



July 29, 2023

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- 400051
Scrip Code – 530517	Scrip Code – RELAXO

Subject: Notice calling 39th Annual General Meeting (AGM) and Annual Report of the Company for the Financial Year 2022-23

Dear Madam / Sir,

Pursuant to the Regulation 34(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report for the Financial Year 2022-23 along with Notice of 39th AGM to be held on Thursday, August 24, 2023 at 10:30 AM through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”).

The same is for your information and records please.

Thanking You,

For **Relaxo Footwears Limited**

Ankit Jain
Company Secretary and Compliance Officer

Encl: As stated 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: rfl@relaxofootwear.com
CIN L74899DL1984PLC019097

Classification: **Public**



www.relaxofootwear.com

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

COMMITTED TO PROVIDE
BEST-IN-CLASS FOOTWEAR

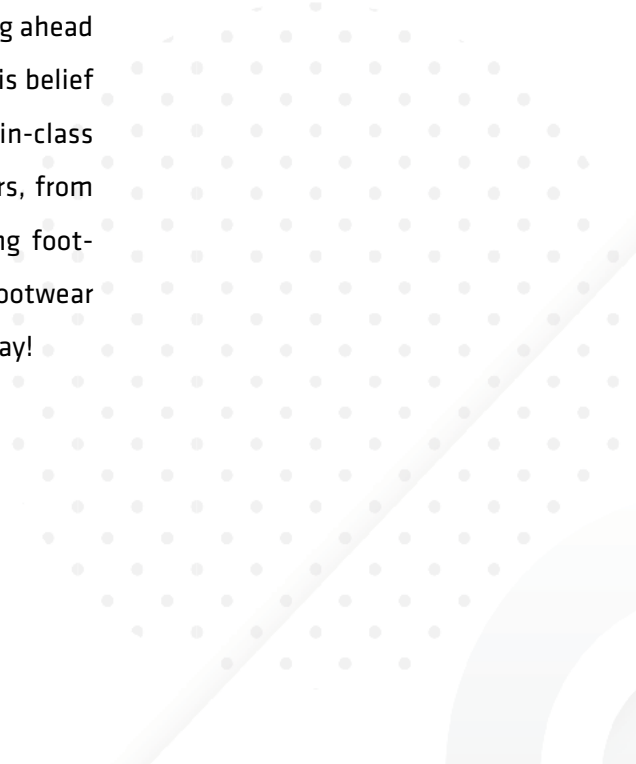
ANNUAL REPORT 2022-23

RELAXO FOOTWEARS LIMITED



COMMITMENT OF BEST IN CLASS

When it comes to achieving the best, we don't rest. We keep striving ahead and stop at nothing, as we believe that the best is always next. This belief and our commitment in moving forward has made us India's best-in-class footwear manufacturer. We continue to excel in all our endeavours, from procuring best raw materials, innovating latest designs to making footprints in new territories. We at Relaxo aim to revolutionise the footwear industry by continuously innovating and excelling each and every day!



CORPORATE INFORMATION

BOARD OF DIRECTORS

Ramesh Kumar Dua	Managing Director
Mukand Lal Dua	Whole time Director
Nikhil Dua	Whole time Director
Gaurav 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
Kuldip Singh Dhingra	Independent Director

CHIEF FINANCIAL OFFICER

Sushil Batra

COMPANY SECRETARY

Ankit Jain

AUDITORS

Gupta & Dua
Chartered Accountants
415, Ansal Chambers-II
6, Bhikaji Cama Place
New Delhi - 110066

SHARE TRANSFER AGENT

M/s Kfin Technologies Limited
Selenium Building 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

PLANTS

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 market uncertainty, volatile raw material prices and dampened consumer sentiment, your Company managed a moderate revenue growth of 5% to ₹ 2783 Crore with EBITDA and PAT at ₹ 336 Crores and ₹ 154 Crores respectively. Continuing its commitment to shareholders, your Board of Directors has recommended a final dividend of 250%, i.e. ₹ 2.50/- per fully paid up equity share of ₹ 1/- each for FY23.

Owing to supply chain disruptions and high inflationary pressures, your Company's performance was subdued in initial quarters of FY23. However, your Company quickly realigned itself in response with a strategic price correction, aided by a mature distribution network and strong brand equity which helped to recover market share during the last quarter of the year without resorting to short term trade incentives.

During the year, your Company continued with efforts to enhance consumer experience at its Exclusive Brand Outlets by building on sales capability and implementation of innovative marketing practices. As of March 31, 2023, your Company's Exclusive Brand Outlet network stands at 387 outlets.

Sustained efforts in strengthening distribution channels and launching new products resulted in significant growth in exports, earning 2 Star Export House status for your Company, encouraging further marketing investments during FY23.

Your company is well aware of the changing ecosystem and has been actively working towards harnessing the digital space, both with respect to brand equity as well as

sales performance during FY23. This will help your Company to quickly transcend geographical boundaries, showcase its latest range and tap into the new age consumer.

To stay relevant to evolving consumer preferences, during the year your Company has regularly conducted market sensing exercises for new product development and adopted latest technological upgrades for improving customer service.

As a socially committed corporate citizen, your Company has continued to adopt various measures to reduce its carbon footprint without compromising operational efficiency.

Your Company recognises employees among its core assets and, during the year has continued to strengthen bond with them through reward & recognition initiatives, training programs while creating and nurturing a talent pool.

With a robust cash flow and debt free operations, we have a positive outlook for the industry and believe that your Company is well-positioned to capitalize on opportunities arising due to the increased per capita footwear consumption and growing share of the organized market. We are confident that our efforts will continue to yield positive results.

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

A journey that has moved upwards and touched many new milestones successfully year after year. This 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

1984
Relaxo Footwears Limited was incorporated

Revenue:
₹ **1.78 Crore**

2000

Expanded Capacity in Haryana

Revenue:
₹ **124.24 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

2010

Renewable power capacity of 6.00MW

Revenue: ₹ 553.70 Crore

2017

Corporate identity revamped

Revenue: ₹ 1,651.97 Crore

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

Revenue:

₹ 2,782.77 Crore

2018-23



BEST IN BRANDS

Proud to be the largest footwear manufacturer in India, Relaxo has been helping India strive ahead, since the last four decades. Today it is ranked among the top 250 Most Valuable Companies, an achievement that is no less than an incredible feat.

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.

RELAXO

Think of trust and durability. Think of Relaxo. With over four decades of consumer trust across age, gender and economic class has made Relaxo an iconic household brand.

FLITE

When you are confident, when you look stylish, you can achieve the unachievable. Flite, India's leading footwear brand most popular among middle class reflects this spirit and aspiration of today's youth. A popular range of fashionable and semi-formal slippers for everyday wear, Flite enables people to take on the day with style and confidence.

Bahamas

Bahamas are a colourful and cool range of slippers that exude the spirit of freedom, fun and modernity of youth. With Salman Khan being the brand ambassador, Bahamas has become a popular brand amongst the youth looking to make a statement.



Sparx is all about attitude, style, taking on life and coming out as a winner. It connects with the youth and pushes them to challenge their inner potential. Endorsed by Bollywood's fitness hero Akshay Kumar, Sparx offers a range of sports shoes, sandals and slippers.

Mary Jane

Times are changing. So are the styles. Stay ahead with the times with Mary Jane, a range of stylish and comfortable footwear for the modern woman to put her best foot forward, with panache!

Casualz

When every day can be challenging and tiring, you need to give comfort to your feet. Casualz offers foot-hugging, all-day comfort that make your feet cruise along.

BOSTON

When it comes to dressing up as a gentleman, you need to step into Boston, a brand that offers excellent craftsmanship and comfort to men who like to turn heads wherever they go.



Boredom and simple, have no place in the kids world. KidsFun range of footwear is exciting, brimming with colours, full of fun and high on energy just like the Li'l champs.



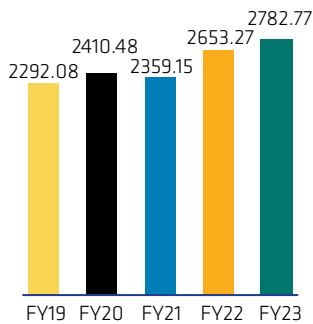
FINANCIAL HIGHLIGHTS

(₹ in Crore)

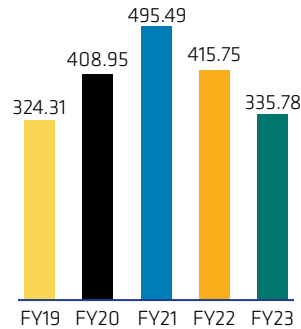
Particulars	FY 23	FY 22	FY 21	FY 20	FY 19
No. of Pairs sold (in Crore)	17.08	17.46	19.07	17.92	18.39
Revenue from Operations	2782.77	2653.27	2359.15	2410.48	2292.08
EBITDA	335.78	415.75	495.49	408.95	324.31
Finance Costs	19.24	15.33	17.08	16.87	6.90
Depreciation and Amortisation Expense	125.10	113.54	110.02	109.42	62.41
Tax Expense	55.54	77.92	99.60	65.46	92.54
Net Profit before OCI	154.47	232.68	291.56	226.25	175.44
Equity Share Capital	24.89	24.89	24.84	24.82	12.40
Net Worth	1855.05	1760.12	1572.41	1272.40	1105.07
Net Fixed Assets (Tangible and Intangible)	1043.60	946.91	872.41	836.67	859.54
Capital Employed	1876.51	1799.97	1595.21	1316.31	1226.43
Capital Expenditure	174.35	145.87	101.36	94.77	258.91
Revenue Growth (%)	4.88	12.47	(2.13)	5.17	17.63
EBITDA (%)	12.07	15.67	21.00	16.97	14.15
Face Value per Share (in ₹)	1.00	1.00	1.00	1.00	1.00
EPS - Basic (in ₹)	6.21	9.36	11.74	9.12	^7.07
EPS - Diluted (in ₹)	6.21	9.35	11.72	9.10	^7.06
Dividend(%)	250	250	250	125	^90
Book Value per share (in ₹)	74.52	70.71	63.29	51.26	89.08
ROCE(%)	12.47	19.20	28.04	24.27	25.70
Market Capitalisation (As on March 31)	21183.43	26544.23	21773.47	14868.72	9561.22

^ Post Bonus

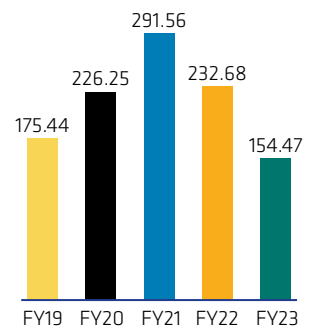
Revenue from Operations (₹ in Crore)



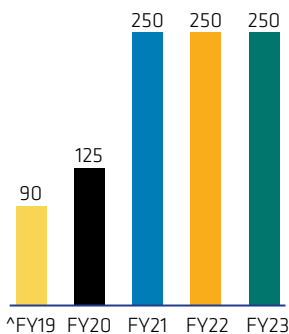
EBITDA (₹ in Crore)



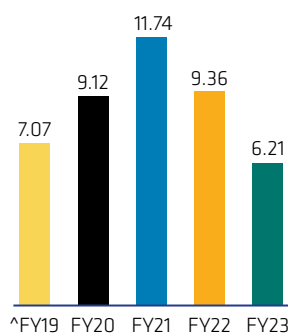
Net Profit (₹ in Crore)



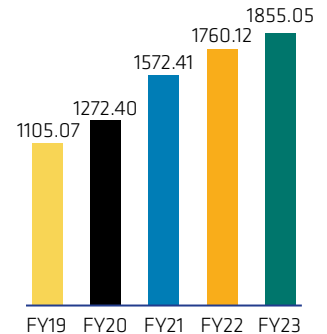
Dividend (%)



EPS - Basic (in ₹)



Net Worth (₹ in Crore)



Board's Report

Dear Members,

The Board of Directors ("Board") of your Company has pleasure in presenting 39th Annual Report on the Company's business and operations together with the Audited Financial Statements for the Financial Year 2022-23:

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 250 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 2022-23. The financial highlights of the Company's operations are as follows:

(₹ in Crore)

Particulars	2022-23	2021-22
Revenue from Operations	2782.77	2653.27
EBITDA	335.78	415.75
Other Income	18.57	23.72
Less: Finance Costs	19.24	15.33
Less: Depreciation and Amortisation Expense	125.10	113.54
Profit before Tax	210.01	310.60
Less: Tax Expense	55.54	77.92
Profit after Tax	154.47	232.68
Other Comprehensive Income	1.96	0.31
Balance brought forward from Previous year	66.43	45.55
Amount available for Appropriation	222.86	278.54
Appropriation:		
• Final Dividend	62.23	62.11
• Transfer to General Reserve	75.00	150.00
Balance carried to Balance Sheet	85.63	66.43
EPS-Basic (in ₹)	6.21	9.36
EPS-Diluted (in ₹)	6.21	9.35

3. Business Performance

a) Financial

The key highlights of the Company's financial performance during the Financial Year 2022-23 are given below:

- Revenue from operations increased by 4.88% to ₹2782.77 Crores from ₹2653.27 Crores 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 (Haryana), Bhiwadi (Rajasthan) and Haridwar (Uttarakhand).

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 387 strong network of Exclusive Brand Outlets, with availability on all major e-commerce portals as well.

- EBITDA is at ₹335.78 Crores as compared to ₹415.75 Crores in last Financial Year.
- Net profit is at ₹154.47 Crores as compared to ₹232.68 Crores in the last Financial Year.
- Net profit margins is 5.55%.
- Relaxo Exclusive Brand Outlets (EBOs) were at 387 as on March 31, 2023.



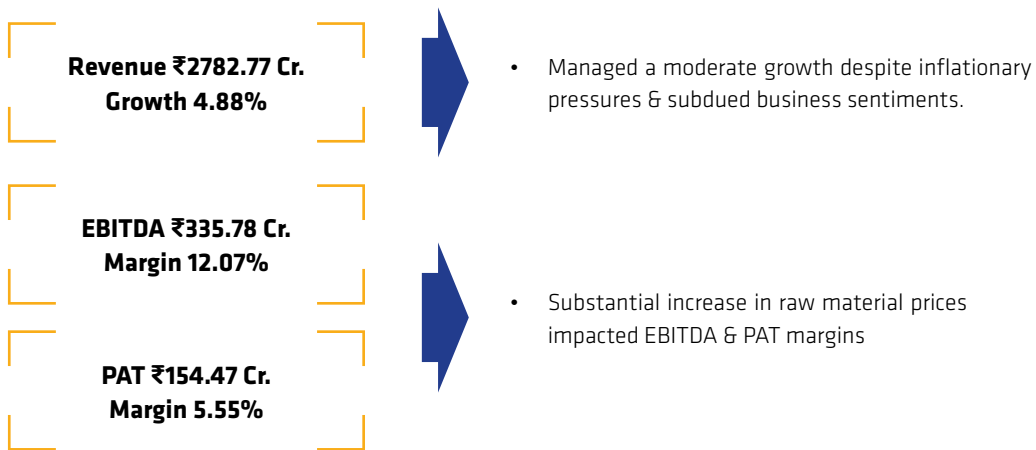
Even as the profits of your Company were subdued due to high material prices during this year, the moderate business growth in second half of FY23 helped mitigate the impact.

The year saw a tumultuous beginning with the Russia-Ukraine conflict turning into a full blown war. As it accentuated into the year, it not only had catastrophic effect on the warring nations, but it also started wide scale disruptions in supply chain equations leading to spiraling inflation levels unprecedented in many nations, and India too, was severely impacted by it. Raw material supplies went haywire, with prices following suit northwards. Force majeure' price revisions in quick succession led to same stock

being available at multiple price points, stirring trade confidence resulting in an adverse impact on sales even as the scars caused by Covid 19 were ebbing.

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.

All this while, your Company continued to strengthen territorial presence and invest in brand building and marketing initiatives. As the inflation eased towards the third quarter, the efforts starting paying off and the long established, resilient infrastructure placed your Company in a position of advantage over its peers.



b) Non-Financials

Despite the challenging year, your Company is on track to achieve its long term goal.

Sales & Marketing

With unprecedented inflation and supply chain disruptions marring H1 performance, your Company also re-aligned its strategies to cope with the new paradigm and continued with its marketing initiatives with an eye on the future.

Your Company continued to upgrade technological systems to improve efficiency of front line salesforce and ease of operations management at distributor end and also aggressively expand the distribution network with special focus on reaching hitherto uncovered districts of the country.

During FY23, as a strategic initiative, marketing campaigns across sales channels - wholesale, Exclusive Brand Outlets, exports, modern trade and e-commerce were aligned to reap synergies in communication.

To maintain top of mind recall leadership for its brands, your Company continued with its consumer and trade facing initiatives by way of high decibel media campaigns, consumer contact programs, aggressive branding & merchandising and pan India retailer meets.

To capture the digital eyeballs, your Company maintained an 'always on' presence in the online space with engaging brand campaigns during the year.

Increasing penetration of internet and digitization has propelled e-commerce activities to higher levels across the nation. During the year, your Company has paid special focus on this channel and worked out strategic measures to optimize performance over leading market places with minimal impact on traditional offline business with resultant growth, encouraging sustained investments for the future.

Retail

During the year, your Company undertook an extensive in-store branding refresh exercise and implemented a regimented placement planogram for effective product showcasing. With a view to deliver

a better customer experience, your Company also conducted several sales training sessions among the EBO staff and implemented innovative practices such as paperless billing and flexi payment options for its customers.

Further, it embarked upon structured hyperlocal marketing campaigns to maximize business from the catchment area.

Despite an inhibitive business environment during FY23, your Company's retail network stands at 387 as on March 31, 2023.

Exports

Your Company has experienced significant growth in exports despite challenges of rising input costs and supply chain disruptions, successfully expanding its distribution channels and launching new products into new markets.

Your Company conducted several training programs for its channel partners for better product knowledge and improved sales competence.

Buoyed by its success, your Company moved to strengthen brand equity by pioneering focused marketing campaigns in key markets during FY23.

As a result, Your Company's performance during the year has earned it 2-star Export house status.

In recognition, Council for Leather Exports has awarded your Company for excellence in export performance for FY 2019-20, FY 2020-21 & FY 2021-22 in non-leather footwear category.

Procurement

During the year, even as your Company was expecting softening of raw material prices due to ease in COVID-19 situation, the sudden on-set of Ukraine-Russia war brought new uncertainties. An unprecedented rise in costs coupled with volatility in supply chain led to great discrepancies in finished goods prices in the markets. Marginal softening during the year had but a limited impact in mellowing down price uncertainties in markets. To mitigate this situation, your Company explored and implemented new, alternate materials and formulation, process improvement and inventory control measures which did help in tiding over the otherwise difficult situation.

Product Development

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

During FY23 your Company regularly conducted market sensing exercises and collated pre and post launch product feedback from its channel partners and consumers to constantly align its portfolio offerings in line with market expectations.

Manufacturing and Quality

As a socially responsible Corporate, your Company has maintained green fuel technology and switched over to PNG for all boilers used across manufacturing locations. Also your Company has converted many of existing DG sets to run in a hybrid/dual fuel mode to allow use of CNG with diesel as fuel, ensuring energy conservation and reduction in pollution.

Your Company has taken various steps for energy conservation and cost rationalization replacing conventional motors with servo motors, installing VFD's etc.

Your Company is committed to invest in environmental, social, and corporate governance initiatives, adopting best business practices for improvement and sustainability.

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

- ISO 9001:2015 (Quality Management System)
- ISO 14001:2015 (Environmental Management System)
- ISO 45001:2018 (Occupational Health and Safety Management System)

Information Technology

Year 2022-23 was the year of digitization. Your Company has upgraded its IT system on latest SAP Solution viz. S4HANA FVB (Fashion and Business Vertical) 2020. This has helped to align the manufacturing, wholesale and retail business operations of your Company on a single platform with resultant efficiencies.

In order to engage more efficiently with its channel partners your Company has launched Distribution Management Solution under project DMS 2.0 improving customer service, transparency and traceability.

Your Company has improved upon its IT security posture by maintaining ISO 27001:2013 certification and robust security solution like DLP (Data Leak Protection), and implemented Micro-Segmentation to provide additional layer of data protection and secure



IT environment. Your Company has also Implemented managed SOC (Security Operation Centre) solution to ensure 24x7 monitoring for protection against cyber threats.

Human Resource

During the year, a slew of programs were deployed to augment the capability of your Company's human resources.

In order to enhance productivity and competency of its sales force, your Company undertook Sales Capability Programmes for its leadership as well as for the frontline, upskilling them for the future.

As a strategic measure, a cohort of critical middle management talent has been identified for leadership roles in near future even as your Company is continually sourcing fresh talent from premier business schools in order to strengthen the succession pipeline.

Continuing with the past practice of using long term incentives to retain critical talent, during the year, your Company launched the 4th (fourth) phase of RFL ESOP Plan 2014 covering 100 eligible employees and cancelled the ESOP granted under Phase III of RFL ESOP Plan 2014 as Employees surrendered the ESOP voluntarily.

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 the 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 10, 2023 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 2022-23 payable to those members whose name appear in the Register of members/list of beneficiaries as on August 17, 2023 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 18, 2023 (Friday) to August 23,

2023 (Wednesday) (both days inclusive) for the purpose of payment of final dividend for the Financial Year 2022-23, 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/policies>.

7. Transfer to Reserves

We have transferred ₹75.00 Crore (Rupees Seventy Five Crore Only) to the general reserve from net profits. An amount of ₹85.63 Crore (Rupees Eighty Five Crore Sixty Three lac 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, 2023 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 FY23, the Board of Directors of the Company at its meeting held on March 30, 2023, issued and allotted 12,540 (Twelve Thousand Five Hundred Forty) 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, 2023, the issued, subscribed and paid-up share capital of the Company was ₹24,89,38,586/- (Rupees Twenty Four Crores Eighty Nine Lacs Thirty Eight Thousand Five Hundred and Eighty six Only) consisting of equity shares of face value of ₹1.00/- each divided into 24,89,38,586 (Twenty Four Crores Eighty Nine Lacs Thirty Eight Thousand Five Hundred and Eighty 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. The detailed Nomination and Remuneration Policy is available on the website of the Company at the link <https://www.relaxof footwear.com/policies>.

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. Deval Ganguly, Whole Time Director (DIN: 00152585) 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.

The members in the 38th AGM held on August 25, 2022 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") have approved the Appointment of Mr. Kuldip Singh Dhingra (DIN: 00048406) as Non-Executive Independent Director of the Company for a period of 5 (five) years and appointment of Mr. Gaurav Dua (DIN:09674786) as Whole Time Director of the Company for a period commencing from July 26, 2022 to September 30, 2023.

As on March 31, 2023, 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. Gaurav Dua (DIN:09674786)- Whole-Time Director, Mr. Deval Ganguly (DIN - 00152585) Whole-Time Director, Mr. Sushil Batra, Chief Financial Officer (CFO) and Mr. Ankit Jain, Company Secretary, are the Key Managerial Personnel (KMP) of your Company.

During the Financial year under review, Mr. Vikas Kumar Tak resigned from the position of Company Secretary and Compliance Officer of the Company effective December 15, 2022 and Mr. Ankit Jain was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. February 4, 2023.

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.

Therefore, your Board is maintained with optimum combination of Executive and Non-Executive/Independent Directors. As on March 31, 2023, the Company has 1 (One) Managing Director, 4 (Four) Whole Time Directors and 5 (Five) 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.

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.

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 FY23, 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, Mr. Nikhil Dua and Mr. Gaurav 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 FY23.

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 performance evaluation of Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman of the Board 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 www.relaxofootwear.com/other-disclosures.

20. Number of Meetings of the Board

During FY23, the Board of Directors met 5 (five) times on May 11, 2022, July 26, 2022, November 2, 2022, February 4, 2023 and March 30, 2023, 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 FY23, the Board had 5 (five) Committees, namely:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;
- Risk Management Committee; and
- CSR & ESG 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 FY23 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

In terms of the provisions of Section 139 of the Act read with provisions of the Companies (Audit and Auditors) Rules, 2014 (as amended) M/s Gupta & Dua, Chartered Accountants, (ICAI Firm Registration No. -003849N) were appointed as the Statutory Auditors of the Company for a period of 5 (five) years from the conclusion of 38th AGM till the conclusion of 43rd AGM of the Company.

24. Auditors' Report

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory. The Auditor's Report for FY23 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 and Sahni Natarajan and Bahl as the Internal Auditors of the Company for Financial Year 2023-24 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 2022-23 as recommended by Audit committee.

The Secretarial Audit Report for the Financial Year 2022-23 is annexed as **Annexure-B** which forms part of this report. The Secretarial Audit Report for the Financial Year ended March 31, 2023 does not contain any qualification, reservation or adverse remarks except the following:-

- (i) The Chairman of Audit Committee has not attended the Annual General Meeting ("AGM") of the Company held on August 25, 2022 due to some business exigencies as Chairman of Audit Committee had to urgently travel. Accordingly he couldn't attend this AGM.
- (ii) During the period April 01, 2022 to April 21, 2022, the Chairman of the Company and Nomination and Remuneration Committee ("NRC") was the same Director of the Company; during the aforesaid period no meeting of Board and NRC have been held. Accordingly, the Chairman of the Board hasn't attended any meeting of NRC as Chairman of the Company and did not take any decision in the NRC as Chairman of Company during the aforesaid period.
- (iii) The Company has delayed/non filing of certain forms with Registrar of Companies. As confirmed by the management of the Company that due to the technical issues on the portal of Ministry of Corporate Affairs arising on account of transition of V2 to V3, form CSR-2 could not be filed within prescribed timeline.
- (iv) The audio recordings of certain earning calls of the Company have been submitted by the Company with the stock exchanges within twenty-four hours from the conclusion of such calls but not before the next trading day from the conclusion of such calls. However going forward the Company did take care to file the same in all further correspondences with stock exchange before the next trading day from the conclusion of such call or twenty-four hours whichever was earlier.

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, 2023 will be available on the website of the Company at the link <https://www.relaxof footwear.com/annual-return>.

30. Contracts and Arrangements with Related Parties

During FY23, 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.relaxof footwear.com/policies>.

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, 2023.

31. Particulars of Loans, Guarantees & Investments

In terms of Section 186 of the Act and Rules framed thereunder, details of the Loans given and Investments made by your Company have been disclosed under note 4 in Financial Statements for the financial year ended March 31, 2023, which forms part of this Annual Report. Your Company has not given any guarantee or provided any security during the year under review.

32. Risk Management

Your company has a Risk Management Policy consistent with the provisions of the Act and Listing Regulations. Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organisation.

The Board of Directors has constituted its Risk Management Committee to assist the Board in fulfilling its responsibilities relating to evaluation and mitigating various risks exposures that potentially impact the Company.

The Board advised by the Risk Management Committee, wherever appropriate, regularly reviews the significant risks and decisions that could have a material impact on the company. There are no risks which, in the opinion of the Board, threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Report.

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 & ESG 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.relaxof footwear.com/policies>.

During the year, your Company initiated Phase III of the ongoing Parivartan project in co-ordination with Sarva Shiksha Abhiyan, Uttarakhand, by adopting additional 32 schools of Khanpur and Laksar blocks- District Haridwar, Uttarakhand.

Currently this project is running in 3 phases, providing support to approx. 7,633 students of 77 schools in Khanpur and Laksar Blocks- District Haridwar, Uttarakhand.

