

ANNUAL REPORT

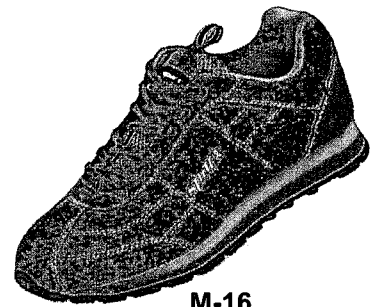
2006 - 2007

RELAXO FOOTWEARS LIMITED

Quality For Excellence



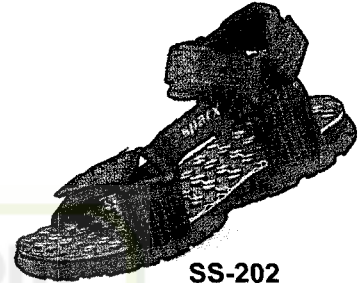
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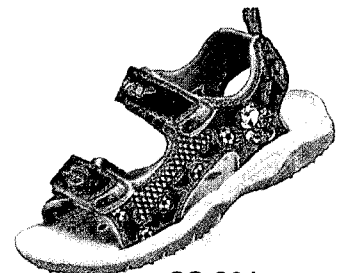
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sparx

Go for it

A Relaxo Product



RELAXO FOOTWEARS LIMITED
 Regd. Office : 316-319, Allied House, Plot No. 2,
 Inderlok Chowk, Delhi - 110035

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance counter at Sri Satya Sai International Centre, Lodhi Road Institutional Area, Pragati Vihar, New Delhi - 110 003 on Monday, the 24th September, 2007 at 10.30 a.m.

NAME OF MEMBER			
FOLIO NUMBER		NO. OF SHARES	
*DPID NO.		*CLIENT ID NO.	
NAME OF MEMBER/PROXY		SIGNATURE OF MEMBER/PROXY	

NOTES :-

- Members/Proxy holders are requested to bring their copies of the Annual Report with them to the meeting.
- For the convenience of Members, persons other than Members/proxies will not be allowed into the meeting.

PROXY FORM

Folio No. DP ID
 No. of Shares Client ID

I/We of

being a Member/Members of or failing him/her
 of

vote for me/us and on my/our behalf at the 23rd Annual General Meeting of the
 Company to be held on Monday, the 24th day of September, 2007 and at any Adjournment thereof.

Signed this day of September, 2007 **SIGNED**

Affix
 Re. 1.00
 Revenue
 Stamp

Note : This Proxy to be valid should be deposited at the Registered office of the company not less than 48 hours before the time for holding the meeting



NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Members of Relaxo Footwears Limited will be held on Monday, the 24th day of September 2007 at 10.30 a.m. at Sri Sathya Sai International Centre & School, Lodhi Road, Pragati Vihar, New Delhi-110003 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S.K. Sapra who retires by rotation as a Director and, being eligible, offers himself for re-appointment.
3. To declare dividend.
4. To appoint Statutory Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Vivek Kumar, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 30th January, 2007, and whose term expires at the ensuing Annual General Meeting of the Company, and for the appointment of whom the Company has received a notice under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement by rotation."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to the approval of shareholders and pursuant to the provisions of Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 Mr. Nikhil Dua be and is hereby appointed as Whole Time Director of the Company on the following terms and conditions:-

1. **Period**: Three years commencing from 1st January, 2008.
2. **Remuneration**:
Salary (in the pay scale of 73,000-10,500-94,000)

	Amount (in Rs.)
Basic Salary	: 73,000/-
HRA	: 43,800/-
Medical Reimbursement	: 6,083/-
Bonus	: 6,083/-

Notwithstanding anything contained hereinabove, where in any financial year during the currency of tenure of Mr. Nikhil Dua as Whole Time Director, if the Company has no profits or its profits are inadequate, he shall be paid a monthly remuneration inclusive of salary, dearness allowance, perquisites or any other allowance as may be allowed as per the provisions of the Companies Act, 1956 from time to time.

In addition to the remuneration as detailed hereinabove, Mr. Nikhil Dua shall also be eligible for the following perquisites:

- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service, and
 - c) Encashment of leave at the end of the tenure.
 - d) Other Allowances as per Company Rules.
3. No sitting fees for attending the meetings of the Board of Directors/ Committees thereof shall be paid to Mr. Nikhil Dua till the time he is functioning as Whole Time Director.



