social Responsibility

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Balance	5.43	-
Created during the year	6.44	5.43
Utilised during the year	1.21	-
Closing Balance	10.66	5.43

Movement in Provision for Rebates and Discounts

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Balance	21.02	45.58
Created during the year	17.12	20.69
Utilised during the year	20.29	45.25
Closing Balance	17.85	21.02

Note No. 16: Deferred Tax Liabilities (Net)

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Liabilities (Net)	19.85	22.80
	19.85	22.80

Movement in Deferred Tax Assets / (Liabilities)

(₹ in Crore)

Particulars	As at April 1, 2021	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2022
Deferred Tax Assets / (Liabilities) arising on account of				
Investments	(0.82)	1.43	-	0.61
Expenses Allowable on Payment Basis	15.97	1.07	(0.11)	16.93
Lease Liabilities	36.28	2.49	-	38.77
Allowances for Doubtful Trade Receivables & Write down / Reversal of Write down of Inventories	3.22	(0.49)	-	2.73
Derivative Instruments	0.12	(0.16)	-	(0.04)
Accumulated Depreciation and Amortisation	(77.57)	(1.28)	-	(78.85)
	(22.80)	3.06	(0.11)	(19.85)

Notes forming part of Financial Statements

Movement in Deferred Tax Assets / (Liabilities) (contd.)

(₹ in Crore)

Particulars	As at April 1, 2020	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2021
Deferred Tax Assets / (Liabilities) arising on account of				
Investments	-	(0.82)	-	(0.82)
Expenses Allowable on Payment Basis	16.22	0.23	(0.48)	15.97
Lease Liabilities	37.09	(0.81)	-	36.28
Allowances for Doubtful Trade Receivables & Write down of Inventories	1.96	1.26	-	3.22
Derivative Instruments	(0.46)	0.58	-	0.12
Accumulated Depreciation and Amortisation	(79.56)	1.99	-	(77.57)
	(24.75)	2.43	(0.48)	(22.80)

Note No. 17: Borrowings

(₹ in Crore)

Particulars	Maturity Date	Interest Rate	As at March 31, 2022	As at March 31, 2021
Current				
Secured Working Capital facilities from Banks				
Loans Repayable on Demand	On Demand	4.30% - 9.90%	20.00	-
			20.00	-

Secured by way of first pari passu charge on entire current assets and personal guarantee of Managing Director and Whole Time Director. Charge on movable fixed assets including plant & machinery has been removed during the year (Refer note no. 8, 24 & 38).

The borrowings have been used towards the specific purpose for which they were taken.

Note No. 18: Other Current Liabilities

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from Customers*	4.53	3.16
Statutory Dues		
Entry Tax (Refer note no. 30)	46.80	46.80
Others^	8.95	7.85
	60.28	57.81

*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. 19: Current Tax Liabilities (Net)

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax (Net of Advance Tax and Tax Deducted at Source)	3.78	5.61
Interest on Income Tax	0.04	1.14
	3.82	6.75

Notes forming part of Financial Statements

Note No. 20: Revenue from Operations

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Contracts with Customers		
Manufactured and Traded		
Footwear (Refer note no. 45 & 47)	2621.57	2333.90
Wind Power	3.61	3.62
Others *	10.95	8.06
	2636.13	2345.58
Other Operating Revenue		
Scrap Sale	14.14	9.99
Export Incentives	2.58	2.92
Other Operating Income ^	0.42	0.66
	17.14	13.57
	2653.27	2359.15

* Includes accessories, raw material etc.

^ Includes franchisee fees etc.

Note No. 21: Other Income

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income on		
Financial Assets measured at Amortised Cost	0.69	0.74
Financial Assets measured at FVTPL	0.52	-
Other Non Operating Income		
Net Gain on Current Investments measured at FVTPL	7.98	7.41
Net Gain on Foreign Currency Transactions and Translations	3.58	2.40
Net Gain on Fair Valuation of Derivative Instruments measured at FVTPL	0.63	-
Gain on Lease Modification, Termination and Concession (Refer note no. 46)	8.47	11.82
Miscellaneous Income	1.85	0.40
	23.72	22.77

Note No. 22: Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the end of year		
Finished Goods	341.75	172.78
Stock-in-Trade*	31.34	42.27
Work-in-Progress	92.17	77.90
	465.26	292.95
Inventories at the beginning of year		
Finished Goods	172.78	213.58
Stock-in-Trade*	42.27	62.47
Work-in-Progress	77.90	61.05
	292.95	337.10
Net (Increase) / Decrease		
Finished Goods	(168.97)	40.80
Stock-in-Trade*	10.93	20.20
Work-in-Progress	(14.27)	(16.85)
	(172.31)	44.15

*In respect of goods acquired for trading.

Notes forming part of Financial Statements

Note No. 23: Employee Benefits Expense

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages and Other Benefits	287.21	264.75
Contribution to Provident and Other Funds [Refer note no. 31(a)]	22.47	18.57
Gratuity Expenses [Refer note no. 31(b)]	7.12	5.95
Share Based Payments (Refer note no. 13)	2.89	2.11
Staff Welfare Expenses	15.00	10.01
	334.69	301.39

Note No. 24: Finance Costs

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on		
Borrowings (Refer note no. 17)	0.11	0.77
Security Deposits (Refer note no. 14)	1.96	1.34
Lease Liabilities	13.00	13.33
Income Tax	0.04	1.14
Others	0.16	0.30
Other Borrowing Costs		
Processing Fees	0.06	0.20
	15.33	17.08

Note No. 25: Depreciation and Amortisation Expense

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Property, Plant and Equipment (Refer note no. 1)	66.01	61.64
Amortisation of Intangible Assets (Refer note no. 2)	8.53	8.78
Depreciation on Right-of-Use Asset (Refer note no. 3)	39.00	39.60
	113.54	110.02

Note No. 26: Other Expenses

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Advertisement and Sales Promotion	98.31	69.57
Freight and Forwarding	113.20	102.62
Power and Fuel	87.07	73.47
Consumption of Stores	7.65	6.61
Processing Charges	241.90	183.23
Handling Charges	22.20	19.15
Repair and Maintenance		
Plant and Equipment	21.00	14.29
Computer Equipment & Software	11.12	9.18
Others	7.88	6.88

Notes forming part of Financial Statements

Note No. 26: Other Expenses (Contd.)

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Insurance	6.41	5.27
Rates and Taxes	1.07	0.80
Printing and Stationery	2.07	1.72
Travelling and Conveyance	14.47	11.13
Communication Expenses	3.17	2.41
Legal and Professional (Refer note no. 42)	15.28	19.80
Security Expenses	12.10	11.14
Allowances for Doubtful Trade Receivables (Refer note no. 9 & 36)	0.04	0.19
Bad debts Written off	0.04	0.06
Net Loss on Disposal / Write off of PPE and Intangible Assets	0.60	0.68
Net Loss on Fair Valuation of Derivative Instruments measured at FVTPL	-	2.31
Corporate Social Responsibility (Refer note no. 15 & 41)	6.44	5.43
Festival Expenses	2.01	2.84
Bank Charges	1.87	1.61
Miscellaneous	10.23	8.60
	686.13	558.99

Note No. 27: Tax Expense

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax	80.84	102.03
Deferred Tax	(3.06)	(2.43)
Tax for Earlier years	0.14	-
	77.92	99.60

Reconciliation of Tax Expense and the Accounting Profit

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit Before Tax	310.60	391.16
Tax @ 25.168% (previous year @ 25.168%)	78.17	98.45
Items giving rise to difference in tax		
Deduction on Account of appointment of new employees	(1.82)	(2.28)
Differences on account of PPE, Right-of-Use Asset and Intangible Assets	10.35	11.87
Others	(8.92)	(8.44)
Tax for Earlier years	0.14	-
Tax Expense	77.92	99.60

Notes forming part of Financial Statements

Note No. 28: 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. 12. 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 financial statements for the year ended March 31, 2022 are authorised for issue by the Board of Directors at their meeting held on May 11, 2022.

Note No. 29: Significant Accounting Policies

a. Statement of Compliance

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).

b. Basis of Preparation of Financial Statements

The financial statements have been prepared on going concern basis and on accrual method of accounting. Historical cost is used in preparation of financial statements except following assets and liabilities which have been measured at fair value.

- Certain financial assets and liabilities, including derivative financial instruments and Investments
- Defined benefit plan
- Employee share based payment

Classification of Current or Non-Current Assets and Liabilities

All the 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 and Ind AS 1 "Presentation of financial statements".

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Assets

An asset is classified as current when it satisfies any of the following criteria

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

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

c. 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, however 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.

Significant 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, misstatement or obscuring the information 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.
- 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 rebates 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.

d. Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and impairment loss, if any. Freehold land is disclosed at cost less impairment, if any. The cost comprises its purchase price, other non-refundable taxes, duties 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

Significant Accounting Policies

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.

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.

e. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment loss, if any. The cost comprises its purchase price, other non-refundable taxes, duties 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.

f. 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.

Lease Liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used.

Payment of Principal lease liabilities have been classified within financing activities.

Right-of-use Assets

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for

- Lease payments made at or before commencement of the lease
- Initial direct costs incurred and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any.

Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

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.

Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the Right-of-use Assets. Any gain or loss on modification is recognised in the Statement of Profit and Loss.

g. 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, duties, 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.

Significant Accounting Policies

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, non-refundable taxes, duties and all other costs incurred in bringing the inventories to their present location and condition.