In the reporting period, your Company has completed infrastructure development works in 19 Schools of Phase II & III. Out of total 77 schools, 42 schools have been renovated under Parivartan Project till now.

Being a multiyear project, your company will be supporting the Government Education Department to develop Government schools into Model Schools that will have child-friendly infrastructure, trained & motivated teachers, empowered school management committees for the benefit of students.

During the year, the Company has continued its work on the long term project undertaken in FY23, the details of activities are given in **Annexure-D** to this report.

The details of the composition of the CSR & ESG 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 & ESG 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 & ESG Committee, and CSR Policy and Projects approved by the Board are available on the website of the Company at <https://www.relaxof footwear.com/policies>.

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.

During the year under review, the Company received 1 (One) Complaint from a shareholder of the Company regarding non-receipt of Discount Coupon, and the same was resolved.



Your Company hereby affirms that no person of the Company has been denied access to the Chairman of the Audit Committee.

The Policy is available on the website of the Company at the link <https://www.relaxofootwear.com/policies>.

36. Business Responsibility and Sustainability 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 FY23, 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.

In terms of the amended Regulation 34 of the Listing Regulations, the Business Responsibility and Sustainability Report, describing the initiatives taken by the Company for environmental, social and governance perspective, forms part of this Annual Report.

37. Policy on Prevention of Insider Trading

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has in place following policies/codes which are revised from time to time according to applicable laws or as per need:

- Code for Prevention of Insider Trading
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“UPSI”)
- Policy and procedures for inquiry in case of leak of UPSI/ suspected leak of UPSI

All compliances relating to Code of Conduct for Prevention of Insider Trading are being managed through a web-based portal installed by the Company. The Code, inter alia, lays down the procedures to be followed by DPs while trading/ dealing in Company’s shares and sharing 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 said code is available on the website of the Company at <https://www.relaxofootwear.com/policies>.

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

The Company is an equal employment opportunity employer and is committed to provide a safe and conducive work environment that enables women employees to work without fear of prejudice, gender bias and sexual harassment. The Company always believes in transparency, honesty, equality, antiracism and fairness to all including

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

Article 21 of the Constitution, which relates to the right to life and personal liberty, includes the right to live with dignity, and in the case of women, it means that they must be treated with due respect, decency and dignity of workplace. As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a policy on Prevention of sexual harassment of women at workplace and matters connected therewith and has also complied with the provisions relating to the Constitution of Internal Committee (IC).

An Internal Committee (IC) is available at each of Units and Offices of the Company as per the provisions of the law. The IC is responsible for redressal of complaints related to sexual harassment. 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 by IC during FY23.

It is our constant endeavour to ensure that we provide harassment free, safe and secure working environment to all employees specially 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 FY23, 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 Stable from Positive.

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 FY23, 12,540 (Twelve Thousand Five Hundred Forty) options were exercised by the employees of the Company. Accordingly, the Company on March 30, 2023 made an allotment of 12,540 (Twelve Thousand Five Hundred Forty) equity shares against the options exercised by the employees. During the Financial Year under review, the Company has cancelled 4,00,300 (Four Lacs Three Hundred) options due to Resignation/ Retirement as per the Company's ESOP Plan and cancellation of RFL Phase 3rd of ESOP Scheme 2014 due to surrender of ESOPs by the employees of the Company on voluntary basis.

During the year the Company rolled out fourth phase of RFL ESOP Plan 2014 and granted 7,71,200 (Seven Lacs Seventy One Thousand Two Hundred) options to 100 employees.

Pursuant to the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, a disclosure with respect to ESOP Plan of the Company as on March 31, 2023, 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.

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, 2023 of the Company and as on the date of this Report.

44. Internal Financial Controls

Your company has put in place adequate internal financial controls with reference to the financial statements commensurate with the size, scale and complexity of our operations.

Internal Financial Controls ensure orderly and efficient conduct of the business, including adherence to company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and the timely preparation of reliable financial information.

Internal Financial Control framework is independently evaluated by external agency apart from periodic evaluation by in-house Internal Audit function for necessary improvement, wherever required. Based on the results of such assessments, no reportable material weakness or significant deficiencies in the design or operation of Internal Financial Controls was observed.

Further, the Statutory Auditors of the Company also reviewed Internal Financial Controls over Financial Reporting of the Company as on March 31, 2023 and issued their report which forms part of the Independent Auditor's report.

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. N.	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, 2022	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	2	10,024
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, 2023	29	72,171

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 ₹1,84,906/- (Rupees One

Lac Eighty Four Thousand Nine Hundred and Six Only) from the Final Dividend for the Financial Year 2014-15 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 25, 2022 (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 FY23, the Company transferred 6,110 (Six Thousand One Hundred and Ten) 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. Ankit Jain, 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.relaxof footwear.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 Gupta & Dua, Chartered Accountants, (ICAI Firm Registration No. -003849N) 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 2023-24 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 customers, 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
	Managing Director	Whole Time Director
Delhi	DIN: 00157872	DIN: 00157898
May 10, 2023		



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 2022-23 is as follows :-

Name of Director	DIN	Ratio of Remuneration of Director to the Median Remuneration
Mr. Ramesh Kumar Dua	00157872	385.29
Mr. Mukand Lal Dua	00157898	385.29
Mr. Nikhil Dua	00157919	52.34
Mr. Gaurav Dua	09674786	52.34
Mr. Deval Ganguly	00152585	53.44
Mr. Pankaj Shrimali	00013142	2.86
Mr. Vivek Kumar	00206819	2.76
Ms. Deepa Verma	06944281	2.38
Mr. Rajeev Rupendra Bhadauria	00376562	2.30
Mr. Kuldip Singh Dhingra	00048406	1.19

- The aforesaid details are calculated on the basis of remuneration for the Financial Year 2022-23.
- The remuneration includes commission and sitting fee paid to the Directors for attending Board & Committee meetings.
- Median Remuneration for all its employees is ₹2,51,762/- for the Financial Year 2022-23.

B. Details of percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year 2022-23 as compared to last year are as follows :-

Name	Designation	% Increase / Decrease	
Mr. Ramesh Kumar Dua	Managing Director	-31.82	
Mr. Mukand Lal Dua	Whole Time Director	-31.82	
Mr. Nikhil Dua		7.25	
Mr. Gaurav Dua*		-	
Mr. Deval Ganguly		-69.03	
Mr. Pankaj Shrimali		10.77	
Mr. Vivek Kumar	Independent Director	20.24	
Ms. Deepa Verma		13.21	
Mr. Rajeev Rupendra Bhadauria		9.43	
Mr. Kuldip Singh Dhingra**		-	
Mr. Sushil Batra		Chief Financial Officer	-53.56
Mr. Vikas Kumar Tak***		Company Secretary	-61.04
Mr. Ankit Jain****	-		

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 Director after approval of financial statements by the shareholders.

* Mr. Gaurav Dua was appointed as Whole time Director of the Company w.e.f. July 26, 2022 therefore % Increase/Decrease is not applicable to him during the year.

** Mr. Kuldip Singh Dhingra was appointed as Non-executive Independent Director of the Company w.e.f. July 26, 2022 therefore % Increase/ Decrease is not applicable to him during the year.

*** Mr. Vikas Kumar Tak ceased from the position of Company Secretary w.e.f. December 15, 2022 therefore % Increase/ Decrease is computed till the date of his employment with the Company during the financial year.

**** Mr. Ankit Jain was appointed as Company Secretary of the Company w.e.f. February 4, 2023, however his remuneration is being shown here since his date of joining the Company i.e. January 12, 2023, therefore % Increase/Decrease is not applicable to him during the year.

C. Percentage increase in the median remuneration of all employees in Financial Year 2022-23 :-

There is increase of 10.13% in median remuneration of all employees in Financial Year 2022-23.

D. Number of Permanent Employees on the rolls of the Company as on March 31, 2023:

Particulars	No. of Employees
Staff	2388
Sub Staff	4348
Total	6736

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 7.26% over the previous year. The aggregate decrease in salary for Whole Time Directors and other KMP's was 36.98% in FY23 over FY22. 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 2022-23 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 2022-23 at a rate which in aggregate was not less than ₹8.50 lacs per month :

S. N.	Employee Name	Designation	Date of joining	Age (Years)	Remuneration (₹ in Lacs)	Qualification	Experience (Years)	Last Employment
1	Deval Ganguly	Whole Time Director	05-Nov-12	64	134.55	B. Tech.	42	JK Tyre & Industries Ltd.
2	Gaurav Dua	Executive Vice President (Marketing)	01-Apr-01	43	131.76	B.Com., MBA	22	Relaxo Footwears Ltd.
3	Hans Raj Sapra	Senior Vice President (Material)	16-Oct-93	74	135.17	BE, Dip. Mech. Engg.	50	India Meterological Dept.
4	Mukand Lal Dua [#]	Whole Time Director	13-Sep-84	74	970.01	B.Sc.	50	Relaxo Rubber Pvt. Ltd.
5	Nikhil Dua	Whole Time Director	01-Oct-08	48	131.76	B.Com., Course in Shoe Making (Czech Republic)	27	Marvel Polymers Pvt. Ltd.
6	Nitin Dua	Executive Vice President (Retail)	01-Apr-04	42	131.76	B.Com., PGDBM	19	Relaxo Footwears Ltd.
7	Partha Sengupta*	Vice President (Sales)	20-Jun-22	73	50.71	B.A. PGDM (Marketing)	41	Relaxo Footwears Ltd.
8	Rahul Dua	Asst. Executive Vice President (Manufacturing)	01-Jul-10	35	119.76	B. Com.	13	Relaxo Footwears Ltd
9	Ramesh Kumar Dua [#]	Managing Director	13-Sep-84	69	970.01	B.Com., Licentiate of LPRI London	47	Relaxo Rubber Pvt. Ltd.
10	Ritesh Dua	Executive Vice President (Finance)	01-Jun-00	46	131.76	B.Com., PGDBM	23	Relaxo Footwears Ltd.
11	Sushil Batra	Chief Financial Officer	30-Jul-07	58	154.58	B.Com., FCA	32	A2Z Infra Engg. Ltd.
12	Vinay Bajaj*	Vice President (Sales)	01-Jun-16	61	80.6	B. Com	32	SSIPL

Note:

[#] 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. Mr. Ramesh Kumar Dua is also related to Mr. Gaurav Dua, Promoter Director of the Company.

* Mr. Partha Sen Gupta and Mr. Vinay Bajaj were employed for part of the year.



Annexure 'B'

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31 2023

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, 2023 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, 2023 ("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) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not Applicable during the period under review.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **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 (“**Listing Regulations**”) 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, except as mentioned below:

- (i) The Chairman of Audit Committee has not attended the Annual General Meeting (“**AGM**”) of the Company held on August 25, 2022. As confirmed by the management of the Company that due to some business exigencies Chairman of Audit Committee had to urgently travel. Accordingly he couldn't attend this AGM.
- (ii) During the period April 01, 2022 to April 21, 2022, the Chairman of the Company and Nomination and Remuneration Committee (“**NRC**”) was the same Director of the Company. As confirmed by the management of the Company that during the aforesaid period no meeting of Board and NRC have been held. Accordingly, the Chairman of the Board hasn't attended any meeting of NRC as Chairman of the Company and did not take any decision in the NRC as Chairman of Company during the aforesaid period.
- (iii) The Company has delayed/non filing of certain forms with Registrar of Companies. As confirmed by the management of the Company that due to the technical issues on the portal of Ministry of Corporate Affairs arising on account of transition of V2 to V3, form CSR-2 could not be filed within prescribed timeline.
- (iv) The audio recordings of certain earning calls of the Company have been submitted by the Company with the stock exchanges within twenty-four hours from the conclusion of such calls but not before the next trading day from the conclusion of such calls. As confirmed by the management of the Company that going forward the Company did take care to file the same in all further correspondences with stock exchange before the next trading day from the conclusion of such call or twenty-four hours whichever was earlier.

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 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

Place : Delhi
Date : May 10, 2023

Shashikant Tiwari
Partner
Membership No. F11919
Certificate of Practice No. 13050
UDIN: F011919E000273411

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 Place, 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

Place : Delhi
Date : May 10, 2023

Shashikant Tiwari
Partner
Membership No. F11919
Certificate of Practice No. 13050
UDIN: F011919E000273411

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 arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis during Financial Year 2022-23:

(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 2022-23:

(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 2022-23:

(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 10 2023



Annexure 'D'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022 - 23

[Pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

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 that CSR is not just a compliance but a positive means of undertaking impactful community development initiatives by collaborating with diverse stakeholders. Even in the pre-CSR era, the promoters of your Company have been contributing to the welfare of society through partner 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" and "Environment Conservation". Your Company is open to new ideas, to address problem issues to undertake any CSR project as specified in Schedule VII of the Companies Act, 2013. 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 and is available at <https://www.relaxofootwear.com/policies>.

Your Company contributed in 6 CSR projects in 3 states viz. Delhi, Rajasthan and Uttarakhand, that helped in impacting lives of approximately more than 2.2 lakh people directly or indirectly.

Key initiatives under each thematic area are mentioned below -

A. Education & Skill development

I. "Parivartan" Model School Project

Parivartan Model School Project is focused over building/rebuilding the current school infrastructure and capacity building/developing the skills of the stakeholders like Teacher, Student, School Management Committee (SMC) Member, Parent as well as Community, with the following Goal and Objectives;

Project Goal:

- To develop a supportive equitable model for all children, especially girls in government schools, by improving the quality and accessibility of education leading to overall development of the individual and the community.

Project Objectives:

- To renovate/repair/build the school infrastructure facilities in-line with BaLA (Building as a Learning Aid) concept, for making school an interesting and attractive place for children.
- To facilitate the teachers in improving classroom transactions by following techniques of positive discipline, joyful learning etc.
- To develop the overall personality of students through Life Skills, Health & Hygiene, Sports, Co-curricular activities etc.
- To build capacity of SMC Members for their active involvement in the management of target schools.
- To sensitize parents over the child's education, health, nutrition etc.
- To improve school governance and education status in target areas through a participatory approach with all stakeholders including teachers, government department officials, students, school management committees, parents and community as well.

During the year, your Company initiated Phase III of the ongoing Parivartan project in co-ordination with Sarva Shiksha Abhiyan, Uttarakhand, by adopting additional 32 schools of Khanpur and Laksar blocks- District Haridwar, Uttarakhand.

Currently this project is running in 3 phases, providing support to approx. 7,633 students of 77 schools in Khanpur and Laksar Blocks- District Haridwar, Uttarakhand. Detail of all phases is given herein below:

Phase	Time period	Brief details	Total project Cost (₹ in Lacs)
Phase- I	-	Undertaken 13 [12 Govt. Primary School (GPS) and 1 Govt. Upper Primary School (GUPS)] Schools in Khanpur block.	Through implementing agency "Relaxo Foundation"
Phase- II	2021-2024	Undertaken 32 GPS in Khanpur block.	542.71
Phase- III	2022-2025	Undertaken 32 [13 GUPS & 3 Govt. Higher Secondary School (GHSS)]- Khanpur and (14 GPS & 2 GUPS) at Laksar Block.	644.48

In the reporting period, your Company has completed infrastructure development works in 19 Schools of Phase II & III. Out of total 77 schools, 42 schools have been renovated under Parivartan Project till now.

Being a multiyear project, your company will be supporting the Government Education Department to develop Government schools into Model Schools that will have child-friendly infrastructure, trained & motivated teachers, empowered school management committees for the benefit of students.

II. Remedial Education Program

Remedial Education Project in Bawana, Delhi is providing supportive remedial education to 158 students (70 Boys & 88 Girls) of Classes VIII & IX of Government schools. Many awareness programs and introductory sessions were conducted during the year for the students.

III. Vocational Training Program

Under the Skill Development domain, your Company is implementing Customer Service Associate (CSA) course to support the youth from destitute background. GMR Varalakshmi Foundation is the implementing partner responsible to impart the training as well as placement of the passed students. During the year, total 113 Students were passed and all got placed in different organizations.

B. Health & Hygiene

I. Comprehensive Health Project- Mobile Health Unit

For providing the primary health care services at the doorstep of villagers Relaxo Foundation, in partnership with Smile Foundation is running a mobile health unit project in 11 villages around Bhiwadi, District Alwar in Rajasthan. This mobile van is equipped with qualified- MBBS Doctor, Pharmacist, ANM, Lab Technician, and Community Mobilizer, with the basic testing kits and equipment.

In 2022-23, total 17,268 OPD's were registered in 534 health camps. Antenatal/Postnatal Care services/counselling were provided to 165 beneficiaries, and 838 pathology tests were done. 274 awareness sessions have been conducted with the community people over various topics like diabetes, hypertension, maternal & child health care, nutrition, breastfeeding etc. Apart from the above activities, 2 mega health camps were also organized in which 723 people got diagnosed and provided with free medicines by specialist doctors.

II. Project 'NAYAN' Giving Sight to the Underprivileged

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

During the year 43,421 screenings were done through two vision centres, door to door campaigning and community camps. Total 1,424 surgeries were conducted out of which 1,317 were cataract surgeries and 107 were speciality surgeries. 20 community camps were conducted with the support of local volunteers. A week long events and awareness sessions were also organized in villages on World Sight Day, World Retinoblastoma Day, World Glaucoma Day etc.

C. Environment Conservation

Your company has taken up new long-term initiatives under the Environment Conservation domain in 2022-23, under which, work will be done to conserve the rain-water through construction & renovation of the water holding structures like Anicut/Check-dam and Earthen Pond.



These structures will hold the rain-water in a certain area which would otherwise runoff quickly, and thus surely have multifaceted long-term impact over water availability and overall improvement in the environment. Plantation is another way to conserve environment and making it clean & green.

I. Water Conservation

Your Company has started water conservation project by building/renovating 3 new (2 Anicuts & 1 Earthen Pond) and 2 old structures (1 Anicut and 1 Earthen Pond) at Gram Panchayat Lalpur &

Buffer area of Sariska Tiger Reserve, Thanagazhi Block of District Alwar, Rajasthan. This project is being implemented in co-ordination with Watershed Development & Soil Conservation Department and Sariska Tiger Reserve, Alwar, Rajasthan.

II. Plantation

Plantation project has been started over 2 road dividers in Bhiwadi, Rajasthan, in co-ordination with RIICO.

2. Composition of CSR & ESG Committee:

The Composition and attendance of members at the meetings held during the Financial Year 2022-23 is as following:

S. N.	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. Mukand 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
5	Mr. Vivek Kumar*	Member/Independent Director	2	2

*Appointed as member w.e.f July 1, 2022.

CSR & ESG Committee meetings were held on July 25, 2022 and February 4, 2023.

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

The web-link 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/policies>.

4. Provide the executive summary along with web-link (s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Your Company does not fall under the criteria of Impact assessment as per sub-rule (3) of rule 8 of the CSR Rules.

S. N.	Particulars	Amount (₹ in Lacs)
(a)	Average net profit of the Company as per sub-section (5) of Section 135:	33636.54
(b)	Two percent of average net profit of the company as per sub-section (5) of Section 135:	672.73
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years:	Nil
(d)	Amount required to be set off for the financial year, if any:	Nil
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]:	672.73

S. N.	Particulars	Amount (₹ in Lacs)
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):	35.92
(b)	Amount spent in Administrative Overheads:	1.89
(c)	Amount spent on Impact Assessment, if applicable:	Nil
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]:	37.81

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lacs)	Amount Unspent (₹ in Lacs)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
37.81	634.92	April 27, 2023 & April 28, 2023	NA	NA	NA

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

S. N.	Particulars	Amount (₹ in Lacs)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	672.73
(ii)	Total amount spent for the Financial Year	37.81
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(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

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

S. N.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ in Lacs)	Balance Amount in unspent CSR Account under sub-section (6) of section 135 (₹ in Lacs)	Amount spent in the Financial Year (₹ in Lacs)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years. (₹ in Lacs)	Deficiency, if Any (₹ in Lacs)
					Amount (₹ in Lacs)	Date of transfer.		
1	2020-21	542.71*	422.20	195.91	-	-	226.29	Nil
2	2021-22	644.48	644.48	64.02	-	-	580.46	Nil

*₹120.51 Lacs were spent during FY 2021-22.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:

No.

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

During the year, your Company has spent ₹37.81 lacs in Remedial Education and Environment Conservation projects. The balance amount of ₹634.92 lacs has been transferred to the Unspent CSR Account on April 27 & 28, 2023, which will be spent over the Education & Skill Development and Environment Conservation projects approved by the Board of Directors, as recommended by the CSR & ESG committee on July 25, 2022, under "Parivartan" Model School Project - Phase IV, by adding more Government schools in District Haridwar, Uttarakhand. Similarly, Environment Conservation project will be expanded in collaboration with respective Government Departments. These projects are undertaken for a period of 4 (four) years i.e., till the Financial Year 2025-26.



Your Company also continued its social initiatives undertaken in yester years, through its dedicated society viz. Relaxo Foundation. Relaxo Foundation has spent ₹137.16 Lacs, 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. N.	CSR Projects/ activity identified	Sector in which the project is covered/ Relevant Section of Schedule VII in which the project is covered	Locations	Amount spent on the projects or programs (₹ In Lacs)	Amount spent: Direct or through implementing agency
1	Parivartan' Model School Project Phase I- 13 Schools	Education	Haridwar, Uttrakhand	9.11	Plan International (India Chapter)
2	Comprehensive Health Project- Mobile Health Unit	Healthcare	Bhiwadi, Rajasthan	31.54	Smile Foundation
3	'NAYAN' Giving Sight to the Underprivileged	Healthcare	Bhiwadi, Rajasthan	93.96	Dr. Shroff's Charity Eye Hospital
	Sub Total			134.61	
4	Administrative Expenses			2.55	Direct
	Total			137.16	

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

Delhi, May 10, 2023

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

Sushil Batra
(Chief Financial Officer)

Annexure 'E'

1. CONSERVATION OF ENERGY

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

Your Company is committed to invest in latest energy efficient technologies and wastage prevention at all locations, plants and sites seeking constant improvements.

The steps taken or impact on conservation of energy:

The Company undertook following initiatives at plants for energy conservation and cost control, favorably impacting cost of production:

- Existing DG sets converted to run in hybrid/dual fuel mode alternating between HSD and CNG ensuring energy conservation and comparatively low pollution.
- Changeover to PNG (Piped Natural Gas), from LPG, in Bahadurgarh plants for boiler operation.
- Replacement of conventional lights with LEDs, conventional motors with servo motors and installation VFDs for compressors across plants.
- Switched to single coat adhesive for sandal pullover making thereby bypassing one heater requirement resulting in energy conservation and saving in adhesive application.

Capital investment on energy conservation:

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

2. TECHNOLOGY ADOPTION

a) Efforts made towards technology adoption

- In-house blending of two main components- Polyol & Isocyanate- for PU products has led to cost saving in the process.

- Setting up of captive fly-knit upper manufacturing facility to cater to increasing demand for knitted uppers in shoe & PU Division.
- Two stage mixing all across and introduction of polymer blends for all Hawaii/ EVA products, ensuring better physical properties and market competitiveness.
- Switched to automatic textile cutting machine from manual travel head clickers leading to saving in raw material cost and productivity improvement.

b) Benefit derived as a result of the above efforts

- Transition towards environment friendly production processes
- Improved product quality
- Process cost efficiency
- Better shop floor environment
- Self - sufficiency in process management

c) Technology imported during last 3 years: None

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 participates in prestigious international exhibition and has developed markets of Asia, Middle East, 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	2022-23	2021-22
Used	309.56	565.61
Earned	121.24	105.14



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 submits 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. N.	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, November 1, 2021, May 11, 2022, July 26, 2022, November 2, 2022 and March 14, 2023
4	Options Granted	28,88,230
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. N.	Particulars	ESOP Scheme
1	Options Outstanding at the Beginning of the Year	3,56,850
2	Number of Options Granted during the Year	8,38,100
3	Number of options vested during the Year	0
4	Number of options exercised during the Year	12,540

S. N.	Particulars	ESOP Scheme
5	Total number of shares arising as a result of exercise of options	12,540
6	Number of options Cancelled during the Year	4,00,300
7	Number of Options outstanding at the end of the year	7,82,110
8	Number of Options exercisable at the end of the year	10,910
9	Money realised by exercise of options during the year (₹)	42,97,996.20
10	Loan repaid by the trust during the year from the exercised price received	N.A.

C. Employee-wise details of options granted to:

(i) Senior managerial personnel

Name	No. of options granted
Anil Kumar Jha	11,200
Ashish Bansal	6,700
Ashish Nigam	10,500
Ashish Srivastava	14,800
Deval Ganguly	24,200
Hans Raj Sapra	23,900
Manoj Pratap Singh	11,200
Neeraj Kumar Awasthi	13,300
P N Tiwari	5,500
Pratikshit Gupta	3,800
R Lakshmanan	16,000
Rajeev Bhatia	11,300
Rajesh Manuja	7,000
Rishi Mutreja	11,300
Sauhard Saran	18,700
Shravan Kumar Singh	10,400
Sushil Batra	26,200
Syed Shahroze Farhat	6,700
Verinder Kumar	18,000
Vijay Wadhwani	11,500
Total	2,62,200

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

Name	No. of options granted and exercise price
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 and exercise price
NIL	

D.

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

(a)	Exercise price equals market price (₹)	776.63
(b)	Exercise price is greater than market price (₹)	Nil
(c)	Exercise price is less than market price (₹)	Nil



(ii) Weighted average fair value of options whose

(a)	Exercise price equals market price (₹)	224.77
(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 (₹) Volatility Risk free Rate Exercise Price (₹) Time to Maturity (In Years) Dividend yield	776.63 27.98% 7.13% 776.63 3.24 0.32%
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, Gupta & Dua, 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, 2023, 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, 2023.
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.

New Delhi, May 10, 2023

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

Mukesh Dua
Partner
Membership No. 085323
UDIN: 23085323BGR10E4116



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.

To succeed, we believe, requires highest standards of corporate behavior towards everyone we work with and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our Stakeholders.

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 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, 2023, the Company has 1 (One) Managing Director, 4 (Four) Whole Time Directors and 5 (Five) 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, 2023, the Board of Directors of the Company met 5 (Five) times on May 11, 2022, July 26, 2022, November 02, 2022, February 04, 2023 and March 30, 2023. 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, 2023 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, 2023 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 25, 2022) attended through VC/OAVM	No. of positions held as on March 31, 2023			Name of Listed Entity where the person is a Director (Category)	No. of equity shares held as on March 31, 2023
				No. of other Directorship ¹	Committee ² (including the Company)			
					Membership	Chairmanship		
Ramesh Kumar Dua ³	Promoter Managing Director- Executive	5(5)	Yes	1	1	-	-	5,84,01,744 ⁶
Mukand Lal Dua ³	Promoter Whole Time Director- Executive	5(5)	Yes	-	1	-	-	5,07,25,466 ⁶
Nikhil Dua	Promoter Whole Time Director- Executive	5(5)	Yes	-	1	-	-	92,43,674
Gaurav Dua ⁴	Promoter Whole Time Director- Executive	4(4)	Yes	-	-	-	-	93,43,674
Deval Ganguly	Whole Time Director- Executive	5(5)	Yes	-	-	-	-	-
Vivek Kumar	Independent Director- Non-Executive	5(5)	Yes	-	2	1	-	-
Pankaj Shrimali	Independent Director- Non-Executive	5(5)	No	-	1	1	-	16,050
Rajeev Rupendra Bhadauria	Independent Director- Non-Executive	5(5)	Yes	-	1	-	-	-
Deepa Verma	Independent Director- Non-Executive	5(5)	Yes	-	-	-	-	-
Kuldip Singh Dhingra ⁵	Independent Director- Non-Executive	1(4)	No	6	-	-	1	10,457

- 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. Mr. Ramesh Kumar Dua is also related to Mr. Gaurav 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.
- Mr. Gaurav Dua was appointed as Whole Time Director of the Company w.e.f. July 26, 2022
- Mr. Kuldip Singh Dhingra was appointed as Non-Executive Independent Director of the Company w.e.f. July 26, 2022.
- As per Shareholding pattern submitted to Stock Exchange for the period ended on March 31, 2023



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, 2023:

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	√		√	
Gaurav Dua	√		√	√
Deval Ganguly	√		√	
Pankaj Shrimali	√	√		√
Vivek Kumar	√	√	√	
Rajeev Rupendra Bhadauria	√			√
Deepa Verma	√			√
Kuldip Singh Dhingra	√	√		√

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 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 2022-23, the Independent Directors of the Company met once on March 30, 2023.