NOTES

Particulars	Amount(in Rs.)
Basic	68000
House Rent Allowance	40800
Employer's Contribution to PF	8160
Medical Reimbursement	5666
restricted to one month's salary	
Bonus restricted to one month's salary	5666

and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade after necessary approvals from the Central Government.

The Directors Relatives (Office or Place of Profit) Rules, 2003 (the Rules), inter alia, provide that no appointment for an office or place of profit in a company shall take effect unless approved by the Central Government on an application in respect of

- (a) Partner or relative of a director or manager or
- (b) Firm in which such director or manager, or relative of either is a partner; or
- (c) Private company of which such director or manager or relative, if either, is a director or member,

As the remuneration payable to Mr. Gaurav Dua is more than Rs. 50,000/- per month, approval of the Central Government is also required for the appointment of and payment of remuneration to him in addition to the approval of the shareholders, under Section 314(1B) of the Companies Act, 1956, is necessary.

The Board of Directors of the Company accordingly recommends the resolution for approval of the Members. Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua and Mr. Nikhil Dua are interested in the passing of this resolution.

ITEM 9

Mr. Nitin Dua, son of Mr. Mukand Lal Dua, holds a Masters Degree in Marketing from Apeejay School of Management and has an experience of more than three years in the Footwear Industry. He has a rich experience of the Retail Industry. The Board of Directors of the Company at its meeting held on 31st July, 2007 approved, subject to the approval of the shareholders of the Company and the approval of the Central Government, the appointment of Mr. Nitin Dua as Joint Vice-President (Retail) in the Company on the following remuneration structure.

Particulars	Amount(in Rs.)
Basic	66000
House Rent Allowance	39600
Employer's Contribution to PF	7920
Medical Reimbursement	5500
restricted to one month's salary	
Bonus restricted to one month's salary	5500

and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade after necessary approvals from the Central Government.

The Directors Relatives (Office or Place of Profit) Rules, 2003 (the Rules), inter alia, provide that no appointment for an office or place of profit in a company shall take effect unless approved by the Central Government on an application in respect of

- a) Partner or relative of a director or manager or
- b) Firm in which such director or manager, or relative of either is a partner; or
- c) Private company of which such director or manager or relative, if either, is a director or member,

As the remuneration payable to Mr. Nitin Dua is more than Rs. 50,000/- per month, approval of the Central Government is also required for the appointment of and payment of remuneration to him in addition to the approval of the shareholders, under Section 314(1B) of the Companies Act, 1956, is necessary.

The Board of Directors of the Company accordingly recommends the resolution for approval of the Members. Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua and Mr. Nikhil Dua are interested in the passing of this resolution.

For RELAXO FOOTWEARS LIMITED

Place : Delhi
Date : July 31, 2007

(SANDEEP CHANDNA)
COMPANY SECRETARY



NOTICE

4. Reimbursement of entertainment, traveling and all other expenses incurred by him for the business of the Company shall be made.
5. Memorandum of Concern or interest:

Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua are interested in the appointment of Mr. Nikhil Dua as Whole Time Director and the remuneration payable to him.

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to the approval of the Central Government pursuant to Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956, Directors' Relatives (Office or Place of Profit) Rules 2003, or any amendment or substitution thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Ritesh Dua (relative of Mr. Ramesh Kumar Dua, Managing Director, Mr. Mukand Lal Dua, Whole Time Director and Mr. Nikhil Dua, Director of the Company) to hold and continue to hold office or place of profit under the Company and designated as Joint Vice-President (Finance) in the grade of Rs. 70000-10000-90000 and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade after necessary approvals from the Central Government.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to the approval of the Central Government pursuant to Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956, Directors' Relatives (Office or Place of Profit) Rules 2003, or any amendment or substitution thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Gaurav Dua (relative of Mr. Ramesh Kumar Dua, Managing Director, Mr. Mukand Lal Dua, Whole Time Director and Mr. Nikhil Dua, Director of the Company) to hold and continue to hold office or place of profit under the Company and designated as Joint Vice-President (Marketing) in the grade of Rs. 68000-9500-87000 and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade after necessary approvals from the Central Government.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to the approval of the Central Government pursuant to Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956, Directors' Relatives (Office or Place of Profit) Rules 2003, or any amendment or substitution thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Nitin Dua (relative of Mr. Ramesh Kumar Dua, Managing Director, Mr. Mukand Lal Dua, Whole Time Director and Mr. Nikhil Dua, Director of the Company) to hold and continue to hold office or place of profit under the Company and designated as Joint Vice-President (Retail) in the grade of Rs. 66000-9000-84000 and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade after necessary approvals from the Central Government.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