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.

h. 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.

i. 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 (FVTOCI)

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. The company has made an irrevocable election to present subsequent changes in the fair value of equity investment not held for trading in other comprehensive income.

Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss. Dividend and interest income on financial assets at fair value through profit or loss is recognised as dividend and interest income respectively and included in 'other income'.

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.

Significant Accounting Policies

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 assets. 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.

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.

Effective Interest Method (EIR)

Financial assets and liabilities are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Derivative Financial Instruments

The Company enters into contracts that are effective as hedges from an economic perspective, but they do not qualify for hedge accounting. 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.

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.

Significant Accounting Policies

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. 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.

m. Income 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.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

n. Provisions, Contingent Liabilities and Contingent Assets

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.

Significant Accounting Policies

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at 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.

A contingent asset is disclosed, where an inflow of economic benefits is probable. Contingent assets are not recognised in financial statements since this may result in the recognition of income that will never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

o. 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 transaction price is the amount of consideration which the Company expects to be entitled in exchange for transferring promised goods to a customer.

The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

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), rebates, discounts, returns and claims as applicable.

p. Other Operating Revenue

Other operating revenue include revenue arising from a Company's operating activities, i.e., either its principal or ancillary revenue-generating activities, but which is not revenue arising from sale of products or rendering of services.

The other operating revenue of the company includes revenue from scrap sales, export incentives, franchisee fees etc.

q. 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.

r. 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 comprises of the actuarial gains and losses on the defined benefit obligation, the difference between the actual total return on assets and the interest income on plan assets calculated based on the discount rate used to determine the defined benefit obligation, as well as any changes in the effect of the asset ceiling excluding the amount included in net interest 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.

Significant Accounting Policies

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.

s. 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 proportionate basis over the vesting period of options which is the requisite service period, with a corresponding increase in equity.

t. 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.

u. 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.

Lease hold improvements are depreciated on straight line basis over shorter of the asset's useful life and their initial agreement period.

v. 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.

w. Dividend Payments

Final dividend is recognised, when it is approved by the shareholders and the distribution is no longer at the discretion of the Company. However, Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

x. Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) vide notification dated 23rd March, 2022, notified certain amendments to Ind AS. These amendments are applicable w.e.f April 1, 2022.

The Company has evaluated the amendments and there is no impact on its financial statements.

Notes forming part of Financial Statements

Note No. 30 : Contingent Liabilities and Commitments

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent Liabilities *		
Claims against the Company not acknowledged as debt in respect of		
Sales Tax Matters related to Purchase tax, Input tax and Entry tax	1.32	1.32
Income Tax Matters related to Dividend Distribution tax, TDS and Transfer Pricing	4.84	5.48
	6.16	6.80
Others		
Interest on Entry tax, Haryana**	70.93	62.51
Additional demand of Industrial Plot no. 37, Sector 4B, Bahadurgarh, Haryana ***	18.73	18.73
Additional demand of Industrial Plot no. 342-343, Footwear Park, Industrial Estate, Sector 17, Bahadurgarh, Haryana***	1.51	-
	91.17	81.24
Commitments		
Capital Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advance)	23.86	50.45
Others		
Export Obligation under Export Promotion Capital Goods (EPCG) scheme against duty saved of ₹24.45 crores (previous year ₹19.11 crores)	146.70	103.45

*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.

**The Supreme Court of India vide order passed in November 2016, upheld the constitutional validity of entry tax and directed the Company to file fresh appeal before the High Court to decide other matters related to levy of entry tax in the state of Haryana. The matter is pending before the Punjab & Haryana High Court. However, the principal liability amounting to ₹46.80 crores for entry tax has been disclosed in note no.18.

***The Company along with other plot allottees has received a demand notice from Haryana State Industrial & Infrastructure Development Corporation ('HSIIDC') towards enhanced cost for the industrial plots allotted to the Company.

Based on the Company's own assessment and advice given by its legal counsel, the Company has a good case in the above cases. Pending final disposal of the matters before the appropriate forum, the same has been disclosed as a 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.

Note No. 31 : 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.23)

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employer's Contribution to Provident Fund	17.12	14.27
Employer's Contribution to ESIC Scheme	3.35	2.73
Employer's Contribution to Other Funds	2.00	1.57
	22.47	18.57

Notes forming part of Financial Statements

(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 basic 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, 2022	Year ended March 31, 2021
Reconciliation of Opening and Closing balance of Defined Benefit Obligation		
Present Value of Defined Benefit Obligation at the beginning of year	39.25	35.67
Current Service Cost	6.97	5.86
Interest Cost	2.47	2.21
Benefits Paid	(1.31)	(2.49)
Remeasurement (Gains) / Losses arising from		
Changes in Demographic Assumptions	-	-
Changes in Financial Assumptions	(0.59)	(0.24)
Experience variance	0.18	(1.76)
Present Value of Defined Benefit Obligation at the end of year	46.97	39.25
Reconciliation of Opening and Closing balance of the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of year	36.82	34.29
Interest Income	2.32	2.12
Remeasurement Gains/(Losses)		
Return on Plan Assets Gains/(Losses) (Excluding amounts included in net interest cost)	0.01	(0.07)
Contribution by the Company	6.59	2.97
Benefits Paid	(1.31)	(2.49)
Fair Value of Plan Assets at the end of year	44.43	36.82
Major Category of Plan Assets as percentage to total Plan Assets		
Funds managed by LIC (%)	100	100
Amount Recognised in Balance Sheet as Liability (Refer note no.15)		
Present Value of Defined Benefit Obligation at the end of year	46.97	39.25
Fair Value of Plan Assets at the end of year	44.43	36.82
	2.54	2.43
Expenses Recognised in Statement of Profit and Loss (Refer note no.23)		
Current Service Cost	6.97	5.86
Net Interest Cost / (Income)	0.15	0.09
	7.12	5.95
Remeasurement (Gains) / Losses recognised in Other Comprehensive Income		
Changes in Demographic Assumptions	-	-
Changes in Financial Assumptions	(0.59)	(0.24)
Experience variance	0.18	(1.76)
Return on Plan Assets (Gains)/Losses (Excluding amounts included in net Interest Cost)	(0.01)	0.07
	(0.42)	(1.93)

Notes forming part of Financial Statements

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Expected Contribution to the Relaxo Footwears Limited Employees Group Gratuity Scheme in next year (₹ in Crore)	7.14	4.93
Actuarial Assumptions		
Discount Rate (per annum %)	6.50	6.30
Withdrawal Rate (All Ages) (per annum %)	15	15
Retirement Age		
For Employees of Group A (In years)	60	60
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	
Mortality Rates	100% of IALM 2012-2014	

Quantitative Sensitivity Analysis for Significant Assumptions is as shown below

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Present Value of Defined Benefit Obligation at the end of year	46.97	39.25
Change in Discount Rate		
Increase by 1%	(2.80)	(2.05)
Decrease by 1%	3.14	2.82
Change in Salary Escalation		
Increase by 1%	3.00	2.70
Decrease by 1%	(2.74)	(1.99)

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, 2022	Year ended March 31, 2021
Weighted Average Duration of the Defined Benefit Obligation (In years)	6	7
Expected Payment in future years		
Within next 12 months	6.07	4.93
Between 1 and 5 years	18.90	15.25
More than 5 years	21.99	19.07
	46.96	39.25

The estimates of escalation in salary takes into account inflation, seniority, promotion and other relevant factors.

Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows.

Notes forming part of Financial Statements

Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability.

Salary Escalation Risk: The present value of the defined benefit plan 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.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on investment.

Note No. 32 : 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 latest available closing price, prior to the date of meeting of the board / nomination & remuneration committee, in which options are granted 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	Nov 1, 2021
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	Details
Date of Grant	Nov 1, 2021
Vesting Schedule	10% at first year, 20% at Second year, 30% at third year, 40% at fourth year
Exercise Period (In years)	4
Exercise Price (In ₹)	1331.00
Market price (In ₹)	1331.00

The Details of activity under the scheme are summarised below

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	No. of Options	WAEP (₹)	No. of Options	WAEP (₹)
Outstanding at the beginning of the year	5,08,995	292.03	7,35,550	263.79
Granted during the year	3,58,000	1331.00	26,700	729.83
Forfeited during the year	26,200	1286.07	57,590	276.06
Exercised during the year (Refer note no.12)	4,83,945	287.91	1,95,665	250.31
Outstanding at end of the year	3,56,850	1266.95	5,08,995	292.03
Exercisable at end of the year	23,450	229.65	45,055	272.30

Notes forming part of Financial Statements

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2022 is 6.23 years. (previous year 4.25 years)

The weighted average fair value of stock options granted during the year ended on March 31, 2022 is ₹382.15 per option. (previous year ₹186.64 per option)

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, 2022	Year ended March 31, 2021
Stock Price (₹)	1331.00	729.83
Volatility (%)	29.69	29.44
Risk Free Rate (%)	5.20	4.77
Exercise Price (₹)	1331.00	729.83
Time to Maturity (Years)	3.50	3.00
Dividend Yield (%)	0.19	0.29

Note No. 33 : Disclosure on Earnings Per Share (EPS)

Disclosure is hereby given in pursuant to Ind AS 33 "Earnings Per Share".