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.relaxofootwear.com/other-disclosures>.

Company Secretary

Mr. Vikas Kumar Tak ceased to be Company Secretary and Compliance Officer of the Company w.e.f. December 15, 2022, and Mr. Ankit Jain was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. February 4, 2023.

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. CSR & ESG 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 public issue or rights issue or preferential issue or qualified institutions placement, 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 discharging 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) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- c) Internal audit reports relating to internal control weaknesses;
- d) Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
- e) Statement of deviations;
- f) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); and

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, 2023, 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 11, 2022, July 26, 2022, November 02, 2022, and February 04, 2023. 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 of the Company as special invitees. The Chairman of Audit Committee could not attend the Annual General Meeting (“AGM”) of the Company held on August 25, 2022, due to some business exigencies.

The Company Secretary of the Company acts as the Secretary to this Committee.

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, 2023, 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 6 (six) times i.e. May 11, 2022, July 19, 2022, November 4, 2022, December 12, 2022, December 27, 2022 and February 14, 2023. 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	6	6
Mr. Ramesh Kumar Dua	Member	Managing Director	6	6
Mr. Mukand Lal Dua	Member	Whole Time Director	6	6

Status of total complaints received during the Financial Year ended March 31, 2023:

S. N.	Particulars	No. of Complaints
1	Complaints, suggestions and grievances received during the year	84
2	Complaints resolved within 15 days	83
3	Complaints pending on March 31, 2023	1



The Chairman of the Committee was present at the last AGM held on August 25, 2022 through VC/DAVM. The Company Secretary of the Company acts as the Secretary to this AGM.

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 6,110 (Six Thousand One Hundred and Ten) 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.
- (b) 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.

- (c) Formulation of criteria for effective evaluation of performance of the Board, Independent Directors and other individual directors and review its implementation and compliance thereof.
- (d) Devising a policy on diversity of board of directors.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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, 2023 the Committee comprised of 3 (Three) members. Ms. Deepa Verma, Non-Executive Independent Director of the Company is the Chairperson of the Committee. The other members of the Committee are Mr. Pankaj Shrimali and Mr. Vivek Kumar.

The Chairperson of the NRC was present at the last AGM held on August 25, 2022. During the Financial Year under review, the Committee met 6 (Six) times i.e. May 11, 2022, July 26, 2022, November 02, 2022, February 04, 2023, March 14, 2023 and March 30, 2023. 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
Ms. Deepa Verma	Chairperson	Non-Executive & Independent Director	6	6
Mr. Vivek Kumar	Member	Non-Executive & Independent Director	6	6
Mr. Pankaj Shrimali	Member	Non-Executive & Independent Director	6	6

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.relaxof footwear.com/policies>.

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board of Directors, in consultation with NRC, 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 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 of 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.

REMUNERATION DETAILS

The details of remuneration paid to Executive and Non-Executive Directors during the Financial Year 2022-23 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 2022-23 is as follows:

(₹ in Lacs)

Particulars	(Managing Director)	(Whole-Time Directors)			
	Mr. Ramesh Kumar Dua	Mr. Mukand Lal Dua	Mr. Nikhil Dua	Mr. Gaurav Dua	Mr. Deval Ganguly
Salary	180.00	180.00	96.46	96.46	106.03
Commission Payable	765.00	765.00	-	-	-
Contribution to Provident Fund	21.60	21.60	5.04	5.04	5.54
Perquisite value of Stock Options	-	-	-	-	-
Allowance/ Perquisites	3.41	3.41	3.90	3.90	4.17
Performance Incentive	-	-	26.36	26.36	18.81
Total	970.01	970.01	131.76	131.76	134.55



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, 24,200 options were granted to Mr. Deval Ganguly under RFL Phase IV and 9,700 options were cancelled due to voluntary surrender of ESOPs by him under RFL Phase -III. The options were granted 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. Mr. Gaurav Dua, Whole-Time Director was appointed with effect from July 26, 2022 till September 30, 2023 and is related to Mr. Ramesh Kumar Dua.
6. No severance fee is payable to Managing Director and Whole-Time Directors.
7. 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 and commission to the Non-Executive and Independent Directors for attending Board and its Committees Meetings during the Financial Year ended March 31, 2023 and the number of shares held by the Non-Executive and Independent Directors as on March 31, 2023 are as under:

(₹ in Lacs)

Name of Directors	Category	Sitting Fees	Commission	Total	No. of shares held
Mr. Pankaj Shrimali	Non -Executive & Independent Director	4.70	2.50	7.20	16,050
Mr. Vivek Kumar	Non -Executive & Independent Director	4.45	2.50	6.95	-
Ms. Deepa Verma	Non -Executive & Independent Director	3.50	2.50	6.00	-
Mr. Rajeev Rupendra Bhadauria	Non -Executive & Independent Director	3.30	2.50	5.80	-
Mr. Kuldip Singh Dhingra	Non -Executive & Independent Director	0.50	2.50	3.00	10,457

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.

IV. CSR & ESG COMMITTEE

The Company has constituted CSR & ESG 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 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/policies>.

The Report on CSR activities for the Financial Year 2022-23 forms a part of the Board's Report.

Composition and Attendance

As on March 31, 2023, the Committee comprised of 5 (Five) members namely Mr. Ramesh Kumar Dua-Chairman, Mr. Mukand Lal Dua, Mr. Pankaj Shrimali, Ms. Deepa Verma and Mr. Vivek Kumar- Members.

During the financial year under review, the Board had re-constituted "CSR Committee" as "CSR & ESG Committee" in its Meeting held on May 11, 2022 w.e.f. 01 July, 2022, by adding another Independent Director i.e. Mr. Vivek Kumar, who possess adequate qualification for being appointed as a member of the CSR & ESG Committee.

During the Financial Year under review, the Committee met 2 (Two) times on July 25, 2022 and February 04, 2023. 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
Mr. Vivek Kumar	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.relaxof footwear.com/policies>.

As on March 31, 2023, 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 05, 2022 and January 31, 2023. All the Risk Management 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

4. 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
2021-22	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 25, 2022	10.30 a.m.
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.



5. EXTRA ORDINARY GENERAL MEETING

During the Financial Year 2022-23, no Extra Ordinary General Meeting was held.

6. 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.

7. 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 2022-23, 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/policies>.

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 of 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 behaviour, 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://www.relaxofootwear.com/policies>.

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 Chairman of 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, 2023.

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 Designated Persons (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 2022-23, Company had foreign exchange exposure towards the import and export. However, the Company has hedged major part of the import transactions.

i) Policy for Determining Material Subsidiary Companies

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

8. RECONCILIATION OF SHARE CAPITAL

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

9. 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/policies> 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, 2023, is enclosed with this report.

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

11. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting

Date : August 24, 2023
Day : Thursday
Time : 10.30 a.m.

Venue: 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 General Circular No.10/2022 dated December 28, 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, 2022 - March 31, 2023. 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 18, 2023 to Wednesday, August 23, 2023 (both days inclusive).

d) Dividend Payment Date:

On or before September 22, 2023 (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.

f) Listing on Stock Exchanges:

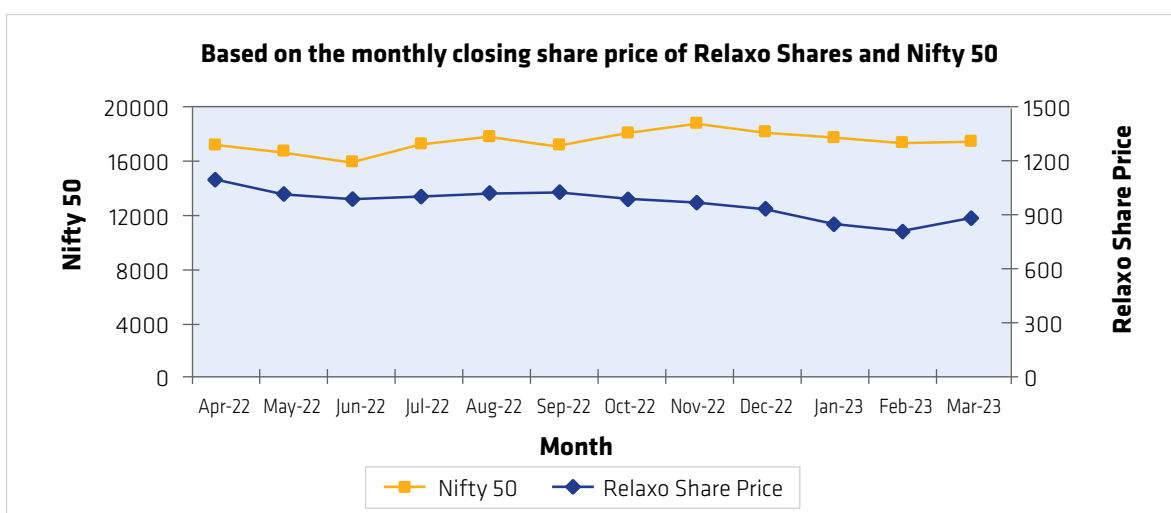
Name and address of the Stock Exchange	Scrip Code	Status of listing fee paid for the FY 2023-24
National Stock Exchange of India Limited Exchange Plaza C-1, Block - G, Bandra-Kurla Complex, Bandra (E) Mumbai-400 051	RELAXO	Paid
BSE Limited Phirozee Jeejeebhoy Towers, Dalal Street, Mumbai-400001.	530517	Paid

g) Market Price Data

Table showing monthly price movement on NSE & BSE during the Financial Year 2022-23:

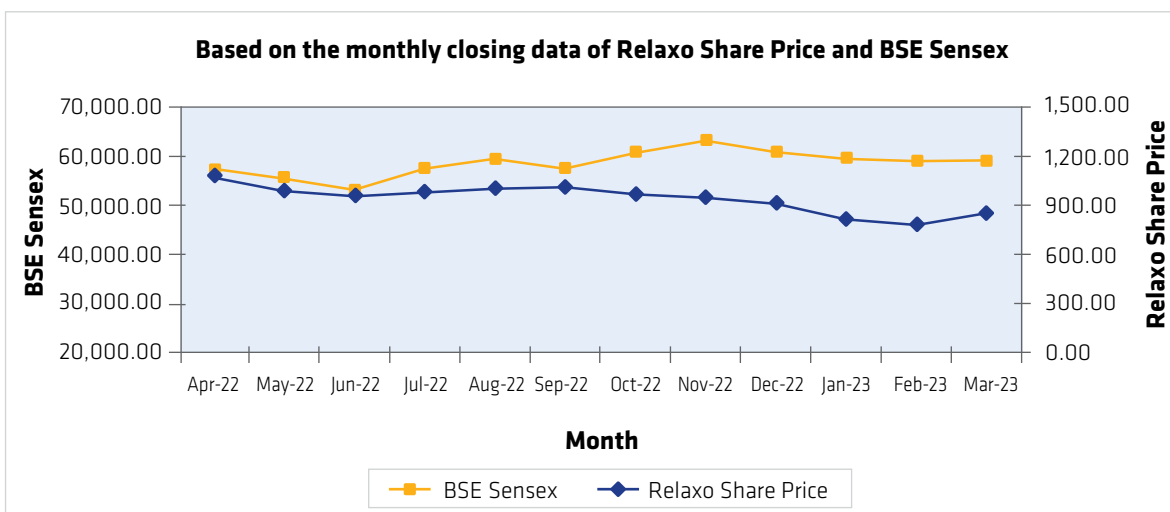
(in ₹)

Month & Year	NSE			BSE		
	High	Low	Close	High	Low	Close
Apr-22	1179.15	1068.00	1081.60	1301.00	1069.65	1080.85
May-22	1098.00	925.00	991.15	1127.20	928.00	992.55
Jun-22	1016.80	936.00	963.85	1015.90	936.90	964.85
Jul-22	1037.00	953.45	982.70	1036.45	954.00	983.70
Aug-22	1033.00	951.00	1000.55	1032.00	957.00	1000.15
Sep-22	1107.00	996.35	1006.85	1105.25	996.95	1008.70
Oct-22	1034.60	954.55	967.35	1034.50	955.00	968.05
Nov-22	979.60	880.50	945.65	979.25	882.45	945.10
Dec-22	962.00	880.00	910.05	960.00	880.30	910.20
Jan-23	915.80	800.00	820.10	916.55	799.30	818.15
Feb-23	830.25	770.00	777.90	836.50	770.00	777.20
Mar-23	858.00	748.00	850.95	858.50	748.50	848.90



Source: www.nseindia.com





Source: www.bseindia.com

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)
 Selenium Building Tower B, Plot 31-32,
 Financial District, Gachibowli,
 Hyderabad, Telangana - 500 032,
 Email : einward.ris@kfin.com
 website: <https://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. All the shareholders are advised to adhere SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021.

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, 2018, have been submitted with stock exchanges.

j) **Distribution Pattern as on March 31, 2023:**

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

S. N.	No. of Equity Shares held	2023				2022			
		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	3,67,474	99.87	1,42,40,144	5.72	3,17,405	99.81	1,31,06,061	5.27
2	5001- 10000	262	0.07	19,21,917	0.77	309	0.10	22,46,466	0.90
3	10001- 20000	90	0.02	12,93,406	0.52	125	0.04	18,37,568	0.74
4	20001- 30000	25	0.01	6,20,633	0.25	30	0.01	7,34,108	0.30
5	30001- 40000	17	0.00	6,00,834	0.24	22	0.01	7,79,843	0.31
6	40001- 50000	12	0.00	5,48,368	0.22	12	0.00	5,48,559	0.22
7	50001- 100000	26	0.01	17,04,687	0.68	32	0.01	22,02,277	0.88
8	100001 & Above	50	0.01	22,79,96,057	91.59	61	0.02	22,74,71,164	91.38
	Total	3,67,956	100.00	24,89,26,046	100.00	3,17,996	100.00	24,89,26,046	100.00

*12,540 Equity shares of face value of ₹1/- each were allotted on March 30, 2023; however, these shares were listed in the month of April, 2023, therefore the aforesaid shares are not accounted in the above table.

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

S. N.	Category	2023				2022			
		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	15	0.00	17,73,62,821	71.25	12	0.00	17,61,94,906	70.78
2	Bodies corporate	519	0.15	2,58,69,908	10.39	705	0.22	2,61,16,404	10.49
3	Resident individuals	3,59,655	97.75	1,68,32,725	6.76	3,10,052	97.50	1,69,12,185	6.79
4	H U F	1,868	0.51	2,89,527	0.12	1,734	0.55	6,65,993	0.27
5	Clearing Members	27	0.00	2,255	0.00	155	0.05	1,43,634	0.06
6	Non-resident Indians	5,588	1.52	8,86,857	0.36	5,028	1.58	12,49,028	0.50
7	Foreign Portfolio Investors	127	0.03	70,07,761	2.82	134	0.04	80,08,899	3.22
8	Others	157	0.04	2,06,74,192	8.30	176	0.06	1,96,34,997	7.89
	Total	3,67,956	100.00	24,89,26,046	100.00	3,17,996	100.00	24,89,26,046	100.00

*12,540 Equity shares of face value of ₹1/- each were allotted on March 30, 2023; however these shares were listed in the month of April, 2023, therefore the aforesaid shares are not accounted in the above table.

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, 2023, is given below*:

Particulars	No. of Shares	% of Paid up Capital	No. of Shareholders
National Securities Depository Limited (a)	23,76,76,186	95.8	73,505
Central Depository Services (India) Limited (b)	1,07,64,010	4.32	2,94,326
Shares in Demat Form (a+b)	24,84,52,736	99.80	3,67,831
Shares in Physical Form (c)	4,85,850	0.20	125
Total (a+b+c)	24,89,26,046	100.00	3,67,956

*12,540 Equity shares of face value of ₹1/- each were allotted on March 30, 2023; however, these shares were listed in the month of April, 2023, therefore the aforesaid shares are not accounted in the above table.

l) Investors Correspondence:

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

Mr. Ankit Jain,
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 working 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 83 investors' complaints were resolved and 1 complaint was pending as on March 31, 2023.

n) Corporate Identity Number (CIN): L74899DL1984PLC019097

o) Per Share Data:

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
Net Earning (₹ in Crore)	154.47	232.68	291.56	226.25	175.44
Cash Earning (₹ in Crore)	283.40	345.87	412.52	341.04	245.00
EPS-Basic (in ₹)	6.21	9.36	11.74	9.12	7.07*
Dividend (including Interim Dividend per share) (in ₹)	2.50	2.50	2.50	1.25	0.90*
Dividend Pay out (%)	40.26	26.71	21.29	13.71	12.72
Book Value Per Share (in ₹)	74.52	70.71	63.29	51.26	89.08
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 2022-23, ICRA has retained long term rating of the Company to

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)

[ICRA] AA (pronounced as ICRA Double A). The outlook has been revised to "Stable" from "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 ₹1,84,906 /- from the Final Dividend for the year 2014 - 15 due for transfer to IEPF.

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

s) During the Financial Year 2022-23, Company had foreign exchange exposure towards the import and export. However, the Company has hedged major part of the import transactions.

t) Other useful information for the shareholders:

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

Account details, as furnished to the Depository Participants ("DP") will be printed on their Dividend Warrants. The Company will not entertain requests for change of such bank details printed on their dividend warrants.

- v) Members holding shares in physical form, are requested to notify to the Company, change in their Address/Pin Code Number and Bank Account details promptly.
- vi) Beneficial owners of shares in demat form, are requested to send their instructions regarding change of address, bank details, nomination, power of attorney etc. directly to their DP as the same are maintained by them.
- vii) Section 72 of the Act extends nomination facility to individuals holding shares in physical form in Companies. Members, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nomination in the prescribed Nomination form.
- viii) As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/687 dated December 14, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, 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
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Delhi
May 10, 2023



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, 2023.
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 10, 2023

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, 2023, a confirmation that they are in compliance with the Company's Code of Conduct.

Place: Delhi
Date: May 10, 2023

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, 2023 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.

S. N.	Name of Director	DIN	Date of appointment
1	Ramesh Kumar Dua	00157872	13/09/1984
2	Mukand Lal Dua	00157898	13/09/1984
3	Nikhil Dua	00157919	22/02/1997
4	Gaurav Dua	09674786	26/07/2022
5	Deval Ganguly	00152585	05/11/2012
6	Vivek Kumar	00206819	30/01/2007
7	Pankaj Shrimali	00013142	29/05/2010
8	Deepa Verma	06944281	18/09/2014
9	Rajeev Rupendra Bhadauria	00376562	23/08/2019
10	Kuldip Singh Dhingra	00048406	26/07/2022

Ensuring the eligibility 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 : F003616E000456849

ICSI Peer Review Certificate No. :1205/2021

ICSI Unique Identification No. :1999DE144000

Place : Delhi

Date : June 5, 2023



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

Lifestyles changes, economic growth, and heightened focus on health, especially in the wake of the pandemic, have boosted demand for footwear globally. Further, there is a gradual shift in consumer perception towards footwear, elevating it from being a functional necessity to a lifestyle accessory, requiring occasion based usage, leading to an increase in overall demand. Global footwear market trends indicate a robust growth with CAGR of 15 - 17% over FY22-25.

Rising disposable incomes, easy accessibility and a change in attitude is prompting Indians to move up the value chain, seeking products for different use occasions, spurring design & development of new segments in footwear. This is fuelling growth in individual categories, be it slippers, sandals or shoes, in terms of price, performance and aesthetics, driving industry leaders to innovate their offerings continually.

India is the second largest producer of footwear globally, next only to China. As one of the fastest growing industries, it offers an array ranging from traditional to the modern, in both leather and non-leather categories. Indian footwear industry not only generates employment opportunities nationwide but also contributes to the economy. According to Invest India's report on the non-leather footwear industry in India, the sector is poised to grow eight-fold by 2030 wherein India's share will soon cross the \$6 billion mark by 2024. Further, the share of unorganised sector is gradually declining, paving way for growth of branded footwear.

Socio economic advances in India and a burgeoning middle class with rising disposable income and growing aspirations is hastening shift towards brands and premium products, driving growth for the Indian footwear market. A dynamic lifestyle, evolving purchase habits and impact of social media has brought about rapid changes 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.

Additionally, growth of online market places supported with rapidly developing infrastructure for logistics and billing has created an enabling landscape for tapping latent demand across the country. Quick to spot this emerging trend, the companies too have rejigged their strategies and earmarked significant investments for this. Advancements in big data and analytics provide invaluable insights about consumer behaviour, useful for product development and strategic marketing planning. Innovative experiences of Omni channel presence, BNPL (Buy Now, Pay Later) and Quick Commerce are building excitement into this arena and startups of all kind are jumping onto this bandwagon. On their part, Indian consumers are increasingly at ease with technology and digital ecosystems, readily buying in to this transition even as a bonanza of choice, convenience and price optimisation makes them the ultimate winner.

Opportunities and challenges

Opportunities:

With broad macro factors turning favourable, Indian footwear industry is poised for rapid growth. Infrastructural development pacing up, increasing urbanisation, changing consumption patterns, growth in organised retail and conducive business environment will all provide momentum to the industry. Even as presently about 90% of the footwear produced in India is consumed domestically, this is expected to scale up in near future.

Indian footwear industry enjoys a competitive advantage over its international peers as it has easy access to cost efficient skilled manpower and abundant raw material thus holding potential of evolving into a manufacturing hub for exports. With conducive policies it can generate significant employment, primarily for weaker sections of society.

The India growth story has also brought about evident changes on the consumption front.

Conducive business environment and positive socio economic changes within tier II & III cities have opened up new vistas of growth, making consumers more conscious about available choices in footwear and means to access them with ease. More women entering the workforce and a younger population with evolving lifestyle has only further aided this transition to the organised sector.

Challenges, risks & concerns:

FY23 has seen great unrest globally amidst geo political tensions and a raging war in Europe with no signs of abating. This has had catastrophic impact on supply chains internationally, disrupting

availability of raw materials and leading to inflationary pressures all across.

The Indian footwear industry is subject to regulatory pressures and increasing requirements of compliance to evolving commercial and technical norms can affect business and financial performance, at least in the short run.

Even as the footwear industry is moving towards being an organised sector, large number of small scale players pose a strong price competition to those dealing in branded products, pushing them to embrace greater technology and innovation in their manufacturing and marketing processes.

While the impact of Covid-19 pandemic has slowed down, it is still far from being over, rearing its ugly head every once in a while, casting a dark shadow over life and business alike, subduing outlook before complete normalcy returns.

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 changes 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 FY24.

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. Your Company 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.

Your Company, with over 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 Board's Report.

Human Resources/Industrial Relations

Over the last year, your Company has taken various initiatives for employee benefit and retention. The detailed information is provided at point no. 3 of the Board's Report. The relationship of your Company with employees has been cordial during the year. As on March 31, 2023, the total number of employees of the Company are 6,736 against 8,026 on March 31, 2022.

Financial Performance of the Company

During the FY23, your Company achieved a turnover of ₹2782.77 crores and profit of ₹154.47 crores. Detailed report on financial performance of the Company is provided in point no. 2 & 3 of the Board's Report.

The Board has recommended a final dividend @ 250% equivalent to ₹2.50/- per equity share of ₹1/- each fully paid up for the FY23.

The capital expenditure incurred during the FY23 amounted to ₹174.35 Crore as compared to ₹145.87 Crores in FY22. The capital expenditure was in line with the growth strategy of your Company and was funded through internal accruals.

Your Company has no term loan outstanding as on March 31, 2023.

Your Company has only one segment i.e. 'Footwear and related products' and the performance is already captured in point no. 2 & 3 of the Board's 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. N.	Particulars	UOM	2022-23	2021-22	Change in % between Current FY & Previous FY	Explanation/ Reason for Change
1	Debtors Turnover	Times	9.69	11.36	-14.70	-
2	Inventory Turnover	Times	3.20	3.31	-3.32	-
3	Interest Coverage Ratio	Times	11.92	21.26	-43.93	Due to lower EBIT & increase in Interest Cost
4	Current Ratio	Times	2.54	2.57	-1.17	-
5	Debt Equity Ratio	Times	-	0.01	-100.00	There was no utilisation of working capital limits at year end
6	Operating Margin i.e. EBITDA	%	12.07	15.67	-22.97	-
7	Net Profit Margin	%	5.59	8.83	-36.69	Net Profit margin was impacted mainly due to higher raw material prices and subdued demand
8	Return on Net worth	%	8.55	13.96	-38.75	Return on Net worth was impacted due to lower profits

Net Profit Margin, Operating Margin (EBITDA) and Return on Net worth were impacted due to higher raw material prices.

Outlook

The India growth story is going strong with the country growing to claim its spot as fifth largest economy in world rankings. India continues to be a preferred investment destination for FDI among all emerging economies. A stable political environment providing infrastructural development, conducive economic policies, ease of doing business and a growing middle class prophesises India's supremacy over the next decade.

With gradual settling down of raw material prices and supply chain stability we can expect improved financial performance.

While consumer expectations are always rising over time, your Company is well ahead of the curve with all its brands in a position of leadership. A 'Customer First' approach coupled with a strong, committed distribution network supported by aggressive, proactive marketing strategies provide a strong moat against competitive threats.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

SECTION A General disclosures

SECTION B Management and process disclosures

SECTION C Principle-wise performance disclosure

- Principle 1** Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
- Principle 2** Businesses should provide goods and services in a manner that is sustainable and safe
- Principle 3** Businesses should respect and promote the well-being of all employees, including those in their value chains
- Principle 4** Businesses should respect the interests of and be responsive to all its stakeholders
- Principle 5** Businesses should respect and promote human rights
- Principle 6** Businesses should respect and make efforts to protect and restore the environment
- Principle 7** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
- Principle 8** Businesses should promote inclusive growth and equitable development
- Principle 9** Businesses should engage with and provide value to their consumers in a responsible manner

Section A: General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Company	L74899DL1984PLC019097
2.	Name of the Company	Relaxo Footwears Limited
3.	Year of Incorporation	1984
4.	Registered office address	Aggarwal City Square, Plot No.-10, Manglam Place, District Centre, Sector-3, Rohini, Delhi- 110085
5.	Corporate office address	Aggarwal City Square, Plot No.-10, Manglam Place, District Centre, Sector-3, Rohini, Delhi- 110085
6.	E-mail	cs@relaxofootwear.com
7.	Telephone	011-46800600 / 46800700
8.	Website	www.relaxofootwear.com
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)
11.	Paid-up Capital	₹24,89,38,586/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report	Mr. Ankit Jain 011-46800600/46800700 cs@relaxofootwear.com
13.	Reporting boundary	Disclosures made in this report are on a standalone basis and pertain only to Relaxo Footwears Limited



II. Products/Services

14. Details of business activities (accounting for 90% of the turnover):

S. N.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing and Sale of Footwear	Relaxo Footwears Limited is a leading manufacturer of a diverse range of high-quality footwear articles. Our extensive product line is distributed and made available to customers through an extensive network of authorized distributors and retailers.	99.56

15. Products/Services sold by the entity (accounting for 90% of the turnover):

S. N.	Product/Services	NIC Code	% Of total turnover contributed
1.	Manufacture of footwear	1520	99.56

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

S. N.	Location	Number of plants	Number of offices	Total
1.	National	8	1	9
2.	International	-	1	1

17. Markets served by the entity

a. Number of locations

S. N.	Number of Locations served	Number
1.	National (Number of states)	PAN India
2.	International (Number of countries)	30

b. What is the contribution of exports as a percentage of the total turnover of the entity?