**By order of the Board of Directors
For RELAXO FOOTWEARS LIMITED**

**(SANDEEP CHANDNA)
COMPANY SECRETARY**

**Place: Delhi
Date: July 31, 2007**



NOTES

- I. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of 23rd Annual General Meeting.
- II. a) The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 18th September, 2007 to Monday, 24th September, 2007 (both days inclusive).
- b) Dividend on equity shares of the Company, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after Monday, 24th September, 2007.
- c) Members may please note that the dividend warrants/ drafts are payable at par at the designated branches of the bank for an initial period of 6 months only. Thereafter, the dividend warrant on revalidation is payable only at limited centres. The members are, therefore, advised to encash dividend warrants/drafts within the initial validity period.
- d) All documents referred to in the accompanying Notice are open for inspection at the Registered office of the Company on all the working days between 10.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting, except on Sundays, and other Holidays.
- e) Members desiring any information on the Accounts are requested to write to the Company at its Registered office, 316-319, Allied House, Inderlok, Old Rohtak Road, Delhi-110035, giving at least 7 days notice prior to the date of Annual General Meeting to enable the Management to collect and keep the information ready.
- f) With a view to eliminate any possibility of forgery or fraud, the shareholders are requested to furnish their Bank Account Number (current/saving), the name of the Bank and Branch where they would like to deposit their dividend warrant/ draft for encashment. These particulars will be printed on the Cheque Portion of the dividend warrant/ draft. This should be furnished by the Sole Holder or the first named Shareholder to Company or its Share Transfer Agent i.e. M/s Karvy Computershare Private Limited

Shareholders/ Beneficial owners of shares are further advised that they should furnish their bank account details to depository participants and the Company will not entertain any direct request from such shareholders for deletion/change in such bank details. The bank mandate for shares held in physical form will not be automatically applied for shares held in electronic form.

- g) Bank Details / Intimation of Change of Address should reach the Company or its Share Transfer Agents i.e. M/s Karvy Computershare Private Limited, to enable the Company to give effect to such change.
- h) Members are hereby informed that dividends which remain unclaimed / unencashed over a period of 7 Years have to be transferred by the Company to Investor Education & Protection Fund (IEPF) constituted by the Central Government under section 205A and 205C of the Companies Act, 1956. Further under the Companies Act, 1956 no claim shall lie for the unclaimed dividend from IEPF by the shareholders.

The details in respect of unclaimed dividend when due for transfer to the said fund are given below:

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 Dividend (Rs.)
31.03.2000	22.09.00	29.10.00	28.10.07	27.11.07	30,185
31.03.2001	14.09.01	21.10.01	20.10.08	19.11.08	34,881
31.03.2002	26.09.02	02.11.02	01.11.09	30.11.09	59,291
31.03.2003	26.09.03	02.11.03	01.11.10	30.11.10	52,228
31.03.2004	24.09.04	30.10.04	29.10.11	28.11.11	330
31.03.2005	22.09.05	28.10.05	27.10.12	26.11.12	1,315
31.03.2006	21.09.06	27.10.06	26.10.13	25.11.13	19,772

- III. An explanatory Statement as required under the provisions of Section 173(2) of the Companies Act, 1956 is annexed to this notice.



NOTES

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956:

ITEM 5

Mr. Vivek Kumar was appointed as Additional Director in the meeting of the Board of Directors held on 30th January, 2007, and holds office till the date of the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director liable to retire by rotation. The resolution is put up for approval by the shareholders of the Company.

None of the Directors except Mr. Vivek Kumar himself is interested or concerned in the passing of the resolution.

ITEM 6

Mr. Nikhil Dua is a professionally qualified Director of the Company who has been rendering services for the shoe division of the company for more than ten years. Considering his qualifications and contribution to the growth of the company, the Board feels that he must be made Whole Time Director and remunerated appropriately.

Your directors commend the resolution for your approval.

Mr. Ramesh Kumar Dua, Managing Director, Mr. Mukand Lal Dua, Whole Time Director and Mr. Nikhil Dua himself are concerned in the passing of the resolution.

ITEM 7

Mr. Ritesh Dua, son of Mr. Mukand Lal Dua, holds a Masters Degree in Business Administration (Finance) from Fore School of Management, New Delhi, has an experience of more than seven years in the Footwear Industry.