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit for the Year (₹ in Crore)	232.68	291.56
Weighted average number of Equity Shares used in calculating Basic EPS	24,86,42,308	24,83,27,918
Dilutive impact for Employee Stock Options (No. of Equity Shares)	2,40,202	3,72,009
Weighted average number of Equity Shares used in calculating Diluted EPS	24,88,82,510	24,86,99,927
Earnings Per Equity Share of ₹ 1/- each		
Basic (₹)	9.36	11.74
Diluted (₹)	9.35	11.72

Note No. 34 : 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, 2022		As at March 31, 2021	
		FCY	INR	FCY	INR
Unhedged Foreign Currency Exposure					
Import Payables	USD	0.09	6.88	0.08	5.67
Import Payables	AED	0.01	0.11	0.01	0.14
Import Payables	EURO	-	-	0.00	0.14
Export Receivables	USD	0.55	41.77	0.40	29.22
Export Receivables	QAR	0.03	0.68	-	-
Bank Balance	AED	0.02	0.39	0.02	0.41
Cash on Hand (Dubai office)	AED	0.00	0.00	0.00	0.00
Employee Benefits Payable	AED	0.00	0.02	0.00	0.03
Security Deposit	AED	0.00	0.09	0.00	0.09
Hedged Foreign Currency Exposure					
Number of Buy Forward Contracts	Nos	31		65	
Import Payables	USD	0.68	51.78	0.44	32.26
Import Orders	USD	0.37	28.05	1.25	91.89
Import Orders	EURO	0.02	2.07	-	-

Notes forming part of Financial Statements

Note No. 35 : Trade Receivables Ageing Schedule *

Disclosure is hereby given on ageing schedule of trade receivables in pursuant to division II - Ind AS schedule III to the Companies Act, 2013. (₹ in Crore)

Particulars	Within 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
As at March 31, 2022						
Undisputed Trade Receivables						
Considered Good	247.22	1.22	2.35	-	-	250.79
Credit Impaired	1.53	0.15	0.59	0.05	0.09	2.41
Disputed Trade Receivables						
Considered Good	-	-	-	-	-	-
Credit Impaired	-	0.14	-	1.06	1.40	2.60
	248.75	1.51	2.94	1.11	1.49	255.80
As at March 31, 2021						
Undisputed Trade Receivables						
Considered Good	178.17	3.05	0.24	-	-	181.46
Credit Impaired	1.00	0.13	1.07	0.16	0.09	2.45
Disputed Trade Receivables						
Considered Good	-	-	-	-	-	-
Credit Impaired	0.01	0.13	1.06	0.06	1.30	2.56
	179.18	3.31	2.37	0.22	1.39	186.47

* Refer note no. 9 & 36

Note No. 36 : 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 financial liabilities other than derivative instruments comprises of borrowings, trade payables, lease liabilities and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations.

The Company's financial assets include balances with banks, cash and cash equivalents, trade receivables, security deposits and other financial assets that are derived directly from its operations.

The Company holds investments carried at fair value through profit or loss (FVTPL) and 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
Credit Risk	Balances with banks including cash and cash equivalents, Trade Receivables, Investments and other Financial Assets.	Credit ratings and 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 rated banks / mutual funds.
Liquidity Risk	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.
Market Risk			
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	Working Capital Facilities from Bank.	Sensitivity analysis.	Periodical review of interest rate linked to market.
Price Risk	Commodities mainly raw materials and Investment in mutual funds & perpetual bonds.	Sensitivity analysis.	Portfolio diversification and continuously monitoring the price trend of key raw materials in global / domestic markets.

Notes forming part of Financial Statements

Credit Risk

Credit risk is the risk that counterparty will not meet its obligation 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, balances with banks including cash and cash equivalents and from its financing activities like Investments 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.

Credit risk arising from balances with banks, including cash and cash equivalents, investment in mutual funds & perpetual bonds and derivative instruments is limited because the counterparties are banks / mutual funds with high credit ratings.

The Company has exposure in financial assets 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, 2022	As at March 31, 2021
Financial Assets for which Allowances are measured using 12 Months Expected Credit Loss			
Non Current Assets			
Investments	4	24.98	0.20
Loans	5	0.08	0.09
Other Financial Assets	6	17.53	17.23
Current Assets			
Investments	4	169.27	337.98
Cash and Cash Equivalents	10	7.10	6.34
Bank Balances other than Cash and Cash Equivalents	11	5.40	1.35
Loans	5	0.43	0.41
Other Financial Assets	6	0.83	0.07
		225.62	363.67
Financial Assets for which Allowances are measured using life time Expected Credit Loss			
Current Assets			
Trade Receivables (Refer note no. 9 & 35)	9	250.79	181.46

The following table summarises the movement in allowances for doubtful trade receivables measured using the life time expected credit loss model. (₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Balance	5.01	4.88
Addition during the year (Refer note no. 26)	0.04	0.19
Reversal during the year	(0.04)	(0.06)
Closing Balance (Refer note no. 9)	5.01	5.01

Notes forming part of Financial Statements

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.	As at March 31, 2022				As at March 31, 2021			
		Carrying Amount	Within 1 year	Between 1 and 5 years	More than 5 years	Carrying Amount	Within 1 year	Between 1 and 5 years	More than 5 years
Non-Current Liabilities									
Financial Liabilities									
Lease Liabilities		153.41	-	122.01	31.40	146.02	-	110.89	35.13
Other Financial Liabilities	14	0.15	-	0.15	-	0.17	-	0.17	-
Current Liabilities									
Financial Liabilities									
Borrowings	17	20.00	20.00	-	-	-	-	-	-
Lease Liabilities		43.37	43.37	-	-	40.25	40.25	-	-
Trade Payables									
Micro Enterprises and Small Enterprises		54.20	54.20	-	-	47.36	47.36	-	-
Other than Micro Enterprises and Small Enterprises		167.54	167.54	-	-	175.44	175.44	-	-
Other Financial Liabilities	14	94.76	94.76	-	-	105.62	105.62	-	-
		533.43	379.87	122.16	31.40	514.86	368.67	111.06	35.13

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 borrowings, trade payables and Investments etc.

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 i.e. import of materials, capital items and export of finished goods (When revenue or expense is denominated in a foreign currency).

Exposure to Foreign Exchange Risk

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, 2022 and March 31, 2021 has been disclosed in note no. 34.

Notes forming part of Financial Statements

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, 2022	Year ended March 31, 2021
Impact on Profit Before Tax due to change in USD rate*		
Increase by 2%	0.70	0.47
Decrease by 2%	(0.70)	(0.47)

* Figures in bracket denotes reduction in profit

The Company's unhedged foreign currency exposure denominated in QAR, 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, 2022, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹20 crores (previous year Nil).

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 borrowings is given below. (₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Impact on Profit Before Tax due to change in Interest Rate*		
Increase by 0.50%	(0.04)	(0.11)
Decrease by 0.50%	0.04	0.11

*Figures in bracket denotes reduction in profit

Price Risk

The Company's exposure to price risk arises from investment in mutual funds, bonds and equity instruments held and classified as FVTPL or FVTOCI. To manage the price risk arising from investments, the Company diversifies its portfolio of assets with banks / mutual funds with high credit ratings.

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, hence sensitivity analysis has not been disclosed.

The following table demonstrate the sensitivity to a reasonably possible change in prices of investment in mutual funds and bonds with all other variables held constant. The impact on the Company's profit before tax due to changes in the prices of investments is given below. (₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Impact on Profit Before Tax due to change in price of Investments*		
Increase by 0.50%	1.16	1.11
Decrease by 0.50%	(1.16)	(1.11)

* Figures in bracket denotes reduction in profit

Notes forming part of Financial Statements

Commodity Price Risk

The key raw materials used in the manufacturing of footwear are natural / synthetic rubber, EVA, PU etc. Price volatility of these commodities depend mainly on demand – supply, fluctuation in the price of crude oil and it's derivatives. To mitigate price risk and availability issues, the Company is taking several pro-active initiatives like continuously monitoring the price trend of key materials in global / domestic markets by subscribing to various commodity reports, development of new vendors and alternate material for better price competitiveness and quality sustainability / improvement etc.

Note No. 37 : 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 optimal 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.

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. (₹ in Crore)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Equity Share Capital	12	24.89	24.84
Other Equity	13	1735.23	1547.57
		1760.12	1572.41
Net Debt		-	-
Gearing Ratio		-	-

No changes were made in the objectives, policies or processes for managing capital.

Note No. 38: Collaterals

The Company has hypothecated its entire current assets against its working capital borrowings. (Refer note no.17)

Note No. 39 : Related Party Transactions

Disclosure is hereby given in pursuant to Ind AS 24 "Related Party Disclosures".

i) Names of related parties with whom transactions have taken place during the year and their relationship

(a) Individuals having control and 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. 39 (i) (a) and 39 (i) (b) exercise significant influence

Patel Oil Mills

Ramesh Kumar Dua (H.U.F)

Mukand Lal Dua (H.U.F)

Relaxo Foundation

Shri Mool Chand Dua Memorial Society

Notes forming part of Financial Statements

(d) Relatives of individuals and Key Management Personnel (KMP) as defined in Note No. 39 (i) (a) and 39 (i) (b)

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 Bhaduria
 Madhuri Shrimali, wife of Pankaj Shrimali

(f) Post Employment Benefit Plan Trust

Relaxo Footwears Limited Employees Group Gratuity Scheme

ii) Related Party Transactions

(₹ in Crore)