4.30%

c. A brief on types of customers

The Company is involved in the manufacturing and sale of footwear products. These products are made available to end consumers through a network of distributors and retailers spanning across India. Additionally, the Company serves its end consumers directly through Exclusive Brand Outlets (B2C) and online E-Commerce channels.

IV.

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. N.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	2,388	2,316	96.98	72	3.02
2.	Other than permanent (E)	404	404	100.00	-	-
3.	Total employees (D+E)	2,792	2,720	97.42	72	2.58
Workers						
4.	Permanent (F)	4,348	4,005	92.11	343	7.89
5.	Other than permanent (G)	14,621	12,681	86.73	1,940	13.27
6.	Total workers (F+G)	18,969	16,686	87.96	2,283	12.04

b. Differently abled Employees and workers:

S. N.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently abled Employees					
1.	Permanent (D)	2	2	100.00	-	-
2.	Other than permanent (E)	-	-	-	-	-
3.	Total Differently abled employees (D+E)	2	2	100.00	-	-
	Differently abled Workers					
4.	Permanent (F)	9	9	100.00	-	-
5.	Other than permanent (G)	15	15	100.00	-	-
6.	Total Differently abled workers (F+G)	24	24	100.00	-	-

19. Participation/Inclusion/Representation of women

	Total	No. and percentage of Females	
	No. (A)	No. (B)	% (B/A)
Board of Directors	10	1	10.00
Key Management Personnel (excluding Whole Time Directors)	2	-	-

20. Turnover rate for permanent employees and workers

Category	FY 2023			FY 2022			FY 2021		
	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)	Male (%)	Female (%)	Total (%)
Permanent employees	16.37	10.29	16.22	17.06	12.50	16.94	11.04	17.19	11.21
Permanent workers	31.15	9.70	29.61	19.85	9.85	19.17	25.20	14.06	24.55

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

The Company doesn't have any holding/subsidiary/associate companies/joint ventures during the Financial Year under review.

VI. CSR details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:

Yes

(ii) If yes, Turnover - ₹2,764.14 Crores

(iii) Net worth - ₹1,855.05 Crores



VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redressal policy)	FY 2023			FY 2022		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (Other than Shareholders)	-	-	-	-	-	-	-
Shareholders	Yes	84	1	-	39	1	-
Employees and workers	Yes	419	-	-	372	-	-
Customers	Yes	2,165	-	-	2,082	-	-
Value Chain Partners	Yes	-	-	-	-	-	-
Other (For Discount Coupon for Company's products)	Yes	1	-	-	-	-	-

Web link for Grievance Redressal policies -

<https://www.relaxofootwear.com/policies> (Vigil Mechanism Link)

<https://www.relaxofootwear.com/investor-support> (Shareholder Support)

24. Overview of the entity's material responsible business conduct issues

- Identifying the universe of relevant ESG topics - This was done basis discussions with internal stakeholders, peer review and benchmarking, sector scans, media reports and secondary sources that provided a pool of sustainability topics. These were further analyzed and evaluated for consideration at a strategic level. Adherence to crucial issues as per different standards and frameworks was also ensured.
- Detailing the stakeholder engagement methodology: We had sent detailed questionnaires to various stakeholder groups that were identified. Our external stakeholders included Customers, Shareholders and Vendors/Suppliers. Our internal stakeholders consisted of our employees and management team. While for other stakeholders we have done desktop research to incorporate their priorities.
- Data collection: We used online surveys to collect data and information from stakeholders to prioritize the list of identified ESG topics. Diverse responses were captured to understand the length and breadth of all possible issues. The designing of the questionnaire was done with the objective of bringing out the key issues, risks and opportunities from the stakeholders' point of view and then map it for the material issues. In addition to the survey, we conducted in-depth discussions with a subset of stakeholders to gain a comprehensive understanding of their primary concerns.
- Discussion with management team, CSR & ESG Committee and the Board: the outcome of the exercise was discussed with the leadership to arrive at the key focus areas keeping in view, their relevance to stakeholders and business, as well as their impact on sustainability development.

The information collected from internal and external stakeholders was analyzed and the key material issues were grouped into 17 core thematic areas. These issues were assessed and mapped to determine their level of priority for our stakeholders and business.

High		Medium		Low	
1.	Governance	9.	Product Quality & Safety	15.	Data Privacy & Security
2.	Labour Practices	10.	Transparency	16.	Climate Change Strategy
3.	Health & Safety	11.	Recyclable Packaging	17.	Policy Influence
4.	Risk Management	12.	Diversity & Inclusion		
5.	Energy Management	13.	Community Engagement		
6.	Water Management	14.	Supply Chain Management		
7.	GHG Emissions				
8.	Waste Management				

Section B: Management and process disclosures

This section is aimed at helping businesses demonstrate the structures, policies, and processes put in place towards adopting the NGRBC principles and core elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management processes										
1.	(a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
	(b) Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
	(c) Web Link of the Policies, if available	https://www.relaxofootwear.com/policies								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, Code of Conduct, Anti-Bribery & Vigil Mechanism Policies extend to our Value Chain Partners.								
4.	Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ul style="list-style-type: none"> • ISO 9001:2015 (Quality Management System) • ISO 14001:2015 (Environmental Management System) • ISO 27001:2013 (Information Security Management Systems) • ISO 45001:2018 (Occupational Health and Safety Management System) 								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has identified ESG key focus areas and has set ESG targets internally which are monitored and acted upon continuously.								
6.	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.									
Governance, leadership, and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements	Sustainability at Relaxo is enshrined in its founding philosophy, "We believe that when the organization grows the society and community around that should also grow". Our success lies in ensuring that our stakeholders are consistently satisfied in their engagement with us. We also place great importance on the development of communities around our manufacturing units. The legacy of our Founder calls upon us to go beyond positive action and positive intent to create maximum impact in order to make a true difference. Today, several families have access to quality education, healthcare, as well as safe water, all of which contribute to improve their lives for present and future generations.								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board of Directors of the Company assess various initiatives forming part of the Business Responsibility performance of the Company at least once a year.								



Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Company has set up CSR & ESG committee which periodically evaluates the sustainability targets of the Company and reviews its progress. Further details on CSR & ESG Committee are available under Corporate Governance section in the Annual Report.								

10. Details of Review of NGRBCs by the Company

Subject for Review	a. Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	NA	Y	Y	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	NA	Y	Y	

Subject for Review	b. Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Performance against above policies and follow up action	As a practice, Business Responsibility policies of the Company are reviewed periodically or on a need basis by Senior Leadership Team including the Managing Director. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.									
Compliance with statutory requirements of relevance to the principles, and the rectification of any non-compliances	The Company is in compliance with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is provided by the Managing Director / Chief Financial Officer / Company Secretary to the Board of Directors.									

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company conducts periodic review of the policies internally by the Senior Management and Board.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
The entity does not consider the principles material to its business (Yes/No)	Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a responsible manner. The 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.									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)										
The entity does not have the financial or/human and technical resources available for the task (Yes/No)										
It is planned to be done in the next financial year (Yes/No)										
Any other reason (please specify)										

Section C: Principle-wise performance disclosure

Principle 1:

Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training & awareness programmes held	Topics/principles covered under the training	% of persons in respective category covered by the awareness programmes
Board of Directors	2	Code of Conduct, Human Rights Policy	30%
Key Managerial Personnel	2	Code of Conduct, Human Rights Policy	71%
Employees other than BOD and KMPs	2	Code of conduct, Human Rights Policy	Code of Conduct-100%, Human Rights Policy-70%
Workers	7	EHS, 5S, IMS, POSH, Grievance Handling, Code of conduct, Human Rights Policy	EHS- 100%, 5S-65%, IMS- 33% POSH-100%, Grievance Handling- 100%, Code of Conduct-100%, Human Rights Policy-74%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by its directors/KMPs) with regulators/law enforcement agencies/judicial institutions in FY 2023.

There were no instances of any material (monetary and non-monetary) fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions in FY 2023.

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption policy or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company currently covers its Anti-bribery and Anti-Corruption policy as a part of its code of conduct. The document applies to all personnel who must adhere to the Company's ideals.

Link to the Company's code of conduct:

<https://www.relaxof footwear.com/policies>

https://dxkvlfvncvqr8.cloudfront.net/media/file/pdf/download_file/code-of-conduct-relaxo-1688134018.pdf

The Company has an in-house monitoring process for whistle blower protection in addition to the Code of Ethics and Conduct. The policy empowers both internal and external stakeholders to file grievances, if any.

Link to the Company's Vigil Mechanism Policy:

<https://www.relaxof footwear.com/policies>

5. No. of Directors/KMPs/Employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

	FY 2023	FY 2022
Directors		
Key Managerial Personnel	There have been no cases involving disciplinary action taken by any law enforcement agency for bribery/ corruption charges against directors/KMP/employees/workers brought to the Company's attention.	
Employee		
Workers		



6. Details of complaints with regard to conflict of interest:

	FY 2023		FY 2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors				
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

The Company conducts business in an ethical, fair, legally, socially, and environmentally responsible manner. The Company's Business Partners are an integral part of the ecosystem, and the Company encourages the Business Partners to be responsible corporate citizens.

All the agreements/contracts/purchase orders entered by the Company with the business partners includes stated confirmation on the above-mentioned aspects. The process of holding discussions and conducting awareness sessions with our value chain partners on these principles has been initiated.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company has Code of Conduct for Board of Directors and Senior Management Personnel which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. As per the requirements of the Companies Act, the disclosure of interest is required to be given by the Directors as a part of the Annual Disclosures which is brought to the Board.

Further, any transaction in which a Director is interested is placed before the Board, where the interested Director does not participate in that discussion.

The Code of Conduct policy ensures that processes are in place to avoid/ manage conflict of interests involving members of the board. The policy is available at the below link:

<https://www.relaxofootwear.com/policies>

Principle 2:

Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023	FY 2022	Details of improvements in environmental and social impacts
R&D			
Capex			

Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes is being quantified by the Company as several initiatives in this regard are currently in the planning & implementation phase.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the Company has worked towards embedding sustainability throughout its inbound supply chain and will continue to do so. For maintaining sustainability of supply line, the Company prefers indigenous sourcing wherein locally available raw materials are generally used by the Company. To support the sustainability and environmental purpose, the Company also uses some packing materials made of waste products. Substantial raw material procured is based on sustainably 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.

b. If yes, what percentage of inputs were sourced sustainably?

The Company is currently mapping its sustainable procured materials, which will be further analyzed to give a specific % figure.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As of now, the Company doesn't have processes in place to reclaim their products.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

The Company is under process of undertaking Life Cycle Perspective/Assessments for its key products.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

The details will be available and disclosed upon completion of Life Cycle Assessments of Key Products.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

The percentage of recycled or reused input material to total material used in production is being quantified by the company.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

The amount reused, recycled, and safely disposed from the products and packaging reclaimed at end of life is being quantified by the Company.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Reclaimed products and their packaging materials for each product category is being quantified by the company.



Principle 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	2,316	2,316	100.00	2,316	100.00	NA	NA	2,316	100.00	-	-
Female	72	72	100.00	72	100.00	72	100.00	NA	NA	72	100.00
Total	2,388	2,388	100.00	2,388	100.00	72	3.02	2,316	96.98	72	3.02
Other than Permanent employees											
Male	404	404	100.00	404	100.00	NA	NA	404	100.00	-	-
Female	-	-	-	-	-	-	-	NA	NA	-	-
Total	404	404	100.00	404	100.00	-	-	404	100.00	-	-

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	4,005	4,005	100.00	4,005	100.00	NA	NA	4,005	100.00	-	-
Female	343	343	100.00	343	100.00	343	100.00	NA	NA	343	100.00
Total	4,348	4,348	100.00	4,348	100.00	343	7.89	4,005	92.11	343	7.89
Other than Permanent workers											
Male	12,681	12,681	100.00	12,681	100.00	NA	NA	12,681	100.00	-	-
Female	1,940	1,940	100.00	1,940	100.00	1,940	100.00	NA	NA	1,940	100.00
Total	14,621	14,621	100.00	14,621	100.00	1,940	13.27	12,681	86.73	1,940	13.27

2. Details of retirement benefits, for Current and Previous Financial Year.

Benefits	FY 2023			FY 2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00	100.00	Yes	100.00	100.00	Yes
Gratuity	100.00	100.00	N.A.*	100.00	100.00	N.A.*
ESI**	100.00	100.00	Yes	100.00	100.00	Yes

*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.

**Employees who are not covered under the ESI component are provided separate Health Insurance Policy.

3. Accessibility of workplaces - Are the premises / offices of the entity accessible to differently abled employees, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company's facilities are accessible to the differently abled employees. The Company's premises are made access friendly and assistive devices like slope, wheelchairs or walking sticks have been made available.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has an Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016.

Link to the Company's Equal Opportunity Policy:

https://dxkvlfvncvqr8.cloudfront.net/media/file/pdf/download_file/equal-opportunity-policy-1681896636.pdf

5. Return to work and Retention rates of permanent employees that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate (%)	Retention Rate (%)	Return to work Rate (%)	Retention Rate (%)
Male	100.00	100.00	100.00	100.00
Female	100.00	100.00	100.00	100.00
Total	100.00	100.00	100.00	100.00

6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
1	<p>The Company has a robust and detailed Grievance Redressal Mechanism with the overarching goal of protecting its employees and directors. Procedures have been put in place to ensure that the process of filing a complaint, investigation and finally reaching an acceptable judgement is handled professionally and confidentially. Employees are encouraged to resolve the issues informally with respective line manager/ Head-Plant P&A/ HR Business Partner. In case of non-satisfaction, the Formal procedure is to be used which has been documented in "Grievance Redressal Policy".</p> <p>Link to the policy:</p> <p>https://www.relaxof footwear.com/policies</p> <p>https://dxkvlfvncvqr8.cloudfront.net/media/file/pdf/download_file/grievance-redressal-policy-1688134044.pdf</p>
2	
3	
4	

7. Membership of employees in association(s) or Unions recognized by the listed entity:

The Company does not have any trade unions.

8. Details of training given to employees and workers:

Category	FY 2023					FY 2022				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2,720	2,720	100.00	1,707	62.76	2,639	2,639	100.00	2,639	100.00
Female	72	72	100.00	37	51.40	64	64	100.00	64	100.00
Total	2,792	2,792	100.00	1,744	62.46	2,703	2,703	100.00	2,703	100.00
Workers										
Male	16,686	16,686	100.00	16,686	100.00	16,535	16,535	100.00	16,535	100.00
Female	2,283	2,283	100.00	2,283	100.00	2,191	2,191	100.00	2,191	100.00
Total	18,969	18,969	100.00	18,969	100.00	18,726	18,726	100.00	18,726	100.00



9. Details of performance and career development reviews of employees and workers:

Category	FY 2023			FY 2022		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2,720	2,720	100.00	2,639	2,639	100.00
Female	72	72	100.00	64	64	100.00
Total	2,792	2,792	100.00	2,703	2,703	100.00
Workers						
Male	16,686	16,686	100.00	16,535	16,535	100.00
Female	2,283	2,283	100.00	2,191	2,191	100.00
Total	18,969	18,969	100.00	18,726	18,726	100.00

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes / No). If yes, the coverage such system?

Yes, occupational health management system including Environmental Management System conforming to the requirement of standards ISO 45001:2018 and ISO 14001:2015 has been implemented which covers all manufacturing units.

The Company believes that providing a safe and healthy work environment is essential for employee well-being, and that implementing best practices in occupational health and safety has a direct impact on overall performance. It aids not only in attracting good talents but also retaining those employees.

b. What are the processes used to identify work related hazards and assess risks on a routine and non-routine basis by the entity?

While regularly implementing steps to enhance employee well-being and healthcare, a proper hazard identification risk management system has been implemented to assure ongoing improvement of the organization's occupational health and safety.

HIRA (Hazard Identification and Risk Assessment) methodology is used for hazard identification and risk assessment including study of MSDS (Material Safety Data Sheet) & Machine manuals, study of machine operation at shop floor, injury records, interaction with machine operators etc.

c. Whether you have processes for employees to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has procedures in place for employees to report work-related risks and remove themselves from such hazards.

Some of the processes enabling workers to report work related hazards:

- Safety committee meetings
- Daily shop floor meeting
- Interactions with the plant supervisors during their frequent rounds on the shop floor
- The workers are authorized to stop the machine and report to immediate supervisor, if they notice work related hazard

d. Do the employees of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, Employees have access to non-occupational medical and health care services through Company-organized medical camps where reputed doctors from various disciplines/hospitals are accessible for health checkups and consultation, including online consultation and awareness workshops. Furthermore, every employee and their designated dependents are covered by either medical insurance or ESI. Ambulance facility is also available at all the plants in case of any emergency situations.

11. Details of Safety related incidents

Safety Incident/Number	Category	FY 2023	FY 2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.18	0.23
Total recordable work-related injuries	Employees	0	0
	Workers	8	9
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Below are some of the measures taken by the Company to ensure safe and healthy workplace:

- Implementation of 6S practice, that is, Sort, Set in Order, Shine, Standardize, Sustain and Safety.
- Machine guarding.
- Introduction of state-of-art new machines, new technologies, environment friendly processes & chemicals.
- Material handling automation which improves worker health and safety by eliminating repetitive jobs from the manufacturing line.
- During induction, the Company emphasizes on training all new employees on safety measures, including specific training such as working at heights, confined space entry, refresher training, on-site emergency training to deal with contingent or urgent situations, and on-the-job training that includes safety topics. Regular workplace environment monitoring, employee health monitoring etc. are conducted alongside.

13. Number of Complaints on the following made by employees and workers:

	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	419	-	-	372	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100.00
Working Conditions	100.00

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

All accidents are thoroughly investigated to determine the root reasons and determine the steps necessary to prevent a recurrence. The findings of the accident investigation, along with corrective and preventive measures, are included in the report submitted to the Corporate Management Committee and the Board. The lessons learned from all accidents are shared across the Company on a regular basis, and compliance of preventive measures is ensured.



Assessment of health & safety risks and implementation of related corrective and preventive measures is an ongoing process in the Company. Some of the interventions which have been taken at various units are as follows:

- Provision of fixed safety guards
- Regular safety audits
- Interlocking safety guards
- Use of PPEs
- Safety trainings
- Local exhaust ventilation

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partner.

The Company's value chain partners come under PF act and ESI act which makes them liable to deduct and deposit statutory dues. In addition to this, the service contract with the service provider also contains necessary clause under 'payment terms' for necessary statutory payments like PF, ESI etc. by service provider

3. Provide the number of employees/workers having suffered high consequence work related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023	FY 2022	FY 2023	FY 2022
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the Company consistently invests in human capital development, which involves developing modern skills and competencies and providing employees with a variety of experiences. These improve workforce employability and allow for a smooth transfer to alternative opportunities if desired.

5. Details on assessment of value chain partners:

The Company has in place a Code of Conduct for Value Chain Partners. Accordingly, they are expected to provide a safe and healthy workplace for their employees and contractors. Value Chain Partners must be compliant with local and national laws and regulations on Occupational Health and Safety, and have the required permits, licenses and permissions granted by local and national authorities.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

Principle 4:

Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

Internal and external stakeholders have been identified that have a direct impact on the operations and working of the Company. This includes Shareholders/Investors, Suppliers, Employees & Workers, Distributors & Retailers, Communities, Government & Regulatory Authorities and End Consumers.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ Investors	No	<ul style="list-style-type: none"> - Annual General Meeting - Investor Relations Web Page - Quarterly condensed financial statements - Annual Report - Investor conference calls - Television Interviews - Press Releases 	Quarterly, Half yearly & Annually and as and when required	<ul style="list-style-type: none"> - Performance and value creation - Dividend Updates - Annual Reports - Intimation to Physical shareholders regarding Dispute Resolution Mechanism
Suppliers	No	<ul style="list-style-type: none"> - One to-one meetings - Regular operational reviews 	Continuous	<ul style="list-style-type: none"> - Long-term business relations and growth Opportunities - Skill development support - Effective information dissemination, technical knowledge exchange and other collaborations
Employees & Workers	No	<ul style="list-style-type: none"> - E-mail - Intranet portal - Newsletters - Employee engagement activities and Surveys - Rewards and recognitions 	Continuous	<ul style="list-style-type: none"> - Scope of learning and career development - Remuneration and benefits - Equal opportunities - Occupational health and safety - Wealth creation
Distributors & Retailers	No	<ul style="list-style-type: none"> - After sales services - Relationship building activities - Sales Officer visits - Surveys and feedback sessions 	Engagement sessions conducted periodically	<ul style="list-style-type: none"> - Fair and transparent terms and conditions - Steady business with long-term growth prospects - Communication of Schemes and benefits - Resolution of grievances and obtaining market feedback



Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	Yes	<ul style="list-style-type: none"> - CSR initiatives - Volunteering initiatives 	Continuous	<ul style="list-style-type: none"> - Responsible corporate citizenship - To develop the CSR project along with the community, according to the need of the community
Government & Regulatory Authorities	No	<ul style="list-style-type: none"> - Disclosures and filings for compliance reporting - Meeting authorities for permissions/ approvals 	Audits conducted periodically/monthly/ quarterly/annually and on need basis	<ul style="list-style-type: none"> - Compliance - Tax Payments - Policy Advocacy
End Consumers	No	<ul style="list-style-type: none"> - Engagement through website, social media, in-store promotions - Brand campaigns conducted regularly, during festive seasons and sales promotions 	Continuous	<ul style="list-style-type: none"> - Information on business offerings, discounts, promotions. - Collection of feedback - Complaints and grievances resolution

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

- The Company believes that an effective stakeholder engagement mechanism is crucial for achieving the long term sustainability goals and for the overall growth of the Company. The board of directors prioritizes accomplishing the ESG targets of the Company.
- The board of directors has internally delegated the process of taking valuable inputs from the key internal and external stakeholders.
- During the reporting year, the Company has undertaken an extensive materiality assessment and stakeholder engagement exercise to understand the crucial environmental, social and governance (ESG) topics which are significant to the Company's businesses.
- As part of this activity, the Company, in collaboration with an external agency with relevant experience, met with key internal and external stakeholders to understand their issues and incorporate their perspectives into materiality assessments for prioritizing ESG matters.
- Insights gathered from stakeholder engagements were analyzed to develop the materiality matrix and finalize the list of ESG focus areas.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/ No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company has always maintained a regular and proactive engagement with its major stakeholders, allowing it to work on its ESG strategies efficiently and be forthright about the results. The Company conducts periodic evaluations to update and amend policies in response to current requirements and interactions with stakeholders.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company is firmly devoted to achieving its corporate citizenship responsibilities. It believes in proactively involving communities and those who have been excluded from the benefits of development as equal players in growth and development in areas close to its activities. As a result, Corporate Social Responsibility (CSR) is included into the group's main business plan.

The Company is currently carrying out CSR initiatives in six geographical regions across three states, namely Delhi, Rajasthan, and Uttarakhand, affecting the lives of roughly 2,00,000 people both directly and indirectly. The projects' names are as follows:

- Parivartan- Model School Development Project, Haridwar, (Uttarakhand)
- Nayan Avoidable Blindness Project, Bhiwadi, (Rajasthan)
- Mobile Health Unit Project, Bhiwadi, (Rajasthan)
- Customer Support Associate Project, Dwarka, (Delhi)
- Remedial Education Program, Bawana, (Delhi)
- Water Conservation Project, Alwar, (Rajasthan)

Please refer to the following link for information regarding our Company's community work:

<https://www.relaxof footwear.com/csr>

Principle 5:

Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2023			FY 2022		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	2,388	1,649	69.05	2,333	-	-
Other than permanent	404	308	76.24	370	-	-
Total employees	2,792	1,957	70.09	2,703	-	-
Workers						
Permanent	4,348	2,700	62.10	5,693	-	-
Other than permanent	14,621	11,360	77.70	13,033	-	-
Total workers	18,969	14,060	74.12	18,726	-	-

2. Details of minimum wages paid to employees and workers:

Category	FY 2023					FY 2022				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	2,316	2	0.09	2,314	99.91	2,269	63	2.78	2,206	97.22
Female	72	-	-	72	100.00	64	-	-	64	100.00
Other than permanent										
Male	404	125	30.94	279	69.06	370	211	57.03	159	42.97
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	4,005	23	0.57	3,982	99.43	5,315	1,448	27.24	3,867	72.76
Female	343	-	-	343	100.00	378	42	11.11	336	88.89
Other than permanent										
Male	12,681	7,590	59.85	5,091	40.15	11,220	6,397	57.01	4,823	42.99
Female	1,940	522	26.91	1,418	73.09	1,813	269	14.84	1,544	85.16



3. Details of remuneration/salary/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	9	1,31,36,132	1*	-
Key Managerial Personnel (excluding Whole Time Director)*	2	31,86,316	-	-
^Employees other than BoD and KMP	2309	4,84,901	72	5,98,852
^Workers	4005	2,31,200	343	1,65,451

*We have only 1 Female Independent Director, who is paid sitting fees and annual commission. Please refer Corporate Governance Report for details.

#During the year, Mr. Vikas Kumar Tak, ceased to be Company Secretary and Compliance Officer of the Company w.e.f. December 15, 2022, and Mr. Ankit Jain was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. February 4, 2023.

^Permanent

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes- HR function oversees the human rights impacts as mentioned above.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a Human Rights Policy which specifies that employees can address their issues or grievances to the Company. Employees are encouraged to try and resolve the dispute informally with their respective line manager/Head Plant PGA/ HR Business Partner (HRBP). In case of non-satisfaction, the Formal procedure is to be used which has been documented in "Grievance Redressal Policy".