The Board of Directors of the Company at its meeting held on 31st July, 2007 approved, subject to the approval of the shareholders of the Company and the approval of the Central Government, the appointment of Mr. Ritesh Dua as Joint Vice-President (Finance) in the Company on the following remuneration structure.

<u>Particulars</u>	<u>Amount (in Rs.)</u>
Basic	70000
House Rent Allowance	42000
Employer's Contribution to PF	8400
Medical Reimbursement	5833
restricted to one month's salary	
Bonus restricted to one month's salary	5833

and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade after necessary approvals from the Central Government.

The Directors Relatives (Office or Place of Profit) Rules, 2003 (the Rules), inter alia, provide that no appointment for an office or place of profit in a company shall take effect unless approved by the Central Government on an application in respect of

- Partner or relative of a director or manager or
- Firm in which such director or manager, or relative of either is a partner; or
- Private company of which such director or manager or relative, if either, is a director or member,

As the remuneration payable to Mr. Ritesh Dua is more than Rs. 50,000/- per month, approval of the Central Government is also required for the appointment of and payment of remuneration to him in addition to the approval of the shareholders, under Section 314(1B) of the Companies Act, 1956, is necessary.

The Board of Directors of the Company accordingly recommends the resolution for approval of the Members. Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua and Mr. Nikhil Dua are interested in the passing of this resolution.

ITEM 8

Mr. Gaurav Dua, son of Mr. Ramesh Kumar Dua, holds a Masters Degree in Marketing from University of Wales, Cardiff (U.K.) and has an experience of more than five years in the Footwear Industry. He has taken extensive hands-on training in marketing of footwear in the Indian Market.

The Board of Directors of the Company at its meeting held on 31st July, 2007 approved, subject to the approval of the shareholders of the Company and the approval of the Central Government, the appointment of Mr. Gaurav Dua as Joint Vice-President (Marketing) in the Company on the following remuneration structure.



RELAXO FOOTWEARS LIMITED
 Regd. Office : 316-319, Allied House, Plot No. 2,
 Inderlok Chowk, Delhi - 110035

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance counter at Sri Satya Sai International Centre, Lodhi Road Institutional Area, Pragati Vihar, New Delhi - 110 003 on Monday, the 24th September, 2007 at 10.30 a.m.

NAME OF MEMBER			
FOLIO NUMBER		NO. OF SHARES	
*DPID NO.		*CLIENT ID NO.	
NAME OF MEMBER/PROXY		SIGNATURE OF MEMBER/PROXY	

NOTES :-

- Members/Proxy holders are requested to bring their copies of the Annual Report with them to the meeting.
- For the convenience of Members, persons other than Members/proxies will not be allowed into the meeting.

PROXY FORM

Folio No. DP ID

No. of Shares Client ID

I/We of
 being a Member/Members of or failing him/her
 of
 vote for me/us and on my/our behalf at the 23rd Annual General Meeting of the
 Company to be held on Monday, the 24th day of September, 2007 and at any Adjournment thereof.

Signed this day of September, 2007

SIGNED

Affix
 Re. 1.00
 Revenue
 Stamp

Note : This Proxy to be valid should be deposited at the Registered office of the company not less than 48 hours before the time for holding the meeting



BOARD OF DIRECTORS

Ramesh Kumar Dua	Managing Director
Mukand Lal Dua	Whole Time Director
Nikhil Dua	Director
G.C. Rastogi	Director
S.K. Sapra	Director
Vivek Kumar	Director

COMPANY SECRETARY

Sandeep Chandna

CHIEF FINANCIAL OFFICER

Sushil Batra

AUDITORS

GUPTA & JHUNJHUNWALA

Chartered Accountants

9, Darya Ganj, New Delhi - 110 002

BANKERS

STATE BANK OF INDIA

Mayapuri, New Delhi - 110 064

SHARE TRANSFER AGENTS

M/s Karvy Computershare Private Limited

46, Avenue 4, Street No.1,

Banjara Hills

Hyderabad - 500034

REGISTERED OFFICE

RELAXO FOOTWEARS LIMITED

316-319, Allied House, Inderlok Chowk,

Old Rohtak Road, Delhi - 110035

WORKS

- Plot No.326 & 327, MIE, Bahadurgarh, Haryana
- A-1130 & 1130 (A)
RIICO Industrial Area
Phase-III, Bhiwadi, Rajasthan
- 30/3/2, Rakba Mooja Hasanpur, Tikri Border (Near Sales Tax Office), Bahadurgarh (Haryana)
- 83-92, SIDCUL Industrial Area, BHEL, Haridwar (Uttaranchal)

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