Particulars	Individuals having control and significant influence over the Company and Key Management Personnel (KMP)	KMP	Entities where individuals and Key Management Personnel (KMP) exercise Significant Influence	Relatives of Individuals and KMP	Independent Directors (KMP) and their Relatives	Post Employment Benefit Plan Trust	Total
Transactions during the year							
Sale of goods	-	-	-	-	-	-	-
	-	-	(0.22)	-	-	-	(0.22)
Lease Rent	0.96	0.68	0.84	2.28	-	-	4.76
	(0.96)	(0.68)	(0.84)	(2.28)	-	-	(4.76)
Dividend	26.99	2.33	0.13	14.60	0.00	-	44.05
	-	-	-	-	-	-	-
Short-Term Employee Benefits (Salary)	3.64	5.48	-	4.61	-	-	13.73
	(3.60)	(2.54)	-	(4.35)	-	-	(10.49)
Post-Employment Benefits (Provident Fund and Gratuity)	0.44	0.17	-	0.38	-	-	0.99
	(0.44)	(0.15)	-	(0.37)	-	-	(0.96)
Long-Term Employee Benefits (Compensated Absences)	-	0.05	-	-	-	-	0.05
	-	(0.01)	-	-	-	-	(0.01)
Director's Commission (Refer note no.14)	24.38	-	-	-	0.10	-	24.48
	(36.80)	-	-	-	(0.10)	-	(36.90)

Notes forming part of Financial Statements

(₹ in Crore)

Particulars	Individuals having control and significant influence over the Company and Key Management Personnel (KMP)	KMP	Entities where individuals and Key Management Personnel (KMP) exercise Significant Influence	Relatives of Individuals and KMP	Independent Directors (KMP) and their Relatives	Post Employment Benefit Plan Trust	Total
Sitting Fee	-	-	-	-	0.13	-	0.13
	-	-	-	-	(0.14)	-	(0.14)
Share Based Payments	-	0.08	-	-	-	-	0.08
	-	(0.08)	-	-	-	-	(0.08)
Contribution to Post Employment Benefit Plan Trust (Gratuity)	-	-	-	-	-	6.59	6.59
	-	-	-	-	-	(2.97)	(2.97)
Issue of Shares under "RFL Employee Stock Option Plan 2014" (In Number)	-	27,300	-	-	-	-	27,300
	-	(6,500)	-	-	-	-	(6,500)
Guarantees and Collaterals taken*	260.00	-	-	-	-	-	260.00
	(260.00)	-	-	-	-	-	(260.00)

Previous year figures are given in brackets

*Off Balance Sheet item

Note No. 40 : Fair Value Measurements

Fair value of financial assets and liabilities is normally determined by references to the transaction price or market price. If the fair value is not reliably determinable, the company determines the fair value using valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

Notes forming part of Financial Statements

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, 2022			As at March 31, 2021		
		Carrying Amount	Fair Value	Fair Value Hierarchy	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial Assets carried at Amortised Cost							
Non-Current Assets							
Loans	5						
Loans to Employees		0.08	0.08	Level 3	0.09	0.09	Level 3
Other Financial Assets	6						
Security Deposits		16.39	16.39	Level 3	15.34	15.34	Level 3
Fixed Deposits with Bank		1.12	1.12	Level 2	-	-	-
Balances with Banks held as Margin Money		0.02	0.02	Level 2	1.89	1.89	Level 2
Current Assets							
Trade Receivables	9	250.79	250.79	Level 3	181.46	181.46	Level 3
Cash and Cash Equivalents	10	7.10	7.10	Level 1	6.34	6.34	Level 1
Bank Balances other than Cash and Cash Equivalents	11	5.40	5.40	Level 2	1.35	1.35	Level 2
Loans	5						
Loans to Employees		0.43	0.43	Level 3	0.41	0.41	Level 3
Other Financial Assets	6						
Interest accrued on Bank Deposits/Bonds		0.69	0.69	Level 2	0.07	0.07	Level 2
		282.02	282.02		206.95	206.95	
Financial Assets carried at Fair Value through Profit or Loss							
Non-Current Assets							
Investments	4						
Perpetual Bonds - Quoted		24.78	24.78	Level 1	-	-	-
Current Assets							
Investments	4						
Mutual Funds - Quoted		169.27	169.27	Level 1	337.98	337.98	Level 1
Other Financial Assets	6						
Foreign Exchange Forward Contracts		0.14	0.14	Level 2	-	-	-
		194.19	194.19		337.98	337.98	
Financial Assets carried at Fair Value through Other Comprehensive Income							
Non-Current Assets							
Investments	4						
Unquoted Equity Instruments		0.20	0.20	Level 3	0.20	0.20	Level 3
Financial Liabilities carried at Amortised Cost							
Non-Current Liabilities							
Lease Liabilities		122.78	122.78	Level 3	115.23	115.23	Level 3
Other Financial Liabilities	14						
Retention Money		0.15	0.15	Level 3	0.17	0.17	Level 3
Current Liabilities							
Borrowings	17	20.00	20.00	Level 2	-	-	-
Lease Liabilities		31.26	31.26	Level 3	28.93	28.93	Level 3
Trade Payables							
Micro Enterprises and Small Enterprises		54.20	54.20	Level 3	47.36	47.36	Level 3
Other than Micro Enterprises and Small Enterprises		167.54	167.54	Level 3	175.44	175.44	Level 3

Notes forming part of Financial Statements

(₹ in Crore)

Particulars	Note No.	As at March 31, 2022			As at March 31, 2021		
		Carrying Amount	Fair Value	Fair Value Hierarchy	Carrying Amount	Fair Value	Fair Value Hierarchy
Other Financial Liabilities	14						
Retention Money		2.39	2.39	Level 3	1.92	1.92	Level 3
Interest accrued on Borrowings from Banks		0.00	0.00	Level 2	-	-	-
Security Deposits							
Customers		28.09	28.09	Level 3	26.20	26.20	Level 3
Others		0.48	0.48	Level 3	0.58	0.58	Level 3
Unpaid Dividends		0.30	0.30	Level 2	0.25	0.25	Level 2
Employee Benefits Payable		34.52	34.52	Level 3	37.94	37.94	Level 3
Director's Commission Payable		24.47	24.47	Level 3	36.89	36.89	Level 3
Payable for Capital Goods		4.51	4.51	Level 3	1.35	1.35	Level 3
		490.69	490.69		472.26	472.26	
Financial Liabilities carried at Fair Value through Profit or Loss							
Current Liabilities							
Other Financial Liabilities	14						
Foreign Exchange Forward Contracts		-	-	-	0.49	0.49	Level 2

Note No. 41 : Corporate Social Responsibility (CSR)

Company implements its CSR activities through partner organisations registered with Ministry of Corporate Affairs (MCA). Company has a vision of ensuring sustained human development of the most deprived communities primarily under thematic areas viz. Education, Health & Hygiene and Skill Development.

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, 2022	Year ended March 31, 2021
Amount required to be spent by the Company during the year	6.44	5.43
Amount of expenditure incurred *	-	-
Shortfall at the end of the year **	6.44	5.43
Total of previous years shortfall	Nil	Nil

* ₹1.21 crores spent against CSR provision for year ended March 31, 2021. (Refer note no.15)

** Provision of ₹6.44 crores (previous year ₹5.43 crores) for unspent CSR amount has been made. (Refer note no.15)

There is no transaction with related party in relation to CSR expenditure as per Ind AS 24 "Related Party Disclosures".

Nature of CSR activities: Company decided to adopt 32 (previous year 32) government primary/ upper primary / higher secondary schools with the total project cost of ₹6.44 crores (previous year ₹5.43 crores) under long term project in Khanpur and Laksar blocks of Haridwar district, Uttarakhand, with a vision of creating an equitable education opportunities for the children of rural India by improving these schools in terms of infrastructure as well as soft skills & capacity building of teachers, children, school management committee (SMC) members, parents and community at large. Under this long term project Company will develop these schools in coordination with the Samagra Shiksha and School Education Department of Uttarakhand State.

Reason for shortfall at the end of the year: Company has not spent ₹6.44 crores (previous year ₹5.43 crores) due to schools remaining shut under the Covid-19 restrictions. The amount of ₹6.44 crores has been transferred to unspent CSR account on April 26, 2022 (previous year ₹5.43 crores on April 30, 2021)

Notes forming part of Financial Statements

Note No. 42 : Payments to Auditor*

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As Auditor		
Statutory Audit	0.22	0.17
In Other Capacity		
Limited Review and Other Services	0.06	0.13
Tax Audit	0.03	0.03
	0.31	0.33

* Included in legal and professional (Refer note no. 26)

Note No. 43 : The Micro, Small and Medium Enterprises Development Act, 2006

Disclosure is hereby given in pursuant to requirement of section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year.		
Principal Amount	54.20	47.36
Interest Due	0.00	0.02
The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	0.05	0.19
The amount of interest accrued and remaining unpaid at the end of accounting year.	0.27	0.22
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	0.22	0.01

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. (Refer note no. 44)

Note No. 44 : Trade Payables Ageing Schedule

Disclosure is hereby given on ageing schedule of trade payables in pursuant to division II - Ind AS schedule III to the Companies Act, 2013.

(₹ in Crore)

Particulars	Not Due	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
As at March 31, 2022						
Undisputed dues						
Micro Enterprises and Small Enterprises	52.97	1.23	-	-	-	54.20
Others	157.18	10.32	0.04	-	-	167.54
Disputed dues						
Micro Enterprises and Small Enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
	210.15	11.55	0.04	-	-	221.74

Notes forming part of Financial Statements

(₹ in Crore)

Particulars	Not Due	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
As at March 31, 2021						
Undisputed dues						
Micro Enterprises and Small Enterprises	46.06	1.30	-	-	-	47.36
Others	160.49	14.61	0.18	0.16	-	175.44
Disputed dues						
Micro Enterprises and Small Enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
	206.55	15.91	0.18	0.16	-	222.80

Refer note no. 43.