6. Number of Complaints on the following made by employees and workers:

	FY 2023		FY 2022	
	Filed during the year	Pending resolution at the end of year	Filed during the year	Pending resolution at the end of year
Sexual Harassment	Nil		Nil	
Discrimination at workplace				
Child Labour				
Forced Labour/ Involuntary Labour				
Wages				
Other human rights related issues				

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

When dealing with complaints as part of the grievance redressal procedure, every effort is made to conduct the investigation in a peaceful manner in order to avoid any unpleasant situations. The entire procedure is carried out in strictest confidence. As per the POSH Policy, the complainant shall be provided with full protection against retaliation. Disciplinary actions will be taken by the internal committee against the person perpetrating acts of violence or discrimination against the complainant.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	100% Coverage- Assessment done by external consultant
Discrimination at workplace	
Child Labour	
Forced Labour/ Involuntary Labour	
Wages	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Business processes were not modified/ introduced since no grievances were received during the year.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Due diligence was not conducted since no grievances were received during the year.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil*
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	

*The Company has in place a Code of Conduct for Value Chain Partners. Accordingly, they must treat all employees with respect and dignity and exhibit zero tolerance towards unacceptable sexual harassment, workplace discrimination and must not engage in child labour, Forced Labour/ Involuntary Labour, etc. They must provide safe and healthy workplace for their employees and contractors and be compliant with local and national laws and regulations on Occupational Health and Safety, and have the required permits, licenses and permissions granted by local and national authorities. They must also provide their employees with safe and humane working conditions.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

Principle 6:

Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or Multiples) and energy intensity:

Parameter	FY 2023	FY 2022
Total electricity consumption (A) (in GJ)	2,60,495.99	2,74,841.04
Total fuel consumption (B) (in GJ)	1,04,354.05	1,26,980.87
Energy consumption through other sources (C) (in GJ)	Nil	Nil
Total energy consumption (A+B+C) (in GJ)	3,64,850.04	4,01,821.91
Energy intensity per rupee of turnover (Total energy consumption/ turnover in ₹ Crore) (in GJ/₹ Crore)	131.99	152.43

Data captured and shown under principle 6 is representative data for Manufacturing plants and Company owned Lovakhurd warehouse. Corporate Office, Retail Shops and rented warehouses etc. are not included.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Independent Assessment has not been carried out by any external agency.



2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company does not have sites/facilities identified as designated consumers under the PAT Scheme.

3. Provide details of the following disclosures related to water:

Parameter	FY 2023	FY 2022
Water withdrawal by source (in kiloliters)		
(i) Surface water	36,664	45,621
(ii) Groundwater	2,04,406	2,24,231
(iii) Third party water	76,896	72,602
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	3,17,966	3,42,454
Total volume of water consumption (in kiloliters)	3,17,966	3,42,454
Water intensity per rupee of turnover (Water consumed/turnover in ₹ Crore) (in KI/₹ Crore)	115.03	129.91

Data captured and shown under principle 6 is representative data for Manufacturing plants and Company owned Lovakhurd warehouse. Corporate Office, Retail Shops and rented warehouses etc. are not included.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Independent Assessment has not been carried out by any external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the Company has implemented ZLD (Zero Liquid Discharge) in all the manufacturing plants. The sewage waste water is treated through STP (Sewage Treatment Plants) installed in all plants. The treated waste water is further utilized in gardening and flushing.

5. Provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit	FY 2023	FY 2022
NOx	Tonnes	23.91	26.65
SOx	Tonnes	0.01	0.01
Particulate matter (PM)	Tonnes	0.57	0.63
Persistent organic pollutants (POP)	-	Not Measured	Not Measured
Volatile organic compounds (VOC)	-	Not Measured	Not Measured
Hazardous air pollutants (HAP)	-	Not Measured	Not Measured

Data captured and shown under principle 6 is representative data for Manufacturing plants and Company owned Lovakhurd warehouse. Corporate Office, Retail Shops and rented warehouses etc. are not included.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Independent Assessment has not been carried out by any external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Unit	FY 2023	FY 2022
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent (tCO ₂ e)	9,805.61	10,856.45
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent (tCO ₂ e)	65,800.93	69,430.15
Total Scope 1 and Scope 2 emissions per Crores of turnover	tCO ₂ e/₹ Crore	27.35	30.46

Data captured and shown under principle 6 is representative data for Manufacturing plants and Company owned Lovakhurd warehouse. Corporate Office, Retail Shops and rented warehouses etc. are not included.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, Independent Assurance statement has been obtained from M/s Ecofav Services Pvt. Ltd.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

The Company is constantly striving to improve business operations to reduce GHG emissions. The Company has installed 6 MW Wind Power Project in Rajasthan and has also installed 75kWh solar panels at its plant in Bahadurgarh, (Haryana).

8. Provide details related to waste management by the entity

Parameter	FY 2023	FY 2022
Total Waste generated (in metric tonnes)		
Plastic waste (A)	137.67	173.27
E-waste (B)	3.86	10.91
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	1.12	4.60
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	81.25	51.80
Other Non-hazardous waste generated (H). Please specify, if any.	1,646.59	1,902.71
Total (A+B + C + D + E + F + G + H)	1,870.49	2,143.29
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1,458.80	1,706.35
(ii) Re-used	73.12	46.62
(iii) Other recovery operations	-	-
Total	1,531.92	1,752.97
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	9.25	9.78
(iii) Other recovery operations	329.32	380.54
Total	338.57	390.32

Data captured and shown under principle 6 is representative data for Manufacturing plants and Company owned Lovakhurd warehouse. Corporate Office, Retail Shops and rented warehouses etc. are not included.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Independent Assessment has not been carried out by any external agency.



9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company collects all the waste and forwards it to authorized waste recyclers. The Company has adopted eco-friendly chemicals for operations and is venturing to look for further alternatives.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, specify details:

S. N.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

11. Details environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act, and rules thereunder (Y/N). If not, provide details of all such non-compliances:

Yes, the Company is compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act - All relevant certificates are available in respective locations.

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:

Parameter	Unit	FY 2023	FY 2022
From renewable sources			
Total electricity consumption (A)	GJ	184.61	172.32
Total fuel consumption (B)	-	NA	NA
Energy consumption through other sources (C)	-	NA	NA
Total energy consumed from renewable sources (A+B+C)	GJ	184.61	172.32
From non-renewable sources			
Total electricity consumption (D)	GJ	2,60,311.38	2,74,668.72
Total fuel consumption (E)	GJ	1,04,354.05	1,26,980.87
Energy consumption through other sources (F)	-	NA	NA
Total energy consumed from non-renewable sources (D+E+F)	GJ	3,64,665.43	4,01,649.59

Data captured and shown under principle 6 is representative data for Manufacturing plants and Company owned Lovakhurd warehouse. Corporate Office, Retail Shops and rented warehouses etc. are not included.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Independent Assessment has not been carried out by any external agency.

2. Provide the following details related to water discharged:

The Company has implemented ZLD (Zero Liquid Discharge) in all the manufacturing plants. The sewage waste water is treated through STP (Sewage Treatment Plants) installed in all plants. The treated waste water is further utilized in gardening and flushing.

3. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):

Not Applicable, the Company is not operating in any water stress area(s).

4. Please provide details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2023	FY 2022
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 3 emissions per rupee of turnover			Not Measured
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Independent Assessment has not been carried out by any external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. N.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	CFC to LED	-	Energy Conservation
2	Transitioned to Servo Motors	-	Energy Conservation
3	Installation of VFDs on Motors	-	Energy Conservation
4	Installed Dust Collector	-	Emission Reduction
5	Retro fitment of DGs to dual fuel mode (Diesel 30% and PNG 70%)	-	Transition to Green Fuel
6	Conversion of biomass based boiler to PNG based boilers	-	Transition to Green Fuel

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes, the Company recognizes how crucial business continuity plan is for business operations and has put in place policies to ensure that the critical business ventures continue uninterrupted. The Company has laid a detailed procedure that ensures to create an environment of preparedness, response, and recovery from potential disasters.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

We have not currently monitored the impacts to the environment arising from the value chain of the entity.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable



Principle 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. **Number of affiliations with trade and industry chambers/associations: 16**
- b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.**

S. N.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1.	PHD Chamber of Commerce	National
2.	CIFI (Confederation of Indian Footwear Industries)	National
3.	CFLA (Council for Footwear Leather and Accessories)	National
4.	All India Rubber Association	National
5.	Development Council For Footwear & Leather Industry	National
6.	All India Federation of Plastic Industries- (Delhi)	State
7.	FORM (Foundation of Rubber & Polymer Manufacturer)	State
8.	Bahadurgarh Chamber of Commerce & Industries	State
9.	Footwear Park Association- HSIIDC - (Bahadurgarh)	State
10.	Bahadurgarh Footwear Development Services Pvt. Ltd.	State

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of Authority	Brief of the case	Corrective action taken
There are no cases of anti-competitive conduct on the Company in FY 2023.		

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

Not Applicable

Principle 8:

Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

The company has not conducted any Social Impact Assessments (SIA). However, we recognize the importance of social impact assessments in understanding and addressing the potential social implications of our business activities.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

Our operations and expansion projects have not resulted in the displacement of any population or their livelihoods. As a result, we have not undertaken any Rehabilitation and Resettlement (R&R) activities.

3. **Describe the mechanisms to receive and redress grievances of the community:**

The Company continuously engages with the community members for any of their grievances.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category of waste	FY 2023 (In %)	FY 2022 (In %)
Directly sourced from MSMEs/small producers	66.05	53.83
Sourced directly from within the district and neighboring districts	43.15	34.98

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. N.	State	Aspirational District	Amount Spent (in ₹ Crore)
1.	Uttarakhand	Haridwar	2.59

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

b. From which marginalized /vulnerable groups do you procure?

Not Applicable

c. What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

The Company doesn't own or acquire intellectual property based on traditional knowledge.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects:

Refer to Annexure D of Board's Report.

Principle 9:

Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has established multiple lines of communications such as online service request, toll-free number and e-mail id for customers to raise their complaints and feedback. Further, walk-in complaints are also received through Exclusive Brand Outlets (EBOs). Our internal team continuously monitors these platforms to take appropriate actions on the complaints and feedback in a timely manner.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

State	As a percentage to total turnover
Environmental and social parameters relevant to the product Safe and responsible usage Recycling and/or safe disposal	Relaxo products carry all the information on the product box which is mandatory as part of the regulatory compliance.



3. Number of consumer complaints in respect of the following:

	FY 2023			FY 2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy						
Cyber-security						
Delivery of essential services						
Restrictive trade practices		Nil			Nil	
Unfair trade practices						
Others						

4. Details of instances of product recalls on accounts of safety issues:

	Number	Reason for recall
Voluntary recalls		
Forced recalls	Nil	

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a policy on information security in place which is available on the internal network of the Company. Apart from that, the Company is ISO 27001:2013 certified and conducts regular audits as well.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Not Applicable

LEADERSHIP INDICATORS

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information on products and services of the entity can be accessed on the Company's Website

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Not Applicable

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not Applicable

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not Applicable

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact: Nil

b. Percentage of data breaches involving personally identifiable information of customers: Nil



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, 2023, 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, 2023 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
Revenue Recognition (Refer Note no.20,29 and 47 to the Financial statements) <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; anddiscounts 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-16, 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 about 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. The Other Information is expected to be made available to us after the date of this auditors' report. 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 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 an 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 auditors' 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.

Other Matter

The comparative Ind AS financial statements of the Company for financial year ended on 31st March, 2022 included in these financial statements have been audited by predecessor auditors whose report for the year ended on 31st March, 2022 dated 11th May, 2022 expressed an unmodified opinion on these financial statements. Our opinion on the financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

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, 2023 and taken on record by the

Board of Directors, none of the directors is disqualified as at March 31, 2023 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 Note-30 to 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;
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Mukesh Dua
Partner

Membership No.085323
UDIN: 23085323BGR10D7847

New Delhi, May 10, 2023



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 (as amended in 2016) 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 covered under section 185 of the Act. In respect of investments made by the Company, the provisions of section 186 of the Act have been complied with.
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, 2023 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, 2023 on account of disputes are given below: (₹ in Crore)

S. N.	Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount
1.	Haryana General Sales Tax Act, 1973.	Purchase Tax	Jt. Commissioner	2001-2002 2002-2003	0.20 0.15
2.	Delhi Value Added Tax Act, 2005	Input Tax	Appellate Tribunal, Delhi	2008-2009 2013-2014	0.02 0.22
3.	i) Rajasthan Tax on Entry of Goods into Local Area Act, 1999	Entry Tax	Tax Board, (Ajmer).	2011-12 to 2016-17	0.71
	ii) Rajasthan Goods & services Tax-2017	Goods & Services Tax	Jt. Commissioner (State Tax), Jaipur	2019-20 to 2021-22	36.45
4.	Uttarakhand Goods & services Tax-2017	Goods & Services Tax	Dy. Commissioner (State tax), Haridwar	2018-19 & 2019-20	0.74
5.	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, 2022-23 & 2023-24	0.04
Total					43.33

(*) 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 an 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 Gupta & Dua
Chartered Accountants
Firm's Registration No. 003849N

Mukesh Dua
Partner
Membership No.085323
UDIN: 23085323BGR10D7847

New Delhi, May 10, 2023

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, 2023 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, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Mukesh Dua
Partner
Membership No.085323
UDIN: 23085323BGR10D7847

New Delhi, May 10, 2023



Balance Sheet as at March 31, 2023

(₹ in Crore)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	923.89	769.35
Capital Work-in-Progress	1	87.77	145.18
Intangible Assets	2	30.76	28.60
Intangible Assets under Development	2	1.18	3.78
Right-of-Use Assets	3	195.58	189.31
Financial Assets			
Investments	4	24.69	24.98
Loans	5	0.03	0.08
Other Financial Assets	6	18.00	17.59
Other Non-Current Assets	7	19.26	16.82
		1301.16	1195.69
Current Assets			
Inventories	8	563.78	673.25
Financial Assets			
Investments	4	200.59	169.27
Trade Receivables	9	270.34	250.79
Cash and Cash Equivalents	10	10.27	7.10
Bank Balances other than Cash and Cash Equivalents	11	63.74	5.47
Loans	5	0.58	0.43
Other Financial Assets	6	2.34	0.70
Other Current Assets	7	81.99	79.89
		1193.63	1186.90
Total Assets		2494.79	2382.59
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	24.89	24.89
Other Equity	13	1830.16	1735.23
		1855.05	1760.12
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities		128.28	122.78
Other Financial Liabilities	15	-	0.15
Provisions	16	19.35	18.67
Deferred Tax Liabilities (Net)	17	21.46	19.85
		169.09	161.45
Current Liabilities			
Financial Liabilities			
Borrowings	14	-	20.00
Lease Liabilities		35.80	31.26
Trade Payables			
Total Outstanding Dues of Micro and Small Enterprises (Refer note no. 43 & 44)		70.41	54.20
Total Outstanding Dues of Creditors Other than Micro and Small Enterprises (Refer note no. 44)		182.46	167.54
Other Financial Liabilities	15	89.69	94.76
Other Current Liabilities	18	64.23	60.28
Provisions	16	25.14	29.16
Current Tax Liabilities (Net)	19	2.92	3.82
		470.65	461.02
Total Equity and Liabilities		2494.79	2382.59

Significant Accounting Policies (Refer note no. 29)

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

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

Mukesh Dua
Partner
Membership No. 085323

Delhi, May 10, 2023

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

Ankit Jain
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Crore)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from Operations	20	2782.77	2653.27
Other Income	21	18.57	23.72
Total Income		2801.34	2676.99
EXPENSES			
Cost of Materials Consumed, including Packing Material		1183.19	1307.88
Purchases of Stock-in-Trade		73.46	81.13
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	22	77.67	(172.31)
Employee Benefits Expense	23	343.25	334.69
Finance Costs	24	19.24	15.33
Depreciation and Amortisation Expense	25	125.10	113.54
Other Expenses	26	769.42	686.13
Total Expenses		2591.33	2366.39
Profit Before Tax		210.01	310.60
Tax Expense			
Current Tax	27	54.58	80.84
Deferred Tax		0.95	(3.06)
Tax for Earlier years		0.01	0.14
		55.54	77.92
Profit for the year		154.47	232.68
Other Comprehensive Income not to be reclassified to Profit or Loss			
Remeasurement Gains / (Losses) on Defined Benefit Plan	31(b)	2.62	0.42
Income Tax effect on above		(0.66)	(0.11)
		1.96	0.31
Total Comprehensive Income for the year (Comprising Profit and Other Comprehensive Income for the year)		156.43	232.99
Earnings Per Equity Share of ₹1/- each (In ₹)			
Basic	33	6.21	9.36
Diluted		6.21	9.35

Significant Accounting Policies (Refer note no. 29)

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

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

Mukesh Dua
Partner
Membership No. 085323

Delhi, May 10, 2023

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

Ankit Jain
Company Secretary



Statement of Cash Flows for the year ended March 31, 2023

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from Operating Activities		
Profit Before Tax	210.01	310.60
Adjustments for		
Depreciation and Amortisation Expense	125.10	113.54
Finance Costs	19.24	15.33
Interest Income	(5.55)	(1.21)
Net Gain on Investments	(6.32)	(7.98)
Net Unrealised (Gain)/Loss on Foreign Currency Transactions and Translations	(1.07)	(0.38)
Gain on Lease Modification, Termination and Concession	(0.85)	(8.47)
Share Based Payments	0.30	2.89
Net Unrealised (Gain)/Loss on Fair Valuation of Derivative Instruments	0.26	(0.63)
Write Down/(Reversal of Write Down) of Inventories	1.04	(2.91)
Bad debts Written off	0.13	0.04
Provision no Longer Required Written Back	(0.13)	(0.04)
Allowances for Doubtful Trade Receivables	0.75	0.04
Net loss on Disposal/Write off of PPE and Intangible Assets	2.55	0.60
Operating Profit Before Working Capital Changes	345.46	421.42
Changes in Working Capital		
Adjustments for (Increase)/Decrease in Operating Assets		
Current and Non-Current Financial Assets	(1.68)	(1.06)
Other Non-Current Assets	(0.13)	(1.62)
Trade Receivables	(19.49)	(68.80)
Other Current Assets	(2.10)	50.25
Inventories	108.43	(248.20)
Adjustments for Increase/(Decrease) in Operating Liabilities		
Trade Payables	31.52	(1.26)
Other Financial Liabilities	(5.82)	(14.05)
Provisions	(4.57)	0.75
Other Current Liabilities	3.94	2.47
Net Cash Flow from/(used in) Working Capital	110.10	(281.52)
Cash Generated from Operations	455.56	139.90
Taxes Paid *	(55.49)	(83.91)
Net Cash Generated from/(used in) Operating Activities	400.07	55.99
Cash Flow from Investing Activities		
Purchase of PPE including Capital Work-in-Progress	(176.88)	(137.73)
Purchase of Intangible Assets including Intangible Assets under Development	(8.31)	(1.78)
Proceeds from Sale of PPE	0.88	0.59
(Purchase)/Redemption of Investments (Net)	(24.71)	151.91
Interest Received	3.57	0.59
(Purchase)/Maturity of Bank Deposits	(53.00)	0.97
Net Cash Flow from / (used in) Investing Activities	(258.45)	14.55

Statement of Cash Flows for the year ended March 31, 2023 (contd.)

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash Flow from Financing Activities		
Proceeds from Issuance of Equity Shares under Employee Stock Option Plan	0.00	0.05
Securities Premium received on exercise of Equity Shares issued under Employee Stock Option Plan	0.43	13.89
Proceeds from / (Repayment) of Current Borrowings (Net)	(20.00)	20.00
Principal Payment of Lease Liabilities	(37.41)	(26.28)
Dividend Paid	(62.23)	(62.11)
Finance Costs (Including Interest on Lease Liabilities)	(19.24)	(15.33)
Net Cash Flow from / (used in) Financing Activities	(138.45)	(69.78)
Net Increase / (Decrease) in Cash and Cash Equivalents	3.17	0.76
Cash and Cash Equivalents at beginning of the year	7.10	6.34
Exchange Fluctuation Gain / (Loss) on Foreign Currency Bank Balances	(0.00)	0.00
Cash and Cash Equivalents at end of the year	10.27	7.10
Components of Cash and Cash Equivalents (At end of the year)		
Balances with Banks on Current Accounts	9.87	6.50
Cash on Hand	0.40	0.60
	10.27	7.10

The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 - "Statement of Cash Flows".

Total cash outflow for leases ₹51.11 crores (previous year ₹39.28 crores).

* 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, 2022	Cash Flows from/ (used in)	Non Cash Changes		As at March 31, 2023
			Addition in Assets	Lease Modification, Termination and Concession	
Borrowings	20.00	(20.00)	-	-	-
Lease Liabilities	154.04	(37.41)	48.30	(0.85)	164.08
	174.04	(57.41)	48.30	(0.85)	164.08

(₹ 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

Significant Accounting Policies (Refer note no. 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 **Gupta & Dua**
Chartered Accountants
Firm's Registration No. 003849N

Ramesh Kumar Dua
Managing Director
DIN :00157872

Mukand Lal Dua
Whole Time Director
DIN :00157898

Mukesh Dua
Partner
Membership No. 085323

Sushil Batra
Chief Financial Officer

Ankit Jain
Company Secretary

Delhi, May 10, 2023



Statement of Changes in Equity for the year ended March 31, 2023

Equity Share Capital (Refer note no. 12)

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at beginning 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
Changes in Share Capital		
12,540 (previous year 4,83,945) Equity Shares of face value of ₹1/- each (previous year ₹1/- each) Issued under Employee Stock Option Plan (Refer note no. 32)	0.00	0.05
Balance at end of the year		
24,89,38,586 (previous year - 24,89,26,046) Equity Shares of face value of ₹1/- each (previous year ₹1/- each)	24.89	24.89

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					Total
	Securities Premium	Share Options Outstanding Account	General Reserve	Retained Earnings	Other Comprehensive Income	
As at April 1, 2022	216.20	2.37	1450.23	63.40	3.03	1735.23
Profit for the year	-	-	-	154.47	-	154.47
Remeasurement Gains / (Losses) on Defined Benefit Plan (Net of Tax)	-	-	-	-	1.96	1.96
Transfer from Retained Earnings to General Reserve	-	-	75.00	(75.00)	-	-
Share Based Payments under Employee Stock Option Plan	-	0.30	-	-	-	0.30
Transferred from Share Options Outstanding Account to Securities Premium on issuance of 12,540 Equity Shares of face value of ₹1/- each under Employee Stock Option Plan	0.20	(0.20)	-	-	-	-
Securities Premium received on exercise of 12,540 Equity Shares of face value of ₹1/- each under Employee Stock Option Plan	0.43	-	-	-	-	0.43
Transferred from Share Options Outstanding Account to General Reserve on cancellation of Options under Employee Stock Option Plan	-	(1.99)	1.99	-	-	-
Final Dividend on Equity Shares for the year ended March 31, 2022 @ ₹2.50 per equity share	-	-	-	(62.23)	-	(62.23)
As at March 31, 2023	216.83	0.48	1527.22	80.64	4.99	1830.16

Statement of Changes in Equity for the year ended March 31, 2023 (contd.)

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

(₹ in Crore)

Particulars	Reserves and Surplus					Total
	Securities Premium	Share Options Outstanding Account	General Reserve	Retained Earnings	Other Comprehensive Income	
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)

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

Ramesh Kumar Dua
Managing Director
DIN :00157872

Mukand Lal Dua
Whole Time Director
DIN :00157898

Mukesh Dua
Partner
Membership No. 085323

Sushil Batra
Chief Financial Officer

Ankit Jain
Company Secretary

Delhi, May 10, 2023



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, 2022	Additions	Disposals/ Adjustments	As at March 31, 2023	As at April 1, 2022	Depreciation	Disposals/ Adjustments	As at March 31, 2023
Property, Plant and Equipment (PPE)								
Freehold Land	163.30	-	-	163.30	-	-	-	163.30
Buildings	318.12	93.70	2.28	409.54	55.66	13.16	0.59	341.31
Leasehold Improvements	16.77	2.99	0.77	18.99	10.39	1.57	0.48	7.51
Plant and Equipments	357.64	84.59	0.78	441.45	111.14	28.73	0.49	302.07
Moulds	109.35	22.81	2.18	129.98	77.14	18.11	1.89	36.62
Furniture and Fixtures	24.16	4.80	0.39	28.57	10.97	2.41	0.22	15.41
Vehicles	14.57	4.80	1.00	18.37	6.89	1.61	0.46	10.33
Office Equipments	11.76	2.03	0.44	13.35	8.51	1.46	0.39	3.77
Computers	18.00	6.15	0.71	23.44	12.31	2.73	0.68	9.08
Electrical Installations	33.07	9.62	0.22	42.47	15.36	3.30	0.14	23.95
Wooden Structure	2.37	0.80	0.07	3.10	1.93	0.25	0.07	0.99
Wind Power Generation Plant	17.32	-	-	17.32	6.78	0.99	-	9.55
	1086.43	232.29	8.84	1309.88	317.08	74.32	5.41	923.89
Capital Work-in-Progress								
	145.18	87.30	144.71	87.77	-	-	-	87.77
	145.18	87.30	144.71	87.77	-	-	-	87.77

For capital commitments, refer note no. 30.

Capital work-in-progress includes plant & machinery and building under construction.