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, 2022	Year ended March 31, 2021
Geographical Area wise Revenue (Footwear) *		
Within India	2518.41	2244.23
Outside India	103.16	89.67
	2621.57	2333.90

* Refer note no. 20.

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

Note No. 46: Disclosure as per Ind AS 116 "Leases"

The movement in lease liabilities is given below.

(₹ in Crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Balance	144.16	147.39
Addition during the year	44.63	33.34
Gain on Lease Modification, Termination and Concession*	8.47	11.82
Payment of Principal Lease Liabilities	26.28	24.75
Closing Balance	154.04	144.16

Maturity profile of lease liabilities is given in note no. 36.

*The Company has applied practical expedient as per amendment to Ind AS 116 "Leases" on COVID-19 related rent concessions and recognised gain of ₹6.40 crores (previous year ₹10.24 crores) in other income. (Refer note no. 21)

Notes forming part of Financial Statements

Note No. 47: 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, 2022	Year ended March 31, 2021
Revenue as per Contract Price	2767.50	2444.26
Less: Rebates and Discounts	145.93	110.36
Revenue as per Statement of Profit and Loss *	2621.57	2333.90

* Refer note no. 20.

Note No. 48: Events Occurring after the Balance Sheet Date

The Board of Directors at its meeting held on May 11, 2022 have recommended final dividend at the rate of ₹2.50 per share of face value of ₹1/- each for the approval of shareholders aggregating to ₹62.23 crores for the year ended March 31, 2022.

Note No. 49 : Additional Regulatory Information

a. Capital Work-in-Progress (CWIP) and Intangible Assets under Development Ageing Schedule

Disclosure is hereby given on ageing schedule of capital work-in progress and intangible assets under development in pursuant to division II - Ind AS schedule III to the Companies Act, 2013. (₹ in Crore)

Particulars	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
As at March 31, 2022					
Capital Work-in-Progress	76.28	28.73	40.17	-	145.18
Intangible Assets under Development	1.06	2.17	0.12	0.43	3.78
	77.34	30.90	40.29	0.43	148.96
As at March 31, 2021					
Capital Work-in-Progress	71.82	40.41	-	-	112.23
Intangible Assets under Development	4.58	0.36	0.40	0.46	5.80
	76.40	40.77	0.40	0.46	118.03

Refer note no. 1 & 2.

There are no projects where activity has been suspended.

b. Details of Benami Property held

Company does not hold any benami property. No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

c. Borrowings secured against Current Assets

Quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts.

d. Wilful Defaulter

The Company is not declared wilful defaulter by any bank in accordance with the guidelines on wilful defaulters issued by the RBI.

e. Relationship with Struck off Companies

The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013. This is determined to the extent of such parties have been identified on the basis of information available with the Company.

f. Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company has registered all charges or satisfaction with Registrar of Companies (ROC) within the statutory period.

Notes forming part of Financial Statements

g. Compliance with number of layers of companies

The number of layers prescribed under clause (87) section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company.

h. Financial Ratio's

Financial Ratio's are hereby given in pursuant to division II - Ind AS schedule III to the Companies Act, 2013

Particulars	UoM	Numerator	Denominator	FY 22	FY 21	*Reason for Variance
Current Ratio		Current Assets	Current Liabilities	2.57	2.40	
Debt - Equity Ratio		Total Debt	Shareholder's Equity	0.01	-	
Debt Service Coverage Ratio		Earnings Available for Debt Service	Debt Service	8.68	7.04	
Trade Receivables Turnover Ratio	Times	Net Credit Sales	Trade Receivables (Average)	11.36	12.46	
Trade Payables Turnover Ratio		Net Credit Purchases	Trade Payables (Average)	9.31	7.48	
Net Capital Turnover Ratio		Net Sales	Working Capital (Average)	3.89	4.65	
Inventory Turnover Ratio		Cost of Goods Sold	Inventory (Average)	3.31	3.41	
Return on Equity (ROE)		Net Profit After Tax	Shareholder's Equity (Average)	13.96	20.50	
Net Profit Ratio		Net Profit After Tax	Net Sales	8.83	12.43	@
Return on Capital Employed (ROCE)	%	Earnings Before Interest and Taxes	Capital Employed (Average)	19.20	28.04	
Return on Investment		Income Generated from Invested Funds	Invested Funds (Average)	3.70	3.79	

* For cases with variation of more than 25% as compared to the previous year.

@ Net Profit ratio and related ratios i.e. ROCE and ROE were impacted due to increased raw material prices and normalisation of selling, marketing and admin expenses in FY 22 as compared to FY 21 being Covid 19 pandemic year.

i. Compliance with approved Scheme(s) of Arrangements

During the year, no scheme of arrangements has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013.

j. Utilisation of Borrowed Funds and Share Premium

The Company has not advanced or loaned or invested funds to any other persons (intermediaries) with the understanding that the intermediary shall directly or indirectly lend or invest in other persons or provide any guarantee in any manner whatsoever on behalf of the Company (ultimate beneficiary).

The Company has also not received any fund from any persons with the understanding that the Company shall directly lend or invest or provide any guarantee to any other persons on behalf of the funding party.

Note No. 50 : Undisclosed Income

Company does not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

Notes forming part of Financial Statements

Note No. 51 : Details of Crypto Currency or Virtual Currency

Company has not traded or invested in crypto currency or virtual currency during the year.

Note No. 52: 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.

As per our report of even date

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

Akshay Maheshwari
Partner
Membership No. 504704

Delhi, May 11, 2022

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

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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 | www.relaxofootwear.com

CIN No: L74899DL1984PLC019097

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RELAXO FOOTWEARS LIMITED

CIN : 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: rfi@relaxofootwear.com, Website: www.relaxofootwear.com

NOTICE

NOTICE is hereby given that the 38th Annual General Meeting ("AGM or e-AGM") of the Members of Relaxo Footwears Limited ("the Company") to be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") on Thursday, the 25th day of August, 2022 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022, comprising of the Balance Sheet as at March 31, 2022 and the statement of Profit and Loss Account for the Financial Year ended on that date including Statement of cash flows for the year ended as at March 31, 2022, together with the Reports of Board of Directors and Auditors thereon.
2. To declare the final dividend @250% equivalent to ₹2.50/- per equity share of the Face Value of ₹1/- each for the Financial Year 2021-22.
3. To consider appointment of a Director in place of Mr. Nikhil Dua, Whole Time Director (DIN: 00157919) who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

To appoint M/s. Gupta & Dua, Chartered Accountants as Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the 43rd Annual General Meeting and to fix their remuneration:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, consent of the members of the Company, be and is hereby accorded, for the appointment of, M/s. Gupta & Dua, Chartered Accountants, (Firm Registration No. 003849N) who have confirmed their eligibility for appointment as Statutory Auditors in terms of Section 141 of the Companies Act, 2013 and applicable Rules be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of the 38th Annual General Meeting (AGM) of the Company till the conclusion of the 43rd AGM, to examine and audit the accounts of the Company on such remuneration as may be approved by the Audit Committee and / or Board of Directors of the Company in addition to applicable taxes and reimbursement of out of pocket expenses incurred by them."

RESOLVED FURTHER THAT the Board of Directors or Audit Committee thereof, be and are hereby severally authorised to decide and finalise the terms and conditions of appointment, including the remuneration of the Statutory Auditors.

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

Vikas Kumar Tak
Company Secretary

Delhi, May 11, 2022

NOTES:-

1. Details pursuant to 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this notice.
2. Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Secretarial Standard 2 issued by Institute of Company Secretaries of India ("ICSI") details of Director retiring by rotation/seeking re-appointment at the ensuing meeting and details of Statutory Auditors being proposed for the appointment are provided in the "Annexure-I" to the Notice. Directors seeking reappointment

have furnished requisite declarations under section 164(2) and other applicable provisions of the Act, including rules framed there under and the Listing Regulations.

3. In view of continuing COVID - 19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021 read with General Circular No. 21/2021 dated December 14, 2021 read with General Circular No. 3/2022 dated May 5, 2022, and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 read with SEBI/

HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and any other relevant circulars issued by MCA or SEBI (hereinafter collectively referred as "Applicable Circulars") have permitted companies to hold their AGM through VC/OAVM without physical presence of Members for the calendar year 2022 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 Applicable Circulars, the 38th AGM of the Company being conducted through VC/OAVM. 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 ICSI read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 and amendments thereof dated April 15, 2020 and December 31, 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 Limited, Registrar & Share Transfer Agent ("RTA") of the Company, (earlier known as KFin Technologies Private Limited) ("KFin" or "KFintech") to provide facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting at the e-AGM through Insta Poll during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No 17 below.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Act 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. August 25, 2022. Members seeking to inspect such documents can send an email to cs@relaxofootwear.com. The Register of Members and Share Transfer Books will remain closed from August 19, 2022 (Friday) to August 24, 2022 (Wednesday) (both days inclusive) in connection with AGM and for the purpose of Dividend.
8. Final Dividend @ 250% i.e. ₹2.50/- per equity share for the year ended March 31, 2022 as recommended by the Board if declared at AGM will be payable to those members whose name appears on the Company's Register of Members at the close of business hours on August 18, 2022. The Final Dividend will be paid on or before September 23, 2022 to the eligible shareholders. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid

to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the RTA by sending email to the RTA's email address at einward.ris@kfintech.com. For details members may refer to the communication on TDS on Dividend Distribution appended to this notice as **Annexure-II**.

9. 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 VC. 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.
10. The facility of participation at the AGM through VC/OAVM will be made available for 2,000 members on first come first served ("FCFS") basis.
 11. No restrictions on account of FCFS 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.
 12. 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.
 13. **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 Applicable Circulars the Company is providing facility of remote e-voting to its Members through Kfin Technologies Limited on all the businesses/resolutions set forth in this Notice.
 14. 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 KFin Technologies Limited.
 15. In line with Applicable Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.relaxofootwear.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.

com and www.nseindia.com respectively and is also available on the website of e-voting agency KFin Technologies Limited at the website address <https://evoting.kfintech.com>.

16. 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 Compliance with the Applicable Circulars, and to support “Green Initiative” Financial statements (including Board’s Report, Auditor’s Report or other documents required to be attached therewith) for the Financial Year ended March 31, 2022, 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/clientservices/mobilereg/mobileemailreg.aspx> or by submitting physical copy of ISR-1 to the RTA along with relevant documents at KFin Technologies Limited, Unit: Relaxo Footwears Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Hyderabad – 500032, India or by sending email to 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 38th AGM and Annual Report for FY 2021-22 via e-mail, by updating their e-mail ID by accessing the link <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> Alternatively, Notice of 38th AGM can be downloaded through <https://evoting.kfintech.com/public/Downloads.aspx>.
- d) Members are also requested to visit the website of the Company www.relaxofootwear.com or the website of the RTA www.kfintech.com for downloading the Annual Report and Notice of the e-AGM.

17. Instructions for the Members for attending the e-AGM through Video Conference:

The Company is providing VC/OAVM facility to its members for joining/participating at the AGM. Members may join the Meeting through Desktops, Laptops, Smartphones, Tablets and iPads. Further, Members will be required to use Internet with a good speed to avoid any disturbance during

the Meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. The Company will provide VC / OAVM facility to its Members for participating at the e-AGM.

- a) Members will be able to attend the e-AGM through VC/OAVM 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” tab, and select the EVEN of the Company.
 - iv. Click on the video symbol and accept the meeting etiquettes to join 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 e-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 August 20, 2022 (09:00 Hours IST) to August 22, 2022 (17:00 Hours IST). Only those members who have registered themselves as speaker will be allowed to express their views or ask questions at the e-AGM. Members shall be provided a ‘queue number’ before the meeting. 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 e-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 e-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 e-AGM. The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Members may login through the user id and password provided in the mail received from Kfintech. On successful login, members may post the questions in the ‘Post Your Question’ tab.

- d) Members will be allowed to attend the e-AGM through VC/OAVM on first come, first served basis.
- e) The facility for joining the AGM shall open 15 minutes before the time scheduled for AGM and will continue till the conclusion of the AGM. The facility will be available to the Members on first-come-first-served basis. Large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel and Auditors are allowed to attend the AGM without restriction on first-come-first-served basis.
- f) Members who need assistance before or during the e-AGM can contact KFin on evoting@kfintech.com or call on toll free numbers 1-800-3094-001. 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 e-AGM.
- h) Members attending the e-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 e-AGM.

18. 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 cast their vote through remote e-Voting will be eligible to attend the e-AGM. However, will not be entitled to cast their vote at the meeting.
- c) The procedure for Instapoll on the day of the e-AGM is same as the instructions mentioned for Remote e-voting.

19. Members holding shares in physical mode:

- a) are required to submit their Permanent Account Number (PAN) and bank account details to the Company/RTA, 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/RTA for receiving all communications from the Company electronically;
- d) are requested to notify the Company/RTA, 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.

20. 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.

21. Non-Resident Indian Members are requested to inform RTA/ 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.

22. 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. The said information was also filed with MCA which is available on their website at www.iepf.gov.in. 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. During FY22, the Company transferred unclaimed dividend amounts of ₹1,59,289 .00 from the Final Dividend for the Financial Year 2013 – 2014 to the IEPF. Members who have not encashed their dividend warrants towards the Final Dividend for the

financial year 2014-2015 or thereafter are requested to write to the Company's RTA.

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, 2022 (₹)
2014-15	24.09.15	30.10.15	29.10.22	28.11.22	1,86,906.00
2015-16	15.09.16	21.10.16	20.10.23	19.11.23	2,11,087.20
2016-17	21.09.17	27.10.17	26.10.24	25.11.24	3,45,359.00
2017-18	27.09.18	02.11.18	01.11.25	01.12.25	5,03,500.50
2018-19	26.09.19	01.11.19	31.10.26	30.11.26	3,22,021.80
2019-20	27.02.20	03.04.20	02.04.27	02.05.27	6,92,108.75
2020-21	26.08.21	02.10.21	01.10.28	31.10.28	7,04,174.50

Members who have not encashed their dividend warrants are requested to send back their warrants for revalidation or lodge their claims to our RTA.

- a) 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.

- b) 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 RTA for doing the needful.
- c) As accordance with the proviso to Regulation 40(1) of the Listing Regulations, 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 as per amendment in SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2022, w.e.f. January 24, 2022, transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form only.

d) 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, and in terms of SEBI vide circular no. SEBI/HO/CFD/

CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by KFin Technologies Limited, on all the resolutions set forth in this Notice.

- b) However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/ DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- c) 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.
- d) 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 August 18, 2022. 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.

- e) The e-voting facility will be available during the following period:
- Commencement of e-voting: 09:00 Hours (IST) on Monday, August 22, 2022.
 - End e-voting: 17:00 Hours (IST) on Wednesday, August 24, 2022.
- f) The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by RTA upon expiry of aforesaid period.
- g) 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.

- h) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with Kfintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- i) In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method" for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- j) The procedure and instructions for the remote e-voting facility for Individual shareholders holding securities in demat mode are provided as follows:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDeAS e-Services</p> <ol style="list-style-type: none"> I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in point 1. <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.Kfintech. V. On successful selection, you will be redirected to Kfintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. Kfintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>2. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in Point 1. <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	<ol style="list-style-type: none"> I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

k) The procedure and instructions for remote e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode are provided as follows:

Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password mentioned in the email). In case of physical folio, User ID will be EVEN (E-Voting Event Number of Relaxo Footwears Ltd e-AGM), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for login.

- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters consisting of at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc..). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e. e-voting event number for Relaxo Footwears Ltd e-AGM.

- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id bskashtwal@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_ EVEN No."
 - l) In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 - ✓ Example for NSDL:
MYEPWD <SPACE> IN12345612345678
 - ✓ Example for CDSL:
MYEPWD <SPACE> 1402345612345678
 - ✓ Example for Physical:
MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/> , the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.
- m) 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.
- n) The Members who have cast 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.
- o) 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 August 18, 2022. A person who is not a Member as on the cut-off date should treat this notice for information purpose only.
- p) 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/>).

- q) 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 of KFin's website for e-voting: <https://evoting.kfintech.com> and/or contact Mr. Vasant Rao Chowdhary , Manager- Corporate Registry, Unit: Relaxo Footwears Limited of KFin Technologies Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at einward.ris@kfintech.com or contact no. 040 - 6716 2222 or call KFin's toll free No. 1-800-3094-001 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.
- r) 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 favor 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. The results shall simultaneously be communicated to the Stock Exchanges.
- s) The recorded transcript of the AGM shall be maintained by the Company and also be made available on the website of the Company www.relaxofootwear.com in the `Investor` Section, at the earliest soon after the conclusion of the Meeting.
23. Since the AGM will be held through VC/OAVM, the Route Map, proxy form and attendance slip are not annexed with this Notice.

“Annexure - I” to the Notice

Information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards-2 issued by Institute of Company Secretaries of India (“ICSI”)

Name of Director(s)	Mr. Nikhil Dua (DIN:- 00157919) (Item No. 3)
Brief Resume of the Director & Qualification	He has over 25 years of experience in production and new product development and has rich knowledge of product mix in Footwear Industry. He is a Commerce Graduate & has studied from International School of Modern Shoe-making, Czech Republic.
Age	46 years
Experience and nature of his Expertise in Specific functional areas	Experience in production and new product development and has rich knowledge of product mix in Footwear Industry.
Disclosure of relationship between Directors inter-se/ relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Related to Mr. Mukand Lal Dua, Whole Time Director of the Company
Date of First Appointment on the Board	February 22, 1997
Name of entities in which persons hold Directorship of the Board	Nil
Name of Listed entities in which persons also holds Directorship of the Board and the memberships of Committees of the Board	Nil
Shareholding in the Company including shareholding as a beneficial owner	93,43,674 equity shares
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	Re-appointment pursuant to Section 152 of the Companies Act, 2013. Please refer Corporate Governance Report section for past remuneration.
Number of meetings of the Board attended during the Year (01.04.2021 to 31.03.2022)	Please refer Corporate Governance Report Section of the Annual Report
Chairman / member of Committees of other Boards	Nil
Chairman / member of Committee of Relaxo Footwears Limited	Member in Audit Committee.

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

Vikas Kumar Tak
Company Secretary

Delhi, May 11, 2022

EXPLANATORY STATEMENT IN TERMS OF REGULATION 36(5) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Item No. 4

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Act.

The Members at the 33rd AGM of the Company held on September 21, 2017, had approved appointment of M/s B.R. Maheswari & Co. LLP, Chartered Accountants (Firm Registration No. 001035N/N500050), as the Statutory Auditors of the Company to hold office from the conclusion of the 33rd AGM till the conclusion of the 38th AGM of the Company to be held in the year 2022. The term of M/s B.R. Maheswari & Co. LLP, Chartered Accountants shall complete on the conclusion of 38th AGM to be held on August 25, 2022.