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, 2021	Additions	Disposals/ Adjustments	As at March 31, 2022	As at April 1, 2021	Depreciation	Disposals/ Adjustments	As at March 31, 2022	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	55.66	262.46
Leasehold Improvements	16.35	1.09	0.67	16.77	8.85	1.83	0.29	10.39	6.38
Plant and Equipments	290.11	69.34	1.81	357.64	89.43	22.96	1.25	111.14	246.50
Moulds	89.10	20.35	0.10	109.35	59.04	18.20	0.10	77.14	32.21
Furniture and Fixtures	22.62	1.74	0.20	24.16	8.85	2.23	0.11	10.97	13.19
Vehicles	13.45	1.35	0.23	14.57	5.49	1.60	0.20	6.89	7.68
Office Equipments	11.47	0.92	0.63	11.76	7.57	1.46	0.52	8.51	3.25
Computers	15.37	3.22	0.59	18.00	10.34	2.53	0.56	12.31	5.69
Electrical Installations	28.50	4.71	0.14	33.07	12.65	2.79	0.08	15.36	17.71
Wooden Structure	2.17	0.26	0.06	2.37	1.67	0.32	0.06	1.93	0.44
Wind Power Generation Plant	17.32	-	-	17.32	5.79	0.99	-	6.78	10.54
	975.29	115.60	4.46	1086.43	254.24	66.01	3.17	317.08	769.35
Capital Work-in-Progress									
	112.23	76.28	43.33	145.18	-	-	-	-	145.18
	112.23	76.28	43.33	145.18	-	-	-	-	145.18



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, 2022	Additions	Disposals/ Adjustments	As at March 31, 2023	As at April 1, 2022	Amortisation	Disposals/ Adjustments	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023
Intangible Assets										
Computer Software and Licenses	15.00	10.79	-	25.79	11.85	1.71	-	13.56	12.23	12.23
Intellectual Property Rights	65.93	0.12	-	66.05	40.48	7.04	-	47.52	18.53	18.53
	80.93	10.91	-	91.84	52.33	8.75	-	61.08	30.76	30.76
Intangible Assets under Development										
	3.78	0.13	2.73	1.18	-	-	-	-	1.18	1.18
	3.78	0.13	2.73	1.18	-	-	-	-	1.18	1.18

Intangible assets under development primarily consists of cost related to 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

(₹ in Crore)

Particulars	Gross Carrying Amount				Accumulated Amortisation				Net Carrying Amount	
	As at April 1, 2021	Additions	Disposals/ Adjustments	As at March 31, 2022	As at April 1, 2021	Amortisation	Disposals/ Adjustments	As at March 31, 2022	As at March 31, 2021	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	3.15
Intellectual Property Rights	62.96	2.97	-	65.93	33.65	6.83	-	40.48	25.45	25.45
	77.13	3.80	-	80.93	43.80	8.53	-	52.33	28.60	28.60
Intangible Assets under Development										
	5.80	1.06	3.08	3.78	-	-	-	-	3.78	3.78
	5.80	1.06	3.08	3.78	-	-	-	-	3.78	3.78

Notes forming part of Financial Statements

Note No. 3: Right-of-Use Assets

(₹ in Crore)

Particulars	Gross Carrying Amount				Accumulated Depreciation			Net Carrying Amount
	As at April 1, 2022	Additions	Disposals/ Adjustments	As at March 31, 2023	As at April 1, 2022	Depreciation	Disposals/ Adjustments	As at March 31, 2023
Leasehold Land *	52.44	-	-	52.44	3.25	0.55	-	48.64
Buildings	206.79	57.82	26.88	237.73	66.67	41.48	17.36	146.94
	259.23	57.82	26.88	290.17	69.92	42.03	17.36	195.58

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 Assets

(₹ in Crore)

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



Notes forming part of Financial Statements

Note No. 4: Investments

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
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- 25) Perpetual Bonds of face value of ₹10000000/- 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)	24.49	24.78
	24.69	24.98
Current		
Investment at Fair Value through Profit or Loss (FVTPL)		
Quoted		
76,746.70 (previous year 1,19,993.66) Units of Mutual Funds of face value of ₹1000/- each of SBI Magnum Ultra Short Duration Fund - Regular Growth	39.10	58.15
Nil (previous year 4,23,61,176.61) Units of Mutual Funds of face value of ₹10/- each of HDFC Ultra Short Term Fund - Regular Growth	-	52.01
3,57,84,830.62 (previous year 1,69,43,147.97) Units of Mutual Funds of face value of ₹10/- each of Kotak Savings Fund - Regular Growth	131.34	59.11
14,350.91 (previous year Nil) Units of Mutual Funds of face value of ₹1000/- each of SBI Liquid Fund - Regular Growth	5.02	-
250 (previous year- Nil) Perpetual Bonds of face value of ₹1000000/- each Fully Paid up of 9.15% ICICI Bank Limited Unsecured Non - Convertible Perpetual Subordinated Basel III Compliant Tier 1 Bonds (first Call Option June 20, 2023)	25.13	-
	200.59	169.27
Aggregate Amount of Quoted Investments and Market Value thereof		
Current	200.59	169.27
Non-Current	24.49	24.78
Aggregate Amount of Unquoted Investments		
Non-Current	0.20	0.20

Note No. 5: Loans*

Unsecured, considered good unless otherwise stated

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Loans to Employees	0.03	0.08
	0.03	0.08
Current		
Loans to Employees	0.58	0.43
	0.58	0.43

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, 2023	As at March 31, 2022
Non-Current		
Security Deposits*	17.98	16.39
Bank Deposits with remaining maturity of more than twelve months	-	1.12
Bank Deposits pledged as Security with Government Authorities	0.02	0.02
Interest accrued on Bank Deposits	0.00	0.06
	18.00	17.59
Current		
Interest accrued on Bonds / Security Deposits	2.34	0.56
Derivative Instruments measured at Fair Value through Profit or Loss		
Foreign Exchange Forward Contracts	-	0.14
	2.34	0.70

* Security deposits are recoverable upon termination of agreement unless otherwise agreed.

Note No. 7: Other Assets

Unsecured, considered good unless otherwise stated

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Capital Advances*	9.71	7.40
Prepaid Expenses	2.48	2.21
Balances / Deposits with Statutory or Government Authorities	7.07	7.21
	19.26	16.82
Current		
Advance for Supply of Goods and rendering of Services*	8.48	8.45
Prepaid Expenses	12.54	10.12
Insurance Claims Receivable	30.55	0.15
Export Incentives Receivable	0.81	1.24
Duty Credit Scripts	0.05	0.55
Input Tax Balances	24.79	53.25
GST Refundable	4.77	6.13
	81.99	79.89

* 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, 2023	As at March 31, 2022
Raw Materials including Packing Material (Includes in transit ₹22.22 crores)	156.03	189.38
Work-in-Progress	93.39	92.17
Finished Goods	265.31	341.75
Stock-in-Trade	28.89	31.34
Stores and Spares including Fuel (Includes in transit ₹0.16 crore)	20.16	18.61
	563.78	673.25

Inventories are hypothecated by way of first pari passu charge against working capital facilities. (Refer note no. 14)

Write down of inventories to net realisable value related to raw materials, work-in-progress and finished goods amounting to ₹1.04 crores (Net) (previous year Nil) and reversal of write down amounting to Nil (previous year ₹2.91 crores (Net)).

Note No. 9: Trade Receivables

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Trade Receivables, Secured*		
Considered Good	2.19	0.75
	2.19	0.75
Trade Receivables, Unsecured		
Considered Good	268.15	250.04
Credit Impaired	5.63	5.01
	273.78	255.05
Allowances for Doubtful Trade Receivables (Refer note no. 26 & 36)	5.63	5.01
	268.15	250.04
	270.34	250.79

*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.

For information related to credit risk of trade receivables refer note no. 36.

Note No. 10: Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks on Current Accounts	9.87	6.50
Cash on Hand	0.40	0.60
	10.27	7.10

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, 2023	As at March 31, 2022
Earmarked Balances with Banks - Unpaid Dividends (Refer note no. 15)	0.34	0.30
Bank Deposits with original maturity of more than three months and having remaining maturity upto twelve months	55.00	0.88
Unspent Corporate Social Responsibility Accounts^ (Refer note no. 16)	8.07	4.22
Interest accrued on Bank Deposits	0.33	0.07
	63.74	5.47

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

Note No. 12: Equity Share Capital

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
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		
24,89,38,586 (previous year - 24,89,26,046) Equity Shares of face value of ₹1/- each (previous year ₹1/- each)	24.89	24.89
	24.89	24.89

Reconciliation of Share Capital

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at beginning 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
Changes in Share Capital		
12,540 (previous year 4,83,945) Equity Shares of face value of ₹1/- each (previous year ₹1/- each) Issued under Employee Stock Option Plan (Refer note no. 32)	0.00	0.05
Balance at end of the year		
24,89,38,586 (previous year - 24,89,26,046) Equity Shares of face value of ₹1/- each (previous year ₹1/- each)	24.89	24.89

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, 2023		As at March 31, 2022	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
Ramesh Kumar Dua	5,84,01,744	23.46%	5,78,17,744	23.23%
Mukand Lal Dua	5,07,25,466	20.38%	5,01,41,920	20.14%
VLS Securities Limited	1,55,94,000	6.26%	1,55,94,000	6.26%
SBI Mutual Fund & Sub accounts	1,66,98,557	6.71%	1,37,55,087	5.53%

Details of Promoters Shareholding

Name of Promoters	As at March 31, 2023			As at March 31, 2022		
	No. of Shares	% of Total Shares	% Change during the Year	No. of Shares	% of Total Shares	% Change during the Year
Ramesh Kumar Dua	5,84,01,744	23.46%	0.23%	5,78,17,744	23.23%	-
Mukand Lal Dua	5,07,25,466	20.38%	0.23%	5,01,41,920	20.14%	-
Lalita Dua	95,32,362	3.83%	0.00%	95,32,362	3.83%	-
Usha Dua	95,60,510	3.84%	0.04%	94,60,510	3.80%	-
Nikhil Dua	92,43,674	3.71%	(0.04%)	93,43,674	3.75%	-
Nitin Dua	93,43,674	3.75%	0.00%	93,43,674	3.75%	-
Gaurav Dua	93,43,674	3.75%	0.00%	93,43,674	3.75%	-
Ritesh Dua	93,43,674	3.75%	0.00%	93,43,674	3.75%	-
Rahul Dua	93,44,043	3.75%	0.00%	93,43,674	3.75%	-
Sakshi Dua	20,20,000	0.81%	0.00%	20,20,000	0.81%	-
Mukand Lal Dua (HUF)	4,64,000	0.19%	0.00%	4,64,000	0.19%	-
Ramesh Kumar Dua (HUF)	40,000	0.02%	0.00%	40,000	0.02%	-
	17,73,62,821	71.25%	0.47%	17,61,94,906	70.78%	-

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, 2023	As at March 31, 2022
Reserves and Surplus		
Securities Premium	216.83	216.20
Share Options Outstanding Account	0.48	2.37
General Reserve	1527.22	1450.23
Retained Earnings	80.64	63.40
Other Comprehensive Income		
Remeasurement Gains / (Losses) on Defined Benefit Plan	4.99	3.03
	1830.16	1735.23

Notes forming part of Financial Statements

Movement in Other Equity

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Securities Premium		
Opening Balance	216.20	194.45
Transferred from Share Options Outstanding Account on issuance of Equity Shares under Employee Stock Option Plan	0.20	7.86
Securities Premium received on exercise of Equity Shares under Employee Stock Option Plan	0.43	13.89
Closing Balance	216.83	216.20
Share Options Outstanding Account		
Opening Balance	2.37	7.34
Share Based Payments under Employee Stock Option Plan (Refer note no. 23)	0.30	2.89
Transferred to Securities Premium on issuance of Equity Shares under Employee Stock Option Plan	(0.20)	(7.86)
Transferred to General Reserve on cancellation of Options under Employee Stock Option Plan	(1.99)	-
Closing Balance	0.48	2.37
General Reserve		
Opening Balance	1450.23	1300.23
Transferred from Retained Earnings	75.00	150.00
Transferred from Share Options Outstanding Account on cancellation of Options under Employee Stock Option Plan	1.99	-
Closing Balance	1527.22	1450.23
Retained Earnings		
Opening Balance	63.40	42.83
Profit for the year	154.47	232.68
Transferred to General Reserve	(75.00)	(150.00)
Final Dividend on Equity Shares for the year ended March 31, 2022 @ ₹2.50 per equity share (previous year @ ₹2.50 per equity share)	(62.23)	(62.11)
Closing Balance	80.64	63.40
Other Comprehensive Income		
Opening Balance	3.03	2.72
Remeasurement Gains / (Losses) on Defined Benefit Plan (Net of Tax)	1.96	0.31
Closing Balance	4.99	3.03
	1830.16	1735.23

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: Borrowings

(₹ in Crore)

Particulars	Maturity Date	Interest Rate	As at March 31, 2023	As at March 31, 2022
Current				
Secured Working Capital facilities from Banks				
Loans Repayable on Demand	On Demand	4.30% - 9.75%	-	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.

(Refer note no. 8, 24 & 38)

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

There is no default in repayment of principal borrowings or interest thereon.

Note No. 15: Other Financial Liabilities

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Retention Money	-	0.15
	-	0.15
Current		
Retention Money	3.68	2.39
Interest accrued on Borrowings from Banks	0.00	0.00
Security Deposit		
Customers* (Refer note no. 24)	29.80	28.09
Others**	0.61	0.48
Unpaid Dividends^ (Refer note no. 11)	0.34	0.30
Payable to Employees	35.92	34.52
Director's Commission Payable (Refer note no. 39)	15.41	24.47
Payable for Capital Goods	3.68	4.51
Derivative Instruments measured at Fair Value through Profit or Loss		
Foreign Exchange Forward Contracts	0.25	-
	89.69	94.76

*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.

^ No amount is due to be transferred to Investor Education and Protection Fund.

Notes forming part of Financial Statements

Note No. 16: Provisions

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Provision for Employee Benefits		
Compensated Absences	13.25	12.04
Others		
Corporate Social Responsibility (Refer note no. 11, 26 & 41)	6.10	6.63
	19.35	18.67
Current		
Provision for Employee Benefits		
Compensated Absences	5.76	4.74
Gratuity [Refer note no. 31(b)]	4.54	2.54
Others		
Corporate Social Responsibility (Refer note no. 11, 26 & 41)	8.32	4.03
Rebates and Discounts Payable	6.52	17.85
	25.14	29.16

Movement in Provision for Compensated Absences

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Balance	16.78	14.40
Created during the year	4.88	3.76
Utilised during the year	2.65	1.38
Closing Balance	19.01	16.78

Movement in Provision for Corporate Social Responsibility

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Balance	10.66	5.43
Created during the year	6.35	6.44
Utilised during the year	2.59	1.21
Closing Balance	14.42	10.66

Movement in Provision for Rebates and Discounts

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Balance	17.85	21.02
Created during the year	4.27	17.12
Utilised during the year	15.60	20.29
Closing Balance	6.52	17.85



Notes forming part of Financial Statements

Movement in Provision for Gratuity

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Balance	2.54	2.43
Created during the year	4.54	2.54
Utilised during the year	2.54	2.43
Closing Balance	4.54	2.54

Note No. 17: Deferred Tax Liabilities (Net)

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities (Net)	21.46	19.85
	21.46	19.85

Movement in Deferred Tax Assets / (Liabilities)

(₹ in Crore)

Particulars	As at April 1, 2022	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2023
Deferred Tax Assets / (Liabilities) arising on account of				
Investments	0.61	(0.50)	-	0.11
Expenses Allowable on Payment Basis	16.93	1.23	(0.66)	17.50
Lease Liabilities	38.77	2.53	-	41.30
Allowances for Doubtful Trade Receivables & Write down / Reversal of Write down of Inventories	2.73	0.42	-	3.15
Derivative Instruments	(0.04)	0.10	-	0.06
Accumulated Depreciation and Amortisation	(78.85)	(4.73)	-	(83.58)
	(19.85)	(0.95)	(0.66)	(21.46)

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

Note No. 18: Other Current Liabilities

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from Customers*	6.46	4.53
Statutory Dues		
Entry Tax (Refer note no. 30)	46.80	46.80
Others^	10.97	8.95
	64.23	60.28

*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, 2023	As at March 31, 2022
Income Tax (Net of Advance Tax and Tax Deducted at Source)	2.89	3.78
Interest on Income Tax	0.03	0.04
	2.92	3.82

Note No. 20: Revenue from Operations

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Contracts with Customers		
Manufactured and Traded		
Footwear (Refer note no. 45 & 47)	2752.05	2621.57
Wind Power	3.97	3.61
Others *	8.12	10.95
	2764.14	2636.13
Other Operating Revenue		
Scrap Sale	15.42	14.14
Export Incentives	2.75	2.58
Other Operating Income ^	0.46	0.42
	18.63	17.14
	2782.77	2653.27

* Includes accessories, raw material etc.

^ Includes franchisee fees etc.

Note No. 21: Other Income

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income on		
Financial Assets measured at Amortised Cost	2.47	0.69
Financial Assets measured at FVTPL	3.08	0.52
Other Non Operating Income		
Net Gain on Investments measured at FVTPL*	6.32	7.98
Net Gain on Foreign Currency Transactions and Translations	5.18	3.58
Net Gain on Fair Valuation of Derivative Instruments measured at FVTPL	0.49	0.63
Gain on Lease Modification, Termination and Concession (Refer note no. 46)	0.85	8.47
Miscellaneous Income	0.18	1.85
	18.57	23.72

* Includes realised net gain on sale of investments ₹6.78 crores (previous year ₹10.41 crores).



Notes forming part of Financial Statements

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

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of year		
Finished Goods	265.31	341.75
Stock-in-Trade	28.89	31.34
Work-in-Progress	93.39	92.17
	387.59	465.26
Inventories at the beginning 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
Net (Increase) / Decrease		
Finished Goods	76.44	(168.97)
Stock-in-Trade	2.45	10.93
Work-in-Progress	(1.22)	(14.27)
	77.67	(172.31)

Note No. 23: Employee Benefits Expense

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages and Other Benefits	294.18	287.21
Contribution to Provident and Other Funds [Refer note no. 31(a)]	23.12	22.47
Gratuity Expenses [Refer note no. 31(b)]	7.22	7.12
Share Based Payments (Refer note no. 13)	0.30	2.89
Staff Welfare Expenses	18.43	15.00
	343.25	334.69

Note No. 24: Finance Costs

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on		
Borrowings (Refer note no. 14)	0.62	0.11
Security Deposits (Refer note no. 15)	1.94	1.96
Lease Liabilities	13.70	13.00
Income Tax	0.03	0.04
Other Borrowing Costs		
Processing Fees	0.15	0.06
Other Interest	2.80	0.16
	19.24	15.33

Note No. 25: Depreciation and Amortisation Expense

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Property, Plant and Equipment (Refer note no. 1)	74.32	66.01
Amortisation of Intangible Assets (Refer note no. 2)	8.75	8.53
Depreciation on Right-of-Use Assets (Refer note no. 3)	42.03	39.00
	125.10	113.54

Notes forming part of Financial Statements

Note No. 26: Other Expenses

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Advertisement and Sales Promotion	122.49	98.31
Freight and Forwarding	119.79	113.20
Power and Fuel	91.61	87.07
Consumption of Stores	7.60	7.65
Processing Charges	262.03	241.90
Handling Charges	28.29	22.20
Repair and Maintenance		
Plant and Equipment	19.71	21.00
Computer Equipment & Software	14.80	11.12
Others	9.90	7.88
Legal and Professional (Refer note no. 42)	16.89	15.28
Security Expenses	13.70	12.10
Insurance	8.20	6.41
Rates and Taxes	1.25	1.07
Printing and Stationery	2.36	2.07
Communication Expenses	2.95	3.17
Travelling and Conveyance	22.75	14.47
Corporate Social Responsibility (Refer note no. 16 & 41)	6.73	6.44
Festival Expenses	2.15	2.01
Bank Charges	2.41	1.87
Net Loss on Disposal / Write off of PPE and Intangible Assets	2.55	0.60
Allowances for Doubtful Trade Receivables (Refer note no. 9 & 36)	0.75	0.04
Bad Debts Written off	0.13	0.04
Miscellaneous	10.38	10.23
	769.42	686.13

Note No. 27: Tax Expense

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax	54.58	80.84
Deferred Tax	0.95	(3.06)
Tax for Earlier years	0.01	0.14
	55.54	77.92

Reconciliation of Tax Expense and the Accounting Profit

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit Before Tax	210.01	310.60
Tax @ 25.168% (previous year @ 25.168%)	52.86	78.17
Items giving rise to difference in tax		
Deduction on account of appointment of new employees	(0.47)	(1.82)
PPE, Right-of-Use Assets and Intangible Assets	8.14	10.35
Others	(5.00)	(8.92)
Tax for Earlier years	0.01	0.14
Tax Expense	55.54	77.92



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. 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). For details of promoters shareholding and shareholders holding more than 5% shares in the Company, refer note no. 12.

The financial statements for the year ended March 31, 2023 are authorised for issue by the Board of Directors at their meeting held on May 10, 2023.

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. Recent Accounting Pronouncements

The Ministry of Corporate Affairs (“MCA”) vide notification dated March 31, 2023, notified certain amendments to Ind AS. These amendments are applicable w.e.f. April 1, 2023.

The Company does not foresee any significant impact in its financial statements due to these amendments.

d. 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

Significant Accounting Policies

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.

- 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.

e. Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost less 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.



Significant Accounting Policies

The cost of self-constructed assets includes the cost of materials, direct labour, borrowing costs and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Advances given towards acquisition / construction of property, plant and equipment outstanding at each reporting date are disclosed as capital advances under other non-current assets. Other indirect expenses incurred related to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expense and disclosed under capital work-in-progress.

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.

f. Intangible Assets

Intangible assets are stated 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.

g. 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.

Principal payment of 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 assets are 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 useful life of the assets whichever is shorter.

Right-of-use assets are 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 remeasurement of the lease liability with a corresponding adjustment to the right-of-use asset. Any gain or loss on modification is recognised in the statement of profit and loss.

h. 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-

Significant Accounting Policies

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.

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.

i. 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.

j. 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 may make 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.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or



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it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity and does not retain control of the asset.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial 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, trade payables and other financial liabilities.

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 uses derivative financial instruments, such as forward contracts to hedge its foreign currency. 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.

k. 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.

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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 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.

i. Cash and Cash Equivalents

Cash and cash equivalents comprise of balances with banks, cash 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.

m. Government grants

Government grants and subsidies 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.

n. Income Taxes

Income tax expense represents the sum of current and deferred tax. 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

Current tax is measured at the amount expected to be paid to or recovered from the tax authorities in accordance with the provisions of Income Tax Act, 1961 including the relevant

transfer pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.

Current tax assets and liabilities are offset when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

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.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set-off current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

o. 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.



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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.

p. 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 and the revenue can be reliably measured, regardless of when payment is being made. No element of financing is present as the sales are generally made with a credit term of 0-30 days, which is consistent with market practice. The performance obligation in contracts are considered fulfilled in accordance with the terms agreed with the respective customers.

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).

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.

Revenue is disclosed net of goods and services tax (GST), rebates, discounts, returns and claims as applicable.

q. 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.

Export incentives are recognised as income on accrual basis to the extent its realisation is certain.

r. Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Difference between the sale price and carrying value of investment is recognised in other income.

Other income is recognised on accrual basis in the financial statements, except when there is uncertainty of collection.

s. 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 actuarial gains and losses on the defined benefit obligation, the return on plan assets excluding amounts included in net interest on the net

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defined benefit liability/(asset), 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.

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.

t. 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.

u. 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.

v. 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 assets 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.

w. 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.

x. 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 dividend is recorded as a liability on the date of declaration by the Company's Board of Directors.



Notes forming part of Financial Statements

Note No. 30 : Contingent Liabilities and Commitments

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent Liabilities *		
Claims against the Company not acknowledged as debt in respect of:		
Sales Tax Matters related to Purchase tax, Input tax, Entry tax and GST	38.49	1.32
Income Tax Matters related to Dividend Distribution tax, TDS and Transfer Pricing	4.84	4.84
	43.33	6.16
Others		
Interest on Entry tax, Haryana**	79.35	70.93
Additional demand of Industrial Plot no. 37, Bahadurgarh, Haryana ***	18.73	18.73
Additional demand of Industrial Plot no. 342-343, Bahadurgarh, Haryana ***	1.51	1.51
	99.59	91.17
Commitments		
Capital Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advance)	27.25	23.86
	27.25	23.86
Others		
Export Obligation under Export Promotion Capital Goods (EPCG) scheme	279.12	146.70
Unspent Corporate Social Responsibility Obligations (<i>Refer note no.16</i>)	14.42	10.66
	293.54	157.36

* 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.

Notes forming part of Financial Statements

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, 2023	Year ended March 31, 2022
Employer's Contribution to Provident Fund	17.77	17.12
Employer's Contribution to ESIC Scheme	3.06	3.35
Employer's Contribution to Other Funds	2.29	2.00
	23.12	22.47

(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, 2023	Year ended March 31, 2022
Present Value of Obligation at the beginning of year	46.97	39.25
Current Service Cost	7.05	6.97
Interest Expense	3.05	2.47
Remeasurement (gains)/losses arising from:		
Change in demographic assumptions	-	-
Change in financial assumptions	(2.66)	(0.59)
Experience variance (i.e. actual experience vs assumptions)	(0.33)	0.18
Benefits Paid	(3.27)	(1.31)
Present Value of Obligation at the end of year	50.81	46.97
Fair Value of Plan Assets at the beginning of year	44.43	36.82
Investment Income	2.88	2.32
Employer's Contribution	2.60	6.59
Return on plan assets gains/(losses) (excluding amount recognised in net interest expense)	(0.37)	0.01
Benefits Paid	(3.27)	(1.31)
Fair Value of Plan Assets at the end of year	46.27	44.43
Major categories of Plan Assets (as percentage of total plan assets)		
Funds managed by Insurer (%)	100	100
Balance Sheet Position at the end of year (Refer note no. 16)		
Present value of obligation	50.81	46.97
Fair value of plan assets	46.27	44.43
Net Liability	4.54	2.54
Expenses Recognised in the Income Statement (Refer note no.23)		
Current Service Cost	7.05	6.97
Net Interest Expense/(Income) on the Net Defined Benefit Liability/(Asset)	0.17	0.15
	7.22	7.12



Notes forming part of Financial Statements

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Other Comprehensive Income		
Remeasurement (gains) / losses arising from:		
Change in demographic assumptions	-	-
Change in financial assumptions	(2.66)	(0.59)
Experience variance (i.e. actual experience vs assumptions)	(0.33)	0.18
Return on plan assets (gains) / losses (excluding amount recognised in net interest expense)	0.37	(0.01)
	(2.62)	(0.42)
Expected Contribution during the next annual reporting period	6.70	7.14
Financial Assumptions		
Discount Rate (per annum %)	7.35	6.50
Salary growth rate (per annum %)	10.00	10.00
Demographic Assumptions		
Mortality Rate	100% of IALM 2012-2014	
Normal Retirement Age		
For Employees of Group A (In years)	60	60
For Employees of Group B (In years)	70	70
Attrition / Withdrawal rate (per annum %)	15.00	15.00

Sensitivity Analysis for Significant Assumptions are given below:

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Present Value of Defined Benefit Obligation at the end of year	50.81	46.97
Change in Discount Rate		
Increase by 1%	(2.83)	(2.80)
Decrease by 1%	3.16	3.14
Change in Salary Growth Rate		
Increase by 1%	3.05	3.00
Decrease by 1%	(2.79)	(2.74)
Change in Attrition Rate		
Increase by 50% of attrition rate	(2.77)	(3.51)
Decrease by 50% of attrition rate	5.44	7.30
Change in Mortality Rate		
Increase by 10% of mortality rate	(0.01)	(0.01)
Decrease by 10% of mortality rate	0.01	0.01

Figures in bracket denotes reduction in defined benefit obligation.

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.

Notes forming part of Financial Statements

Maturity Profile of Defined Benefit Obligation based on Discounted Cashflows

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Weighted Average Duration of the Defined Benefit Obligation (In years)	6	6
Expected Payment in future years		
Within next 12 months	7.29	6.07
Between 1 and 5 years	20.99	18.90
More than 5 years	22.53	22.00
	50.81	46.97

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.

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	May 11, 2022, July 26, 2022, November 2, 2022, March 14, 2023
Vesting Period	1 - 3 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



Notes forming part of Financial Statements

Details of options granted during the year

Particulars	Date of Grant			
	May 11, 2022	July 26, 2022	November 2, 2022	March 14, 2023
Vesting Schedule at first year	10%	10%	10%	20%
Vesting Schedule at second year	30%	30%	30%	30%
Vesting Schedule at third year	60%	60%	60%	50%
Exercise Period (In years)	4			
Exercise Price (In ₹)	1047.90	1005.65	972.35	757.25
Market price (In ₹)	1047.90	1005.65	972.35	757.25

The Details of activity under the scheme are summarised below:

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	No. of Options	Weighted Average Exercise Price (₹)	No. of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	3,56,850	1266.95	5,08,995	292.03
Granted during the year	8,38,100	776.63	3,58,000	1331.00
Cancelled during the year	4,00,300	1275.68	26,200	1286.07
Exercised during the year (Refer note no.12)	12,540	342.74	4,83,945	287.91
Outstanding at end of the year	7,82,110	751.88	3,56,850	1266.95
Exercisable at end of the year	10,910	517.89	23,450	229.65

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2023 is 6.66 years. (previous year 6.23 years)

The weighted average fair value of stock options granted during the year ended on March 31, 2023 is ₹224.77 per option. (previous year ₹382.15 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, 2023	Year ended March 31, 2022
Stock Price (₹)	776.63	1331.00
Volatility (%)	27.98	29.69
Risk Free Rate (%)	7.13	5.20
Exercise Price (₹)	776.63	1331.00
Time to Maturity (Years)	3.24	3.50
Dividend Yield (%)	0.32	0.19

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, 2023	Year ended March 31, 2022
Profit for the Year (₹ in Crore)	154.47	232.68
Weighted average number of Equity Shares used in calculating Basic EPS	24,89,26,115	24,86,42,308
Dilutive impact for Employee Stock Options (No. of Equity Shares)	21,777	2,40,202
Weighted average number of Equity Shares used in calculating Diluted EPS	24,89,47,892	24,88,82,510
Earnings Per Equity Share of ₹ 1/- each		
Basic (₹)	6.21	9.36
Diluted (₹)	6.21	9.35

Notes forming part of Financial Statements

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, 2023		As at March 31, 2022	
		FCY	INR	FCY	INR
Unhedged Foreign Currency Exposure					
Import Payables	USD	0.12	9.73	0.09	6.88
Import Payables	AED	0.01	0.15	0.01	0.11
Import Payables	EURO	0.00	0.06	-	-
Export Receivables	USD	0.48	39.32	0.55	41.77
Export Receivables	QAR	-	-	0.03	0.68
Bank Balance	AED	0.02	0.46	0.02	0.39
Cash on Hand (Dubai office)	AED	0.00	0.00	0.00	0.00
Employee Benefits Payable	AED	0.00	0.03	0.00	0.02
Security Deposit	AED	0.00	0.05	0.00	0.09
Hedged Foreign Currency Exposure					
Number of Buy Forward Contracts	Nos	26		31	
Import Payables	USD	0.34	27.91	0.68	51.78
Import Orders	USD	0.28	23.10	0.37	28.05
Import Orders	EURO	-	-	0.02	2.07

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, 2023						
Undisputed Trade Receivables						
Considered Good	262.63	3.74	2.34	1.63	-	270.34
Credit Impaired	1.88	-	0.41	0.41	0.00	2.70
Disputed Trade Receivables						
Considered Good	-	-	-	-	-	-
Credit Impaired	0.02	0.49	0.17	-	2.25	2.93
	264.53	4.23	2.92	2.04	2.25	275.97
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

* Refer note no. 9 & 36



Notes forming part of Financial Statements

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 comprise 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.
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.