Further to the above, M/s. Gupta & Dua, Chartered Accountants have shown interest to be appointed as Statutory Auditors and have given their consent for their appointment as Statutory Auditors of the Company and have issued certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. The Company has received confirmation from the Statutory Auditors that they confirmed their eligibility for appointment of Statutory Auditors in terms of Section 141 of the Companies Act, 2013.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, proposed the appointment of M/s. Gupta & Dua, Chartered Accountants having ICAI Firm Registration No. 003849N as the Statutory Auditor of the Company for a term of 5 years from the conclusion of the 38th AGM of the Company till the conclusion of the 43rd AGM, to examine and audit the accounts of the Company. The Board of Directors has approved a remuneration of ₹22.00 Lacs for conducting the audit for the financial year 2022-23, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals. The remuneration proposed to be

paid to the Statutory Auditors during their first term would be in line with the existing remuneration to the existing auditors and shall be commensurate with the services to be rendered by them during the said tenure. The Board, in consultation with the Audit Committee shall approve revisions in the remuneration of the Statutory Auditors for the remaining part of the tenure which shall not exceed 10% of the fee paid for the previous year. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

Besides the audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board in consultation with the Audit Committee.

The Brief profile of the proposed Statutory Auditor is as under:

M/s Gupta & Dua was founded in 1983 by CA. Akhil Gupta along with CA. Amitabh Jhunjunwala. The firm is now managed by two partners viz. CA. Mukesh Dua and CA. Narender Singh with a team of chartered accountants, semi qualified and article assistants. The partners have extensive experience in the field of Audit & Assurance Tax Advisory and Accounting Services including Ind AS and has handled audit of large listed and non-listed companies in private sector as well as public sector.

None of the Director/ Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise in this resolution.

The Board recommends the Ordinary Resolution set out at item No. 4 for the approval of members.

“Annexure - II” to the Notice

TDS ON DIVIDEND:

1. Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of Members with effect from 1st April, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) from dividend paid to Members at the prescribed rates. Members are requested to update their Permanent Account Number (“PAN”) with the Company/KFintech (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
2. For Resident Shareholders, tax shall be deducted at source under Section 194 of the Income-tax Act, 1961 @ 10% on the amount of Dividend declared and paid by the Company during the Financial Year (“FY”) 2022-23 provided PAN is furnished by the Shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income-tax Act, 1961.
3. However, no Tax shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received during FY 2022-23 does not exceed `5,000. Please note that this includes the future dividends, if any, which may be declared by the Board in the FY 2022-23.
4. Separately, in cases where the Shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), no tax at source shall be deducted provided that the eligibility conditions are being met. Needless to say, PAN is mandatory. Members are requested to note that in case their PAN is not linked with Aadhar, tax will be deducted at a higher rate of 20%.
5. Section 206AB introduced by the Finance Act, 2021 effective 1st July, 2021 (amended by Finance Act, 2022 effective 1st April, 2022), provides for deduction of higher rate of tax in case a person:
 - a) Had not filed Income Tax return (ITR) for the preceding previous year where the time limit to file the return of income prescribed u/s 139 (1) of the Income-tax Act, 1961 has expired; and
 - b) Had aggregate TDS/TCS credit of ₹50,000 or more in that preceding year.Accordingly, in case both the above conditions are not fulfilled, tax would be deducted at a higher rate.
6. For Non-Resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income-tax Act, 1961 at the applicable rates in force. As per the relevant provisions of Section 195 of the said Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. In case of Foreign Portfolio Investors/Foreign Institutional Investors, the withholding tax shall be as per the rate specified in 196D of the Act plus applicable surcharge and cess on the amount of Dividend payable to them.
7. However, as per Section 90 read with Section 195 of the Income-tax Act, the Non-Resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the Non-Resident Shareholder will have to provide the following on or before August 18, 2022:
 - a) Self-attested true copy of Tax Residency Certificate (“TRC”) obtained from the tax authorities of the country of which the shareholder is resident for the Financial Year 2022-23;
 - b) Self-declaration in Form 10F;
 - c) Self-attested true copy of the PAN Card if allotted by the Indian Income Tax authorities;
 - d) Self-declaration in the format prescribed by the Company, certifying the following points:
 - i. Shareholders are and will continue to remain a tax resident of the country of their residence during the Financial Year 2022-23;
 - ii. Shareholders are eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - iii. Shareholders have no reason to believe that their claim for the benefits of the DTAA is impaired in any manner;
 - iv. Shareholder does not have a taxable presence or a Permanent Establishment (“PE”) in India during the Financial Year 2022-23. In any case, the amounts paid/ payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise;
 - v. Shareholder is the ultimate beneficial owner of shares held in the Company and dividend receivable from the Company; and
 - vi. Non-Resident Shareholder is satisfying the Principle Purpose Test as per the respective tax treaty effective 1st April, 2020 (if applicable).Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts.
8. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident Shareholder.

9. Members may submit the aforementioned documents on the link: <https://ris.kfintech.com/form15/>. For further information, Members are requested to refer email communication sent to them in this regard.
10. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from the Shareholders, there would still be an option available with the Shareholders to file the return of income and claim an appropriate refund, if eligible.
11. The Company shall arrange to email the soft copy of TDS certificate to the Shareholders at the registered email ID in due course, post payment of the said Dividend.
12. An email communication informing the Shareholders regarding this change in the Income tax Act, 1961 as well as the relevant procedure to be adopted by them to avail the applicable tax rate is being sent by the Company at the registered email IDs of the Shareholders.
13. No communication on the tax determination or deduction shall be entertained post August 18, 2022.
14. The Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/National Electronic Fund Transfer (NEFT)/Real Time Gross Settlement (RTGS)/Direct Credit, etc.

ADDENDUM TO THE NOTICE OF THE 38TH ANNUAL GENERAL MEETING (AGM)

Subsequent to the Notice dated 11th May, 2022, for convening the 38th AGM of the Company to be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") on Thursday, the 25th day of August, 2022 at 10.30 a.m., the Board of Directors of the Company have recommended the following additional agenda item for your approval, as set forth below:

SPECIAL BUSINESS:

5. APPOINTMENT OF MR. KULDIP SINGH DHINGRA (DIN: 00048406) AS NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) 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], **Mr. Kuldip Singh Dhingra (DIN: 00048406)**, who was appointed by the Board of Directors as an Additional Director (Non-Executive Independent Director) of the Company with effect from July 26, 2022 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who meets the criteria of Independence and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a first term with effect from July 26, 2022 for a period of five consecutive years on such terms and conditions as set out in Explanatory Statement annexed to this addendum notice;

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

6. APPOINTMENT OF MR. GAURAV DUA (DIN:09674786) AS WHOLE TIME DIRECTOR OF THE COMPANY

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

"RESOLVED THAT in accordance with the provisions of Sections 149,152,160,196, 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 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], approval of the members be and is hereby accorded to appoint **Mr. Gaurav Dua (DIN: 09674786)**, who was appointed by the Board of Directors as an Additional Director (Executive Wholetime Director) of the Company with effect from July 26, 2022 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, as a Whole time Director of the Company, liable to retire by rotation, for a period commencing from July 26, 2022 till September 30, 2023 on a monthly remuneration and such other allowances, perquisites, benefits, amenities as applicable to the Company's Executives in the similar grade 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. Gaurav Dua shall be entitled to receive and be paid a 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."

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

Vikas Kumar Tak
Company Secretary

Delhi, July 26, 2022

Note:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses as proposed above to be transacted at the AGM is annexed hereto.
2. Pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards 2 issued by Institute of Company secretaries of India (ICSI) details of Director seeking appointment at the ensuing meeting is provided in the “Annexure” to the Notice.
3. The addendum to the Notice of the AGM shall form an integral part of the Notice dated 11th May, 2022, circulated to the members of the Company.
4. Addendum to the Notice of the 38th AGM is being sent only by electronic mode to all members whose e-mail addresses are registered with the Company/Depository Participant(s). The Company will not be dispatching physical copies of this Addendum 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 KFin Technologies Limited by following due procedure as prescribed in Notice dated 11th May, 2022. This Addendum to the Notice is also available on the website of the Company www.relaxofootwear.com.
5. 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.
6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Act 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. August 25, 2022. Members seeking to inspect such documents can send an email to cs@relaxofootwear.com. The Register of Members and Share Transfer Books will remain closed from August 19, 2022 (Friday) to August 24, 2022 (Wednesday) (both days inclusive) in connection with AGM and for the purpose of Dividend.
7. All the processes, notes and instructions relating to e-voting set out for and applicable to the ensuing 38th AGM shall mutatis-mutandis apply to the e-voting for the Resolution proposed in this Addendum to the Notice. Furthermore, Scrutinizer appointed for the ensuing 38th AGM will act as a Scrutinizer for the Resolution proposed in this Addendum to the 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. Kuldip Singh Dhingra (DIN: 00048406) (Item No.-5)	Mr. Gaurav Dua (DIN: 09674786) (Item No.-6)
Category of Director	Non-Executive, Non Independent Director	Whole Time Director
Brief Resume of the Director & Qualification	Science Graduate, Hindu College, Delhi University. For brief profile refer to explanatory statement.	He has over 21 years of experience in Sales & Marketing in footwear industry. He has done MBA from University of Wales.
Age	75 Years	41 Years
Experience and nature of his Expertise in Specific functional areas	Mr. Kuldip Singh Dhingra is an Industrialist has over 50 years of experience in paint and related industries and his contribution to paint industry is well known and internationally acclaimed. His rich experience and expertise is helpful for independent judgement and guidance. He has immense exposure in strategy & planning, business strategy, corporate management, corporate governance, manufacturing etc.	MBA having over 21 years of experience in Sales & Marketing. He has been pivotal for various initiatives in the Company for revenue, growth, market expansion and branding rejuvenation.

Name of Director(s)	Mr. Kuldip Singh Dhingra (DIN: 00048406) (Item No.-5)	Mr. Gaurav Dua (DIN: 09674786) (Item No.-6)
Disclosure of relationship between Directors inter-se/ relationship with other Directors, Manager and other key managerial personnel of the Company	None	Related to Mr. Ramesh Kumar Dua, Managing Director of the Company
Date of First Appointment on the Board	July 26, 2022	July 26, 2022
Name of entities in which persons hold Directorship of the Board	Berger Becker Coatings Pvt. Ltd. Berger Paints (Cyprus) Ltd. Berger Rock Paints Pvt. Ltd. Berger Paints (Bangladesh) Ltd Berger Jenson & Nicholson (Nepal) Pvt. Ltd. Bigg Investments & Finance Pvt. Ltd. Burgeon Properties Pvt. Ltd. Bolix S.A. Citland Commercial Credits Ltd. Flex Properties Pvt. Ltd. Jolly Properties Pvt. Ltd. Kanwar Greenlands Pvt. Ltd. Lusako Trading Limited Rishkul Properties Pvt. Ltd. Seaward Packaging Ltd. Sunaina Evergreen Pvt. Ltd. U.K.Paints (India) Pvt. Ltd. Wang Investments & Finance Pvt. Ltd. Berger Paints India Limited	Nil
Name of Listed entities in which persons also holds Directorship of the Board and the memberships of Committees of the Board*	Berger Paints India Limited	Nil
Shareholding in the company including shareholding as a beneficial owner	Nil	93,43,674 equity shares
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	Refer to explanatory statement	Refer to explanatory statement
Number of meetings of the Board attended during the Year (01.04.2021 to 31.03.2022)	Not Applicable	Not Applicable
Chairman / member of Committees of other Boards	Member of Compensation and Nomination and Remuneration committee - Berger Paints India Ltd Chairman of Corporate Social Responsibility Committee - Berger Paints India Ltd.	Nil
Chairman / member of Committee of Relaxo Footwears Limited	Not Applicable	Not Applicable

* The Directors have not resigned from any Listed Company in the past 3 years

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

ITEM NO. 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors vide resolution dated July 26, 2022, appointed Mr. Kuldip Singh Dhingra (DIN: 00048406) as an Additional Director (Non-Executive Independent) of the Company w.e.f. 26th July, 2022. The appointment of Kuldip Singh Dhingra, if approved by the members of the Company, shall be effective from 26th July, 2022 for a period of five (5) consecutive years, not liable to retire by rotation, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), or any amendment thereto or modification thereof.

Mr. Kuldip Singh Dhingra is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Kuldip Singh Dhingra that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Listing Regulations. In the opinion of the Board, Mr. Kuldip Singh Dhingra fulfils the conditions specified in the Act, the Rules framed thereunder and the Listing Regulations for appointment as Non-Executive Independent Director. Mr. Kuldip Singh Dhingra is independent of the management and possesses appropriate skills, experience and knowledge.

Mr. Kuldip Singh Dhingra is an eminent industrialist and is the promoter and Chairman of the Board of Directors and a Non-Executive Director of Berger Paints India Ltd, the 2nd largest paint producer of India, amongst the top 4 in Asia and top 15 globally with multinational presence through wholly owned subsidiaries in Poland, Nepal, Russia, UK, France and Ukraine, as well as a strong tie-up with Berger Paints Bangladesh Ltd, a separately listed company in Bangladesh and the number one Paint Producer of Bangladesh, which is also co-owned by him along with his brother as in the case of BPIL. Mr. Kuldip Singh Dhingra has five decades of experience in paints and related industries. He is also an Executive Director on the Board of Foundation for Organisational Research and Education (FORE) Society, which runs the prestigious Fore School of Management. He had also held the position of Honorary Consul of Georgia in India for nine years.

Mr. Kuldip Singh Dhingra has received following Awards :

a) Life Time Achievement Award from Indian Paint Association in 2013.

b) The 21st EY Entrepreneur Of The Year (EOY) Award 2019, Under the Category of 'Consumer Products & Retail'.

c) Distinguished Alumni Award of his Alma Mater, Hindu College in the year 2005 for Excellence in Business & Industry.

In addition to coverage under Directors and Officers insurance policy, Mr. Kuldip Singh Dhingra would be entitled to receive sitting fees for attending the meetings of the Board and its Committees (if any) and remuneration by way of commission, as approved by members in the 34th AGM of the Company.

In the opinion of the Board, Mr. Kuldip Singh Dhingra fulfils the conditions specified in the Act & the Rules thereunder and the Listing Regulations for appointment as an Independent Director, and he is independent of the management of the Company and is not debarred for holding office by virtue of any SEBI order or any other authority. The Committee and the Board are of the view that the association of Mr. Kuldip Singh Dhingra and the rich experience he brings with him would benefit the Company; he also possesses appropriate skills, expertise and competencies in the context of the Company's businesses.

Requisite Notice under Section 160 of the Act proposing the appointment of Mr. Kuldip Singh Dhingra has been received by the Company, and consent has been provided by Mr. Kuldip Singh Dhingra pursuant to Section 152 of the Act.

Copy of draft letter of appointment of Mr. Kuldip Singh Dhingra setting out the terms and conditions of appointment are available electronically for inspection by the Members during the e-AGM and is also uploaded on the website of the Company at www.relaxofootwear.com.

Mr. Kuldip Singh Dhingra is interested in the resolution set out at Item No. 5 of the Addendum to the Notice of the 38th AGM with regard to his appointment. The relatives of Mr. Kuldip Singh Dhingra may be deemed to be interested in the respective resolution to the extent of his shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolution.

In line with the aforesaid provisions of the Act and in view of rich and diverse experience of cherished career as an Industrialist, having more than 50 years of experience in the paint and related industries. He has immense exposure in strategy & planning, Business strategy, corporate management, Corporate

governance, manufacturing etc. Considering his rich experience of Mr. Kuldip Singh Dhingra, the Board recommends the Special Resolution set out at Item No. 5 of the Addendum Notice of the 38th AGM for the approval by the members.

ITEM NO. 6

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors vide resolution dated July 26, 2022, appointed Mr. Gaurav Dua (DIN: 09674786) as an Additional Director (Executive Wholetime Director) of the Company w.e.f. 26th July, 2022. The appointment of Mr. Gaurav Dua, if approved by the members of the Company, shall be effective from July 26, 2022 till September 30, 2023, liable to retire by rotation, in terms of Section 149, 196 and 203 read with Schedule V of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), or any amendment thereto or modification thereof.

Mr. Gaurav Dua is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Requisite Notice under Section 160 of the Act proposing the appointment of Mr. Gaurav Dua has been received by the Company, and consent has been provided by Mr. Gaurav Dua pursuant to Section 152 of the Act. Mr. Gaurav Dua has also confirmed that he is not debarred for holding office by virtue of any SEBI order or any other authority.

Mr. Gaurav Dua, is a MBA from University of Wales, holds 21 years of experience in areas of Sales & Marketing. He joined the Company in 2001 and is heading Sales and Marketing Department of the Company. After his significant contribution, the Company's revenue has grown substantially from ₹150 Crores to around ₹2650 Crores. He has been instrumental for various initiatives in boosting the sales of the Company which has not only increased the efficiency but also been able to achieve the brand image of the Company.

Mr. Gaurav Dua, promoter of the Company has spent 21 years with the Company and has been instrumental in the growth of the Company in last decade. His contribution has been mainly in the Sales & Marketing of the Company which have grown substantially in the last decade. Considering the background and experience of Mr. Gaurav Dua the Board of Directors at its meeting held on July 26, 2022, based on the recommendation of Nomination and Remuneration Committee and subject to the approval of members at the ensuing Annual General Meeting has appointed Mr. Gaurav Dua as Whole Time Director of the Company liable to retire by rotation for period commencing from July 26, 2022 to September 30, 2023, on the terms and conditions given below:-

1. **Term** : Period commencing from July 26, 2022 to September 30, 2023
2. **Nature of Duties** : Mr. Gaurav Dua 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 upto ₹9,00,000/- (Rupees Nine Lac only).
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.

Explanation

Perquisites shall be evaluated as per Income Tax Rules whenever applicable and in the absence of any such rule, perquisite shall be evaluated at actual cost to the Company.

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

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

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

Overall Remuneration

The total remuneration payable to Mr. Gaurav Dua by way of salary perquisites, allowances, benefits and amenities as approved by the Board shall not exceed the limits laid down in Section 197, 198 and other relevant provisions of Companies Act, 2013 or any statutory modifications or re-enactments thereof and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Minimum Remuneration

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

Mr. Ramesh Kumar Dua, Managing Director of the Company is related to Mr. Gaurav 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. 6 of the accompanying Notice.

Mr. Gaurav Dua and the relatives of Mr. Gaurav Dua, may be deemed to be interested in the respective resolution to the extent of their and Mr. Gaurav Dua's shareholding, if any, in the Company.

The Board recommends the resolution set out at Item No. 6 of the Notice for approval by the members as special resolution.

Delhi, July 26, 2022

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

Vikas Kumar Tak
Company Secretary