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 investing activities, 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.

Notes forming part of Financial Statements

(₹ in Crore)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Financial Assets for which loss allowances are measured using 12 Months Expected Credit Loss			
Non Current Assets			
Investments	4	24.69	24.98
Loans	5	0.03	0.08
Other Financial Assets	6	18.00	17.59
Current Assets			
Investments	4	200.59	169.27
Cash and Cash Equivalents	10	10.27	7.10
Bank Balances other than Cash and Cash Equivalents	11	63.74	5.47
Loans	5	0.58	0.43
Other Financial Assets	6	2.34	0.70
		320.24	225.62
Financial Assets for which loss allowances are measured using life time Expected Credit Loss			
Current Assets			
Trade Receivables (Refer note no. 35)	9	270.34	250.79
		270.34	250.79

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, 2023	Year ended March 31, 2022
Opening Balance	5.01	5.01
Addition during the year (Refer note no. 26)	0.75	0.04
Reversal during the year	(0.13)	(0.04)
Closing Balance (Refer note no. 9)	5.63	5.01

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.



Notes forming part of Financial Statements

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, 2023				As at March 31, 2022			
		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		161.04	-	118.97	42.07	153.41	-	122.01	31.40
Other Financial Liabilities	15	-	-	-	-	0.15	-	0.15	-
Current Liabilities									
Financial Liabilities									
Borrowings	14	-	-	-	-	20.00	20.00	-	-
Lease Liabilities		47.94	47.94	-	-	43.37	43.37	-	-
Trade Payables									
Micro and Small Enterprises		70.41	70.41	-	-	54.20	54.20	-	-
Other than Micro and Small Enterprises		182.46	182.46	-	-	167.54	167.54	-	-
Other Financial Liabilities	15	89.69	89.69	-	-	94.76	94.76	-	-
		551.54	390.50	118.97	42.07	533.43	379.87	122.16	31.40

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, 2023 and March 31, 2022 has been disclosed in note no. 34.

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 unhedged monetary assets and liabilities is given below:

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Impact on Profit Before Tax due to change in USD rate*		
Increase by 2%	0.59	0.70
Decrease by 2%	(0.59)	(0.70)

* Figures in bracket denotes reduction in profit

The Company's unhedged foreign currency exposure denominated in Euro, QAR and AED are insignificant, hence sensitivity analysis has not been disclosed.

Notes forming part of Financial Statements

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, 2023, the exposure to interest rate risk due to variable interest rate borrowings amounted to Nil. (previous year ₹20 crores)

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, 2023	Year ended March 31, 2022
Impact on Profit Before Tax due to change in Interest Rate*		
Increase by 0.50%	(0.09)	(0.04)
Decrease by 0.50%	0.09	0.04

*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, 2023	Year ended March 31, 2022
Impact on Profit Before Tax due to change in price of Investments*		
Increase by 0.50%	0.93	1.16
Decrease by 0.50%	(0.93)	(1.16)

* Figures in bracket denotes reduction in profit

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.



Notes forming part of Financial Statements

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. Net debt comprises of total debts minus cash and cash equivalents, bank deposits and current investments. (₹ in Crore)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Equity Share Capital	12	24.89	24.89
Other Equity	13	1830.16	1735.23
Total Equity		1855.05	1760.12
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.14)

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
Gaurav Dua, Whole Time Director (w.e.f. 26.07.2022)
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)
Smt. Ram Ditti Dua Memorial Society
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 Ramesh Kumar Dua
 Gaurav Dua, son of Ramesh Kumar Dua
 Rahul Dua, son of Ramesh Kumar Dua
 Sakshi Dua, daughter of Ramesh Kumar Dua
 Usha Dua, wife of Mukand Lal Dua
 Ritesh Dua, son of Mukand Lal Dua
 Nitin Dua, son of Mukand Lal Dua

(e) Independent Directors (KMP) and their relatives

Pankaj Shrimali
 Vivek Kumar
 Deepa Verma
 Rajeev Rupendra Bhadauria
 Kuldip Singh Dhingra (w.e.f. 26.07.2022)
 Madhuri Shrimali, wife of Pankaj Shrimali
 Meeta Dhingra, wife of Kuldip Singh Dhingra

(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	-	-	0.01	-	-	-	0.01
	-	-	-	-	-	-	-
Lease Rent	1.32	1.50	0.93	1.76	-	-	5.51
	(0.96)	(0.68)	(0.84)	(2.28)	-	-	(4.76)
Dividend	26.99	4.65	0.13	12.29	0.00	-	44.06
	(26.99)	(2.33)	(0.13)	(14.60)	0.00	-	(44.05)
Short-Term Employee Benefits (Salary)	3.66	3.83	-	3.69	-	-	11.18
	(3.64)	(5.48)	-	(4.61)	-	-	(13.73)
Post-Employment Benefits (Provident Fund and Gratuity)	0.44	0.24	-	0.22	-	-	0.90
	(0.44)	(0.17)	-	(0.38)	-	-	(0.99)
Long-Term Employee Benefits (Compensated Absences)	-	0.05	-	-	-	-	0.05
	-	(0.05)	-	-	-	-	(0.05)



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
Director's Commission (<i>Refer note no.15</i>)	15.30	-	-	-	0.12	-	15.42
	(24.38)	-	-	-	(0.10)	-	(24.48)
Sitting Fee	-	-	-	-	0.16	-	0.16
	-	-	-	-	(0.13)	-	(0.13)
Share Based Payments	-	0.01	-	-	-	-	0.01
	-	(0.08)	-	-	-	-	(0.08)
Contribution to Post Employment Benefit Plan Trust (Gratuity)	-	-	-	-	-	2.60	2.60
	-	-	-	-	-	(6.59)	(6.59)
Issue of Shares under "RFL Employee Stock Option Plan 2014" (In Number)	-	-	-	-	-	-	-
	-	(27,300)	-	-	-	-	(27,300)
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.

The following section describes the valuation techniques used and key inputs for fair valuation :

- Foreign exchange forward contracts are valued using market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period.
- Fair value of mutual funds are at published net asset value (NAV).
- The fair value of perpetual bonds are determined based on prevailing yield to discount future cash flows.
- Unquoted equity instruments where most recent information to measure fair value is insufficient, cost has been considered as best estimate of fair value.
- The carrying amount of other financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Fair Value Hierarchy

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, 2023			As at March 31, 2022		
		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		0.03	0.03	Level 3	0.08	0.08	Level 3
Other Financial Assets	6						
Security Deposits		17.98	17.98	Level 3	16.39	16.39	Level 3
Bank Deposits with remaining maturity of more than twelve months		-	-	-	1.12	1.12	Level 2
Bank Deposits pledged as Security with Government Authorities		0.02	0.02	Level 2	0.02	0.02	Level 2
Interest accrued on Bank Deposits		0.00	0.00	Level 2	0.06	0.06	Level 2
Current Assets							
Trade Receivables	9	270.34	270.34	Level 3	250.79	250.79	Level 3
Cash and Cash Equivalents	10	10.27	10.27	Level 1	7.10	7.10	Level 1
Bank Balances other than Cash and Cash Equivalents	11	63.74	63.74	Level 2	5.47	5.47	Level 2
Loans	5						
Loans to Employees		0.58	0.58	Level 3	0.43	0.43	Level 3
Other Financial Assets	6						
Interest accrued on Bonds		2.34	2.34	Level 2	0.56	0.56	Level 2
		365.30	365.30		282.02	282.02	
Financial Assets carried at Fair Value through Profit or Loss							
Non-Current Assets							
Investments	4						
Perpetual Bonds - Quoted		24.49	24.49	Level 2	24.78	24.78	Level 2
Current Assets							
Investments	4						
Mutual Funds - Quoted		175.46	175.46	Level 1	169.27	169.27	Level 1
Perpetual Bonds - Quoted		25.13	25.13	Level 2	-	-	-
Other Financial Assets	6						
Foreign Exchange Forward Contracts		-	-	-	0.14	0.14	Level 2
		225.08	225.08		194.19	194.19	
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
		0.20	0.20		0.20	0.20	
Financial Liabilities carried at Amortised Cost							
Non-Current Liabilities							
Lease Liabilities		128.28	128.28	Level 3	122.78	122.78	Level 3
Other Financial Liabilities	15						
Retention Money		-	-	-	0.15	0.15	Level 3



Notes forming part of Financial Statements

(₹ in Crore)

Particulars	Note No.	As at March 31, 2023			As at March 31, 2022		
		Carrying Amount	Fair Value	Fair Value Hierarchy	Carrying Amount	Fair Value	Fair Value Hierarchy
Current Liabilities							
Borrowings	14	-	-	-	20.00	20.00	Level 2
Lease Liabilities		35.80	35.80	Level 3	31.26	31.26	Level 3
Trade Payables							
Micro and Small Enterprises		70.41	70.41	Level 3	54.20	54.20	Level 3
Other than Micro and Small Enterprises		182.46	182.46	Level 3	167.54	167.54	Level 3
Other Financial Liabilities	15						
Retention Money		3.68	3.68	Level 3	2.39	2.39	Level 3
Interest accrued on Borrowings from Banks		0.00	0.00	Level 2	0.00	0.00	Level 2
Security Deposits							
Customers		29.80	29.80	Level 3	28.09	28.09	Level 3
Others		0.61	0.61	Level 3	0.48	0.48	Level 3
Unpaid Dividends		0.34	0.34	Level 2	0.30	0.30	Level 2
Payable to Employees		35.92	35.92	Level 3	34.52	34.52	Level 3
Director's Commission Payable		15.41	15.41	Level 3	24.47	24.47	Level 3
Payable for Capital Goods		3.68	3.68	Level 3	4.51	4.51	Level 3
		506.39	506.39		490.69	490.69	
Financial Liabilities carried at Fair Value through Profit or Loss							
Current Liabilities							
Other Financial Liabilities	15						
Foreign Exchange Forward Contracts		0.25	0.25	Level 2	-	-	-
		0.25	0.25		-	-	-

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, Skill Development and Environment Conservation.

Company has formed a CSR & ESG committee under section 135 of the Companies Act 2013 for implementation of CSR policy.

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent by the Company during the year (Refer note no.26)	6.73	6.44
Expenditure incurred *	0.38	-
Shortfall at the end of the year **	6.35	6.44
Total of previous years shortfall	-	-

* ₹2.59 crores (previous year ₹1.21 crores) spent against CSR provision for earlier years. (Refer note no.16)

** Provision of ₹6.35 crores (previous year ₹6.44 crores) for unspent CSR amount has been made. (Refer note no.16)

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

Nature of CSR activities

Short Term Projects : Company undertook two programs viz Remedial Education Support and Customer Service Associate Course towards skill development.

Notes forming part of Financial Statements

Long Term Projects : Company is continuing its focus on education by adopting 27 (previous year 32) government primary/upper primary/higher secondary schools 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 project, Company will develop these schools in coordination with the Samagra Shiksha and School Education Department of Uttarakhand State. Company is also focusing to work in environment conservation projects and decided to implement water conservation and plantation work in Alwar district of Rajasthan . These projects will be implemented in consultation with the Watershed Development & Soil Conservation Department and Forest Department of Rajasthan.

Reasons for shortfall : Company is on track in spending the allocated funds towards the long term projects envisaged for the year. The amount of ₹6.35 crores (previous year ₹6.44 crores) has been transferred to unspent CSR account on April 27 & 28, 2023. (previous year on April 26, 2022)

Note No. 42 : Payments to Auditor*

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As Auditor		
Statutory Audit	0.22	0.22
In Other Capacity		
Limited Review and Other Services	0.06	0.06
Tax Audit	0.03	0.03
Reimbursement of Expenses	0.00	-
	0.31	0.31

* 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, 2023	Year ended March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year.		
Principal Amount	70.41	54.20
Interest Due	0.00	0.00
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.	0.02	0.05
The amount of interest accrued and remaining unpaid at the end of accounting year.	0.29	0.27
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	0.29	0.27

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)



Notes forming part of Financial Statements

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, 2023						
Undisputed dues						
Micro and Small Enterprises	69.69	0.72	-	-	-	70.41
Others	158.38	24.08	0.00	0.00	-	182.46
Disputed dues						
Micro and Small Enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
	228.07	24.80	0.00	0.00	-	252.87
As at March 31, 2022						
Undisputed dues						
Micro and Small Enterprises	52.97	1.23	-	-	-	54.20
Others	157.18	10.32	0.04	-	-	167.54
Disputed dues						
Micro and Small Enterprises	-	-	-	-	-	-
Others	-	-	-	-	-	-
	210.15	11.55	0.04	-	-	221.74

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 no specific disclosures have been made.

Entity-wide Disclosure under Ind AS 108 "Operating Segments"

(₹ in Crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Geographical Area wise Revenue (Footwear) *		
Within India	2633.19	2518.41
Outside India	118.86	103.16
	2752.05	2621.57

* Refer note no. 20 & 47.

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, 2023	Year ended March 31, 2022
Opening Balance	154.04	144.16
Addition during the year	48.30	44.63
Gain on Lease Modification, Termination and Concession*	0.85	8.47
Payment of Principal Lease Liabilities	37.41	26.28
Closing Balance	164.08	154.04

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 amounted to NIL (previous year ₹6.40 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, 2023	Year ended March 31, 2022
Revenue as per Contract Price	2943.23	2767.50
Less: Rebates and Discounts	191.18	145.93
Revenue as per Statement of Profit and Loss*	2752.05	2621.57

* Refer note no. 20 & 45.

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

The Board of Directors at its meeting held on May 10, 2023 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, 2023.

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, 2023					
Capital Work-in-Progress	87.30	0.47	-	-	87.77
Intangible Assets under Development	0.13	0.25	0.23	0.57	1.18
	87.43	0.72	0.23	0.57	88.95
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

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 Prohibition of Benami Property Transactions 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.

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.



Notes forming part of Financial Statements

h. Financial Ratios

Financial Ratios are hereby given in pursuant to Division II - Ind AS schedule III to the Companies Act, 2013

Particulars	UoM	Numerator	Denominator	FY 23	FY 22	Reason for Variance [^]
Current Ratio		Current Assets	Current Liabilities	2.54	2.57	
Debt - Equity Ratio		Total Debt	Shareholder's Equity	-	0.01	*1
Debt Service Coverage Ratio		Earnings Available for Debt Service	Debt Service	5.62	8.68	*2
Trade Receivables Turnover Ratio	Times	Net Credit Sales	Trade Receivables (Average)	9.69	11.36	
Trade Payables Turnover Ratio		Net Credit Purchases	Trade Payables (Average)	8.43	9.31	
Net Capital Turnover Ratio		Net Sales	Working Capital (Average)	3.82	3.89	
Inventory Turnover Ratio		Cost of Goods Sold	Inventory (Average)	3.20	3.31	
Return on Equity (ROE)		Net Profit after Tax before OCI	Shareholder's Equity (Average)	8.55	13.96	
Net Profit Ratio	%	Net Profit after Tax before OCI	Net Sales	5.59	8.83	*3
Return on Capital Employed (ROCE)		Earnings before Interest and Taxes	Capital Employed (Average)	12.47	19.20	
Return on Investment		Income Generated from Invested Funds	Invested Funds (Average)	5.94	3.70	*4

[^] For cases with variation of more than 25% as compared to previous year.

*1 There is no utilisation of working capital limits at year end.

*2 Lower earnings & increase in lease payments adversely impacted the ratio.

*3 Profit margins were under pressure during the year due to higher raw material prices which impacted the profits, resulting into lower ROE, Net Profit Ratio and ROCE.

*4 Increase in interest rates and optimal mix of investments during the year, resulted into better return on investments.

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.

Notes forming part of Financial Statements

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.

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.

As per our report of even date

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

Mukesh Dua
Partner
Membership No. 085323

Delhi, May 10, 2023

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

Ankit Jain
Company Secretary



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1st Place for
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ET500²⁰²¹

India's Top 500
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Rank 444



1st Place for
Excellent Export
Performance
2020-21

Safety Rating



ICRA

ICRA AA Long Term Rating
ICRA A1+ Short Term
Rating

F R O S T
&
S U L L I V A N

India Manufacturing
Excellence Awards
2019



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Company-2019
Rank 11

business today

India's Most Valuable
Company-2019
Rank 220



India's Largest
Corporations 2019
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www.relaxofootwear.com

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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.: (011)-46800600, **Fax No.:** (011)-46800692, **E-mail:** cs@relaxofootwear.com, **Website:** www.relaxofootwear.com

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting ("AGM or e-AGM or Meeting") of the Members of Relaxo Footwears Limited ("the Company") to be held through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") on Thursday, 24th day of August, 2023 at 10:30 a.m. to transact the following business:

ORDINARY BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023, comprising of the Balance Sheet as at March 31, 2023 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, 2023, together with the Reports of Board of Directors and Auditors thereon.
2. To declare a final dividend @250% equivalent to ₹2.50/- per equity share having Face Value of ₹1/- each for the Financial Year 2022-23.
3. To consider appointment of a Director in place of Mr. Deval Ganguly, Whole Time Director (DIN: 00152585) of the Company, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. TO RE-APPOINT MR. RAMESH KUMAR DUA (DIN-00157872) AS MANAGING DIRECTOR OF THE COMPANY.

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

"RESOLVED THAT pursuant to the provisions of Sections 152, 196, 197, 198 and 203 read with Schedule V and other applicable provisions, If any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other relevant rules & provisions (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and upon recommendation of the

Nomination & Remuneration Committee, Audit Committee and Board of Directors of the Company and subject to such other approval(s), permission(s) and sanction(s) as may be required in this regard, the consent of members of the Company be and is hereby accorded for re-appointment of Mr. Ramesh Kumar Dua (DIN- 00157872) as Managing Director of the Company who will attain the age of 70 (Seventy) years on March 24, 2024 for a further period of 5 (five) years with effect from April 1, 2024, liable to retire by rotation, at a monthly Remuneration of ₹20,00,000/- & such other allowances, perquisites, benefits, amenities and such other terms & conditions including remuneration as detailed in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter, vary and modify the terms and conditions of re-appointment including remuneration of Mr. Ramesh Kumar Dua, subject to the same not exceeding the limits specified under Section 197 read with 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. Ramesh Kumar Dua shall be entitled to receive and to be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated in the Explanatory Statement hereto, subject to the ceiling as specified under Schedule V and any other provisions of Companies Act, 2013 (including any statutory modifications and re-enactments thereof).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution."

5. TO RE-APPOINT MR. MUKAND LAL DUA (DIN- 00157898) AS A WHOLE TIME DIRECTOR OF THE COMPANY.

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



"RESOLVED THAT pursuant to the provisions of Sections 152,196, 197, 198 and 203 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other relevant rules & provisions (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and upon recommendation of the Nomination & Remuneration Committee, Audit Committee and Board of Directors of the Company and subject to such other approval(s), permission(s) and sanction(s) as may be required in this regard, the consent of members of the Company be and is hereby accorded for re-appointment of Mr. Mukand Lal Dua, (DIN- 00157898) as a Whole Time Director who has attained the age of 70 (seventy) years on January 08, 2019 and approval of members by way of special resolution had already been taken in the Annual General Meeting held on September 27, 2018 for the earlier term of his appointment as Whole Time Director of the Company for a further period of 5 (five) years with effect from April 1, 2024, liable to retire by rotation at a monthly Remuneration of ₹20,00,000/- and such other allowances, perquisites, benefits and amenities and such other terms & conditions including remuneration as detailed in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter, vary and modify the terms and conditions of re-appointment including remuneration of Mr. Mukand Lal Dua, subject to the same not exceeding the limits specified under Section 197 read with 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. Mukand Lal Dua shall be entitled to receive and to be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated in the Explanatory Statement hereto, subject to the ceiling as specified under Schedule V and any other provisions of Companies Act, 2013 (including any statutory modifications and re-enactments thereof).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution."

6. TO RE-APPOINT MR. NIKHIL DUA (DIN - 00157919) AS A WHOLE TIME DIRECTOR OF THE COMPANY.

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

"RESOLVED THAT pursuant to the provisions of Sections 152,196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other relevant rules & provisions (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and upon recommendation of the Nomination & Remuneration Committee, Audit Committee and Board of Directors of the Company and subject to such other approval(s), permission(s) and sanction(s) as may be required in this regard, the consent of members of the Company be and is hereby accorded for re-appointment of Mr. Nikhil Dua (DIN - 00157919), as a Whole time Director of the Company for a further period of 3 (three) years with effect from October 1, 2023 till September 30, 2026, liable to retire by rotation at a monthly remuneration of ₹9,50,000/- in the pay scale of (₹9,50,000 - ₹75,000 - ₹11,00,000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade and performance bonus/ variable payout i.e. 0.01% of turnover of the Company as defined under the Companies Act, 2013, subject to maximum of ₹50.00 Lacs in a financial year and such other terms and conditions including remuneration as detailed in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter, vary and modify the terms and conditions of re-appointment including remuneration of Mr. Nikhil Dua, subject to the same not exceeding the limits specified under Section 197 read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof.

RESOLVED FURTHER THAT in the absence or inadequacy of the profits in any year, Mr. Nikhil Dua shall be entitled to receive and to be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated in the Explanatory Statement hereto, subject to the ceiling as specified under Schedule V and any other provisions of Companies Act, 2013 (including any statutory modifications and re-enactments thereof).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to sign and

execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution.”

7. TO RE-APPOINT MR. GAURAV DUA (DIN-09674786) AS A WHOLE TIME DIRECTOR OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Sections 152,196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other relevant rules & provisions (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and upon recommendation of the Nomination & Remuneration Committee, Audit Committee and Board of Directors of the Company and subject to such other approval(s), permission(s) and sanction(s) as may be required in this regard, the consent of members of the Company be and is hereby accorded for re-appointment of Mr. Gaurav Dua (DIN-09674786) as a Whole time Director of the Company for a further period of 3 (three) years with effect from October 1, 2023 till September 30, 2026, liable to retire by rotation at a monthly remuneration of ₹9,50,000/- in the pay scale of (₹9,50,000 – ₹75,000 – ₹11,00,000) and such other allowances, perquisites, benefits and amenities as applicable to the Company’s Executives in the similar grade and performance bonus/ variable payout i.e. 0.01% of turnover of the Company as defined under the Companies Act, 2013, subject to maximum of ₹50.00 Lacs in a financial year and such other terms and conditions including remuneration as detailed in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter, vary and modify the terms and conditions of re-appointment including remuneration of Mr. Gaurav Dua, subject to the same not exceeding the limits specified under Section 197 read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactments 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 be and is hereby authorized to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution.”

8. TO RE-APPOINT MR. RITESH DUA (RELATIVE OF DIRECTORS) AS AN EXECUTIVE VICE PRESIDENT (FINANCE) OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], and upon recommendation of the Nomination & Remuneration Committee, Audit Committee and Board of Directors of the Company and subject to such other approval(s), permission(s) and sanction(s) as may be required in this regard, the approval of members of the Company be and is hereby accorded to the Board of Directors for re-appointment of Mr. Ritesh Dua (relative of Mr. Mukand Lal Dua & Mr. Nikhil Dua, Whole Time Directors) to hold and continue to hold office or place of profit in the Company as an Executive Vice President (Finance) of the Company for a period of 3 (three) years with effect from October 1, 2023 till September 30, 2026 at a monthly remuneration of ₹9,50,000/- in the pay scale of (₹9,50,000 – ₹75,000 – ₹11,00,000) and such other allowances, perquisites, benefits and amenities as applicable to the Company’s Executives in the similar grade and performance bonus/variable pay out i.e. 0.01% of turnover of the Company as defined under the Companies Act, 2013, subject to maximum of ₹50.00 Lacs in a Financial Year and on the terms and conditions including remuneration as detailed in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter, vary and modify the terms and conditions of re-appointment including remuneration of Mr. Ritesh Dua within the limit approved by the members of the Company.



RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution.”

9. TO RE-APPOINT MR. NITIN DUA (RELATIVE OF DIRECTORS) AS AN EXECUTIVE VICE PRESIDENT (RETAIL) OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], and upon recommendation of the Nomination & Remuneration Committee, Audit Committee and Board of Directors of the Company and subject to such other approval(s), permission(s) and sanction(s) as may be required in this regard, the approval of members of the Company be and is hereby accorded to the Board of Directors for re-appointment of Mr. Nitin Dua (relative of Mr. Mukand Lal Dua & Mr. Nikhil Dua, Whole Time Directors) to hold and continue to hold office or place of profit in the Company as an Executive Vice President (Retail) of the Company for a period of 3 (three) years with effect from October 1, 2023 till September 30, 2026 at a monthly remuneration of ₹9,50,000/- in the pay scale of (₹9,50,000 – ₹75,000 – ₹11,00,000) and such other allowances, perquisites, benefits and amenities as applicable to the Company’s Executives in the similar grade and performance bonus/variable pay out i.e. 0.01% of turnover of the Company as defined under the Companies Act, 2013, subject to maximum of ₹50.00 Lacs in a Financial Year and on the terms and conditions including remuneration as detailed in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter, vary and modify the terms and conditions of re-appointment including remuneration of Mr. Nitin Dua within the limit approved by the members of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to sign and

execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution.”

10. TO RE-APPOINT MR. RAHUL DUA (RELATIVE OF DIRECTOR) AS AN EXECUTIVE VICE PRESIDENT (MANUFACTURING) OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], and upon recommendation of the Nomination & Remuneration Committee, Audit Committee and Board of Directors of the Company and subject to such other approval(s), permission(s) and sanction(s) as may be required in this regard, the approval of members of the Company be and is hereby accorded to the Board of Directors for re-appointment of Mr. Rahul Dua (relative of Mr. Ramesh Kumar Dua, Managing Director & Mr. Gaurav Dua, Whole Time Directors) to hold and continue to hold office or place of profit in the Company as an Executive Vice President (Manufacturing) of the Company for a period of 3 (three) years with effect from October 1, 2023 till September 30, 2026 at a monthly remuneration of ₹9,50,000/- in the pay scale of (₹9,50,000 – ₹75,000 – ₹11,00,000) and such other allowances, perquisites, benefits and amenities as applicable to the Company’s Executives in the similar grade and performance bonus / variable pay out i.e. 0.01% of turnover of the Company as defined under the Companies Act, 2013, subject to maximum of ₹50.00 Lacs in a Financial Year and on the terms and conditions including remuneration as detailed in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter, vary and modify the terms and conditions of re-appointment including remuneration of Mr. Rahul Dua within the limit approved by the members of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to sign and execute such documents/writings or other papers as may

be necessary and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper, desirable, expedient or incidental for the purpose

and to settle any question, difficulty or doubt that may arise in giving effect to this resolution.”

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

Sd/-

Ankit Jain

Company Secretary & Compliance Officer
ICSI Membership No. FCS-8188
Address: Aggarwal City Square, Plot No.-10,
Manglam Place, District Centre,
Sector-3, Rohini, Delhi – 110085

Date: July 24, 2023

Place: Delhi

NOTES:-

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (the “Act”) with respect to special business set out in the Notice is annexed.
2. Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Secretarial Standard 2 (“SS-2”) issued by Institute of Company Secretaries of India (“ICSI”) notified by the Ministry of Corporate Affairs (“MCA”) details of Director retiring by rotation/seeking re-appointment at the ensuing meeting are provided in the **“Annexure-I”** to the Notice. Directors seeking re-appointment/retire by rotation have furnished requisite declarations/disclosure under section 164/184 and other applicable provisions of the Act, including rules framed there under and the Listing Regulations.
3. The MCA vide its, Circular No. 20/2020 dated May 05, 2020, read with General Circular No.10/2022 dated December 28, 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/PoD-2/P/CIR/2023/4 dated January 5, 2023 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 till September 30, 2023 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 39th 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 SS-2 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. The 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. All the documents referred to in the Notice and explanatory statement will 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 24, 2023. Members seeking to inspect such documents can send an e-mail to cs@relaxofootwear.com. 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 all the documents referred in the Notice of AGM and explanatory statement including certificate from the Secretarial Auditors of the Company under Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2021, will be available electronically for inspection by the Members during the AGM. The Register of Members and Share Transfer Books will remain closed from August 18, 2023 (Friday) to August 23, 2023 (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, 2023 as recommended by the Board of Directors in their meeting held on May 10, 2023 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 17, 2023. The Final Dividend will be paid on or before September 22, 2023 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 e-mail to the RTA's e-mail 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:**
- 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.
 - Appointment of proxy to attend and cast vote on behalf of the member is not available for this e-AGM and hence, the Route map, Proxy Form and Attendance Slip are not annexed to this Notice.**
 - 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. 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.
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 (i.e. Statutory Auditors and Secretarial 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 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.
15. In line with applicable MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.relaxof footwear.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and is also available on the website of e-voting agency Kfin 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 e-mail addresses are not registered with the depositories or with RTA on physical folios:**
- In Compliance with 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, 2023, 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 e-mail 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:
- Members are requested to register their e-mail 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/isc/default.aspx> or by submitting physical copy of Form ISR-1 to the RTA along with relevant documents at below mentioned address at Kfin Technologies Limited, Unit: Relaxo Footwears Limited, Selenium Building, Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Hyderabad - 500032, India or by sending e-mail to einward.ris@kfintech.com.
 - After due verification, the Company/Kfin will forward your login credentials to your registered e-mail address.

- c) Members are advised to receive the Notice convening the 39th AGM and Annual Report for FY 2022-23 via e-mail, by updating their e-mail ID by accessing the link <https://ris.kfintech.com/clientservices/isc/default.aspx>
- d) Alternatively, Notice of 39th AGM can be downloaded through <https://evoting.kfintech.com/public/Downloads.aspx>.
- e) Members are also requested to visit the website of the Company www.relaxof footwear.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.

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 19, 2023 (09:00 Hours IST) to August 21, 2023 (5:00 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

- c) 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.
- d) 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.
- e) 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. (a) 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.

(b) Procedure for Registration of e-mail and Mobile: Securities in physical mode

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16, 2023, All holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link:

<https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided through hard copies which are self-attested, which can be shared on the address below:

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 &32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India – 500 032.

Detailed FAQ can be found on the link:

<https://ris.kfintech.com/faq.html>

For more information on updating the e-mail and Mobile details for securities held in electronic mode,

please reach out to the respective DP(s), where the DEMAT A/c is being held.

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 FY23, the Company transferred unclaimed dividend amounts of ₹1,84,906.00

from the Final Dividend for the Financial Year 2014 - 2015 to the IEPF.

Members who have not encashed their dividend warrants towards the Final Dividend for the Financial Year 2015-2016

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, 2023 (in ₹)
2015-16	15.09.2016	21.10.2016	20.10.2023	19.11.2023	1,99,087.20
2016-17	21.09.2017	27.10.2017	26.10.2024	25.11.2024	3,25,359.00
2017-18	27.09.2018	02.11.2018	01.11.2025	01.12.2025	4,91,500.50
2018-19	26.09.2019	01.11.2019	31.10.2026	30.11.2026	3,07,621.80
2019-20	27.02.2020	03.04.2020	02.04.2027	02.05.2027	6,62,108.75
2020-21	26.08.2021	02.10.2021	01.10.2028	31.10.2028	6,88,074.50
2021-22	25.08.2022	01.10.2022	30.09.2029	30.10.2029	7,14,921.00

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 Board's 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) 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 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 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,

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.

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, 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 17, 2023. 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 21, 2023.
 - End of e-voting: 17:00 Hours (IST) on Wednesday, August 23, 2023.
- f) The e-voting will not be allowed beyond the aforesaid date and time and the e-voting
- j) The procedure and instructions for the remote e-voting facility for Individual shareholders holding securities in demat mode are provided as follows:

module shall be disabled by Kfin upon expiry of aforesaid period.

- g) The Board of Directors has appointed Mr. Baldev Singh Kashtwal, Practicing Company Secretary, (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.

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 be 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.

Type of shareholders	Login Method
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/myeasinew/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. <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/myeasinew/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. III. System will authenticate user by sending OTP on registered Mobile & E-mail 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 e-mail IDs are registered with the Company/ Depository Participants (s), will receive an e-mail 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 e-mail). 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, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "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 e-mail 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) 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 17, 2023. A person who

is not a Member as on the cut-off date should treat this notice for information purpose only.

- n) 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 Kfin's website for e-voting: <https://evoting.kfintech.com> and/or contact Mr. Sankara Gokavarapu, Senior Manager Corporate Registry, Unit: Relaxo Footwears Limited of Kfin Technologies Limited, Selenium Building, 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. Ankit Jain, 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.
- o) The Scrutinizer, after scrutinizing the voting through remote e-voting and e-voting at the AGM, shall make a consolidated scrutinizer's

report of the votes cast in favour or against, if any, and submit the same to the Chairman of the meeting or any other person authorised by the Chairman. The Chairman or the authorized person shall declare the voting results, along with the consolidated scrutinizer's report within the timeframe prescribed under the Act and Listing Regulations. The voting results declared shall be available on the website of the Company www.relaxofootwear.com and on the website of Kfin at <https://evoting.kfintech.com/> and shall also be displayed on the notice board at the registered office and corporate office of the Company. The results shall simultaneously be communicated to the Stock Exchanges. The resolutions set out in this Notice, shall be deemed to be passed on the date of AGM, subject to receipt of the requisite number of votes in favour of the resolutions.

- p) 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.



'Annexure-I' to the Notice

Information pursuant to Regulation 36(3) 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. Deval Ganguly (DIN: 00152585) (Item No. 3)	Mr. Ramesh Kumar Dua (DIN: 00157872) (Item No. 4)	Mr. Mukand Lal Dua (DIN: 00157898) (Item No. 5)	Mr. Nikhil Dua (DIN: 00157919) (Item No. 6)	Mr. Gaurav Dua (DIN: 09674786) (Item No. 7)
Brief Resume of the Director & Qualification	He has over 42 years of experience in areas of manufacturing, project and plant management in various reputed organisations. He is B. Tech from IIT Kanpur.	He has over 47 years of experience in sales and marketing, production and new product development in Footwear Industry. Additionally, he is a director in Confederation of Indian Footwear Industries. He is a Commerce Graduate & Rubber Technologist (LPRI, London)	He has over 50 years of experience in new product development and quality control in Footwear Industry. He is a Science Graduate	He has over 27 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.	He has over 22 years of experience in Sales & Marketing in footwear industry. He has done MBA from University of Wales.
Age	64 years	69 years	74 years	47 years	42 Years
Experience and nature of his Expertise in Specific functional areas	Experience in areas of manufacturing, project and plant management.	Experience in Manufacturing, Product Development in the footwear Industry and Management of the Company.	Experience in New Product development and quality control in Footwear Industry.	Experience in production and new product development and has rich knowledge of product mix in Footwear Industry.	MBA having over 22 years of experience in Sales & Marketing. He has been pivotal for various initiatives in the Company for revenue, growth, market expansion and branding rejuvenation
Disclosure of relationship between Directors inter-se/ relationship with other Directors, Manager and other key managerial personnel of the Company	None	Related to Mr. Mukand Lal Dua, Whole Time Director & Mr. Gaurav Dua, Whole Time Director	Related to Mr. Ramesh Kumar Dua, Managing Director & Mr. Nikhil Dua, Whole Time Director	Related to Mr. Mukand Lal Dua, Whole Time Director of the Company	Related to Mr. Ramesh Kumar Dua, Managing Director of the Company
Date of First Appointment on the Board	November 5, 2012	September 13, 1984	September 13, 1984	February 22, 1997	July 26, 2022
Name of entities in which persons hold Directorship of the Board	Nil	Confederation of Indian Footwear Industries	Nil	Nil	Nil

Name of Director(s)	Mr. Deval Ganguly (DIN: 00152585) (Item No. 3)	Mr. Ramesh Kumar Dua (DIN: 00157872) (Item No. 4)	Mr. Mukand Lal Dua (DIN: 00157898) (Item No. 5)	Mr. Nikhil Dua (DIN: 00157919) (Item No. 6)	Mr. Gaurav Dua (DIN: 09674786) (Item No. 7)
Name of Listed entities in which persons also holds Directorship of the Board and the memberships of Committees of the Board along with listed entities from which the person has resigned in the past three years.	Nil				
*Shareholding in the company including shareholding as a beneficial owner	Nil	5,84,01,744 equity shares	5,07,25,466 equity shares	92,43,674 equity shares	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	Refer to explanatory statement	Refer to explanatory statement	Refer to explanatory statement	Refer to explanatory statement
Number of meetings of the Board attended during the Year (01.04.2022 to 31.03.2023)	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 of Risk Management Committee	Chairman of CSR & ESG Committee & Risk Management Committee and Member of Stakeholder Relationship Committee	Member of CSR & ESG Committee and Stakeholder Relationship Committee	Member of Audit Committee	Nil

*As per shareholding pattern submitted to Stock exchange for the period ended on March 31, 2023

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

Sd/-

Ankit Jain

Company Secretary & Compliance Officer
ICSI Membership No. FCS-8188
Address: Aggarwal City Square, Plot No.-10,
Manglam Place, District Centre,
Sector-3, Rohini, Delhi - 110085

Date: July 24, 2023
Place: Delhi



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 (“THE ACT”).

Item No. 4 & 5

Mr. Ramesh Kumar Dua was re-appointed as the Managing Director and Mr. Mukand Lal Dua was re-appointed as a Whole Time Director w.e.f. April 1, 2019 for a period of 5 years i.e. up to March 31, 2024 pursuant to the resolution passed by the members in the Annual General Meeting held on September 27, 2018 and their reappointment are due for another term of five years.

Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua are not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua have also confirmed that they are not debarred for holding office by virtue of any SEBI order or any other authority.

In view of large contribution in the growth of the Company and the background and experience of Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua, the Board of Directors of the Company at its meeting held on July 24, 2023, based on the recommendation of Nomination and Remuneration Committee and Audit Committee & subject to the approval of members of the Company at the ensuing Annual General Meeting has re-appointed Mr. Ramesh Kumar Dua as the Managing Director and Mr. Mukand Lal as a Whole Time Director of the Company for further period of 5 (five) years on the terms and conditions given below:-

1. **PERIOD:** Five years commencing from April 1, 2024 to March 31, 2029.

2. **REMUNERATION:**

II. SALARY

Name and Designation	Salary per month effective from April 1, 2024
Mr. Ramesh Kumar Dua	₹20,00,000/-
Mr. Mukand Lal Dua	₹20,00,000/-

III. COMMISSION

In addition to the salary, Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua, shall be entitled to receive Commission on the net profits as decided by the Board of Directors each year subject to the provisions of Section 198 and other relevant sections and rules of the Companies Act, 2013, so that the total remuneration by way of salary, dearness allowance, perquisites, commission and other allowances shall not exceed 5% of its net profits for such single managerial person, the total remuneration paid to all such managerial persons shall not exceed 10% of the net profits of the Company.

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

- Contribution to Retirement funds, Superannuation fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Other Perquisites also include use of Company's Car with driver, Club Membership Fee subject to maximum of 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 them for business of Company as per the Company Rules.

Overall Remuneration

The total remuneration payable to Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua by way of salary perquisites, allowances, benefits and amenities as approved by the Board shall not exceed the limits laid down in Section 197, 198 and other relevant provisions of Companies Act, 2013 or any statutory modifications or re-enactments thereof.

Minimum Remuneration:

In the absence of or inadequacy of profits in any year, Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits in that year, subject to the ceiling specified under Schedule V of the Companies Act, 2013 {including any statutory modifications and re-enactments thereof}.

Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua shall not be paid any sitting fees for attending meetings of the Board of Directors and any Committees thereof from the date of their re-appointment.

Mr. Ramesh Kumar Dua, Managing Director of the Company is related to Mr. Mukand Lal Dua and Mr. Gaurav Dua, Whole Time Directors of the Company. Further Mr. Mukand Lal Dua, Whole Time Director of the Company is related to Mr. Ramesh Kumar Dua, Managing Director of the Company and Mr. Nikhil Dua, Whole Time Director of the Company.

Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua, Mr. Nikhil Dua and Mr. Gaurav Dua, Directors of the Company

and their relatives are interested in resolution no. 4 & 5 to the extent of their Shareholding in the Company, if any

None of the other Directors or Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolutions set out at Item no. 4 & 5 of the accompanying notice

Mr. Ramesh Kumar Dua holds experience of 47 years in Management, sales and marketing, production and new product development in Footwear Industry. He is a Commerce Graduate & Rubber Technologist (LPRI, London). He is one of the Promoters of the Company. Mr. Ramesh Kumar Dua is going to attain age of 70 (seventy) years during the proposed tenure, however considering his experience and fitness, it is considered that he will be able to steer the Company to the new heights and will be a guiding force to the

senior management team of the Company. He along with Mr. Mukand Lal Dua is instrumental in making Relaxo, a largest manufacturing company in India. Under his stern leadership the Company is achieving new heights every year. He is one of the key member who has created leadership team, helped Relaxo to become one of the best corporate governed and professional Company.

Mr. Mukand Lal Dua has 50 years of experience in management, new product development and quality control in footwear industry. Mr. Mukand Lal Dua is a Science Graduate and one of the Promoters of the Company. Mr. Mukand Lal Dua has attained the age of 70 (seventy) years, however considering his experience and fitness it is considered that he will be able to steer the Company to new heights and will be a guiding force to the senior management team of the Company.

During last 5 years under the leadership of Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua the Company has grown exponentially as per below mentioned financial performance of the Company:

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
Net Earnings (₹ in Crore)	154.47	232.68	291.56	226.25	175.44
Cash Earning (₹ in Crore)	283.40	345.87	412.52	341.04	245.00
EPS-Basic (in ₹)	6.21	9.36	11.74	9.12	7.07*
Dividend (including Interim Dividend per share) (in ₹)	2.50	2.50	2.50	1.25	0.90*
Dividend Payout (%)	40.26	26.71	21.29	13.71	12.72
Book Value Per Share (in ₹)	74.52	70.71	63.29	51.26	89.08
Face value Per Share (in ₹)	1.00	1.00	1.00	1.00	1.00

*Post Bonus

Since Mr. Ramesh Kumar Dua will be attaining the age of 70 (Seventy) years and Mr. Mukand Lal Dua is already more than 70 (Seventy) years old, therefore in terms of Section 196 read with Schedule V of the Companies Act, 2013, the Board recommends the resolutions as item no 4 & 5 for approval of members as special resolutions.

His contribution has been mainly in the Strategy & planning, manufacturing and Product Development of the Company which have grown substantially in the last decade. Considering the background and experience of Mr. Nikhil Dua, the Board of Directors at its meeting held on July 24, 2023, based on the recommendation of Nomination and Remuneration Committee and Audit Committee & subject to the approval of members at the ensuing Annual General Meeting has reappointed Mr. Nikhil Dua as Whole Time Director of the Company liable to retire by rotation for 3 (three) years i.e., from October 01, 2023 to September 30, 2026, on the terms and conditions given below:-

ITEM NO. 6:

Mr. Nikhil Dua was re-appointed as Whole Time Director of the Company by way of a special resolution passed by the members of the Company at the 36th Annual General Meeting of the Company held on September 24, 2020 for a period of 3 (three) years from October 1, 2020 to September 30, 2023.

Mr. Nikhil Dua is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Nikhil Dua has also confirmed that he is not debarred for holding office by virtue of any SEBI order or any other authority.

Mr. Nikhil Dua has spent 27 years with the Company and has been instrumental in the growth of the Company in last decade.

- Term:** 3 (Three) years commencing from October 01, 2023 to September 30, 2026.
- Nature of Duties:** Mr. Nikhil Dua shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole and in the best interests of the Company, its employees, the stakeholders and the community. He shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and/



or the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company. He shall also exercise his duties with due and reasonable care, skill and diligence and independent judgment.

3. **Gross Salary:** Gross salary per month ₹9,50,000/- in the pay scale of (₹9,50,000 – ₹75,000 – ₹11,00,000)
4. **Performance Bonus/Variable Payout :**
0.01% of turnover of the Company as defined under the Companies Act, 2013, up to a maximum of ₹50.00 Lacs in a Financial Year.
5. **Other benefits :.**
In addition to the above remuneration Mr. Nikhil Dua shall be entitled for following perquisites :-
 - a) Contribution to Retirement funds, Superannuation fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - b) Perquisites include use of Company's Car with driver, Club Membership Fee subject to maximum two clubs, Medical Insurance, Group Personal Accidental coverage as applicable to all employees of the Company from time to time and reimbursement of entertainment and all other expenses incurred by him for business of Company as per the Company Rules.

Explanation :-

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

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

Overall Remuneration

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

Minimum Remuneration:

In the absence of or inadequacy of profits in any year, Mr. Nikhil Dua shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits in that year

subject to the ceiling specified under Schedule V of the Companies Act, 2013 (including any statutory modifications and re-enactments thereof).

Mr. Mukand Lal Dua, Whole Time Director of the Company is related to Mr. Nikhil Dua.

Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua, Mr. Nikhil Dua and Mr. Gaurav Dua, Directors of the Company and their relatives, are interested in resolution no. 6 to the extent of their Shareholding in the Company, if any.

None of the other Directors and Key Managerial Personnel of the Company and their respective relative is, in any way concerned or interested financially or otherwise in the Resolution set out at Item No. 6 of the accompanying Notice.

The Board recommends the resolution set out at Item No. 6 of the Notice for approval by the members as a special resolution.

ITEM NO. 7

Mr. Gaurav Dua was appointed as Whole Time Director of the Company by way of a special resolution passed by the members at the 38th Annual General Meeting of the Company held on August 25, 2022 for a period commencing from July 26, 2022 to September 30, 2023.

Mr. Gaurav Dua is not disqualified from being appointed as a Director in terms of Section 164 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 has spent 22 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 last decade. Considering the background and experience of Mr. Gaurav Dua, the Board of Directors at its meeting held on July 24, 2023, based on the recommendation of Nomination and Remuneration Committee and Audit Committee & subject to the approval of members at the ensuing Annual General Meeting has re-appointed Mr. Gaurav Dua as Whole Time Director of the Company liable to retire by rotation for 3 (three) years i.e., from October 01, 2023 to September 30, 2026, on the terms and conditions given below:-

1. **Term :** 3 (Three) years commencing from October 01, 2023 to September 30, 2026
2. **Nature of Duties :** Mr. Gaurav Dua shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole and in the best interests of the Company, its employees, the stakeholders and the community. He shall devote his whole time and attention

to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and/ or the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company. He shall also exercise his duties with due and reasonable care, skill and diligence and independent judgment.

3. **Gross Salary :** Gross salary per month ₹9,50,000/- in the pay scale of (₹9,50,000 – ₹75,000 – ₹11,00,000)
4. **Performance Bonus/Variable Payout :**
0.01% of turnover of the Company as defined under the Companies Act, 2013, up to a maximum of ₹50.00 Lacs in a Financial Year.
5. **Other benefits :**
In addition to the above remuneration Mr. Nikhil Dua shall be entitled for following perquisites :-
 - a) Contribution to Retirement funds, Superannuation fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - b) Perquisites include use of Company's Car with driver, Club Membership Fee subject to maximum two clubs, Medical Insurance, Group Personal Accidental coverage as applicable to all employees of the Company from time to time and reimbursement of entertainment and all other expenses incurred by him for business of Company as per the Company Rules.

Explanation :-

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

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

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 to the ceiling specified under Schedule V of the Companies Act, 2013 (including any statutory modifications and re-enactments thereof).

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

Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua, Mr. Nikhil Dua and Mr. Gaurav Dua, Directors of the Company and their relatives, are interested in resolution no. 7 to the extent of their Shareholding in the Company, if any.

None of the other Directors and Key Managerial Personnel of the Company and their respective relative is, in any way concerned or interested financially or otherwise in the Resolution set out at Item No. 7 of the accompanying Notice.

The Board recommends the resolution set out at Item No. 7 of the Notice for approval by the members as a special resolution.

ITEM NO. 8 to 10

In accordance with the provisions of Section 188 of the Companies Act 2013, the members in 36th Annual General Meeting held on September 24, 2020 had approved the appointment of following executives of the Company in the place of profit for a period of three years with effect from October 1, 2020 to September 30, 2023:-

- Mr. Ritesh Dua - Executive Vice President (Finance)
- Mr. Nitin Dua - Executive Vice President (Retail)
- Mr. Rahul Dua - Asst. Executive Vice President (Manufacturing)

The Board and Audit Committee at their respective meetings held on July 24, 2023, based on the recommendation of Nomination and Remuneration Committee in its meeting held on July 24, 2023, had accorded their approval for re-appointment of Mr. Ritesh Dua as an Executive Vice



President (Finance), Mr. Nitin Dua as an Executive Vice President (Retail) and re-appointment of Mr. Rahul Dua as an Executive Vice President (Manufacturing) of the Company on the following terms and remuneration:-

Particulars	Item No. 8, 9 & 10
Term	Three years commencing from October 1, 2023 to September 30, 2026.
Gross Salary	Gross salary per month ₹9,50,000/- in the pay scale of (₹9,50,000 – ₹75,000 – ₹11,00,000)
Performance Bonus/Variable Pay-out	0.01% of turnover of the Company as defined under the Companies Act, 2013, up to a maximum of ₹50.00 Lacs in a Financial year.
Other benefits	<ul style="list-style-type: none"> Contribution to Retirement funds, Superannuation fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Perquisites include use of Company's Car with driver, Club Membership Fee subject to maximum two clubs, Medical Insurance, Group Personal Accidental coverage as applicable to all employees of the Company from time to time and reimbursement of entertainment and all other expenses incurred by him for business of Company as per the Company Rules.

Explanation:-

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

Mr. Mukand Lal Dua and Mr. Nikhil Dua, Whole Time Directors of the Company are related to Mr. Ritesh Dua and Mr. Nitin Dua, and may deemed to be interested in the resolution no. 8 and 9 of the accompanying Notice to the extent of their shareholding in the Company, if any in the Company.

Mr. Ramesh Kumar Dua, Managing Director and Mr. Gaurav Dua, Whole time Directors of the Company are related to Mr. Rahul Dua, and may deemed to be interested in the

resolution no. 10 of the accompanying Notice to the extent of their shareholding in the Company, if any in the Company.

Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua, Mr. Nikhil Dua and Mr. Gaurav Dua, Directors of the Company and their relatives, are interested in resolution no. 8, 9 and 10 to the extent of their Shareholding in the Company, if any.

None of the other Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested financially or otherwise in the Resolutions set out in Item No. 8 to 10 of the accompanying Notice.

The above said appointments are not the material related party transactions to the Company. Accordingly, the approval of members in terms of Regulation 23 of the listing regulation is not required to be taken.

The Board recommends the Special Resolutions as set out in Item No. 8 to 10 of the Notice for approval by the members. Information as required to be given under Rule 15 of the Companies (Meeting of Board and its powers) Rule 2014 is mentioned below:

S. N.	Particulars	Description		
		Item No -8	Item No -9	Item No -10
1	Name of Related Party	Mr. Ritesh Dua	Mr. Nitin Dua	Mr. Rahul Dua
2	Name of Director or Key Management Personnel who is related, if any	Mr. Mukand Lal Dua & Mr. Nikhil Dua	Mr. Mukand Lal Dua & Mr. Nikhil Dua	Mr. Ramesh Kumar Dua & Mr. Gaurav Dua
3	Nature of Relationship	Son of Mr. Mukand Lal Dua & Brother of Mr. Nikhil Dua	Son of Mr. Mukand Lal Dua & Brother of Mr. Nikhil Dua	Son of Mr. Ramesh Kumar Dua & Brother of Mr. Gaurav Dua
4	Nature, material terms, monetary value and particulars of the Contract or arrangement.	Reappointment as Executive Vice President (Finance) on terms & conditions as mentioned above	Reappointment as Executive Vice President (Retail) on terms & conditions as mentioned above	Reappointment as Executive Vice President (Manufacturing) on terms & conditions as mentioned above
5	Any other information relevant or important for the members to take a decision on the proposed resolution.	As per information stated in the explanatory statement	As per information stated in the explanatory statement	As per information stated in the explanatory statement

Annexure –II

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 April 1, 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% unless exempt under any of the provisions of the Act, on the amount of Dividend declared and paid by the Company during the Financial Year (“FY”) 2023-24 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 2023-24 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 2023-24.
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 who is of the age of 60 years or more), 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 July 01, 2021 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 17, 2023:
 - 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 2023-24;
 - b) Self-declaration in Form 10F- w.e.f. April 1, 2023, electronic Form 10F is mandatory as per notification no. 03/2022 dated July 16, 2022 issued by Central Board of Direct taxes;
 - 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 2023-24;
 - 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 2023-24. 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 April 01, 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 e-mail 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 e-mail the soft copy of TDS certificate to the Shareholders at the registered e-mail ID in due course, post payment of the said Dividend and generation of TDS Certificates.
- 12. An e-mail 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 e-mail IDs of the Shareholders.
- 13. No communication on the tax determination or deduction shall be entertained post August 17, 2023.
- 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.