

ANNUAL REPORT

2007 - 2008

RELAXO FOOTWEAR



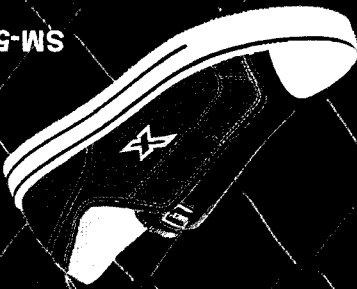
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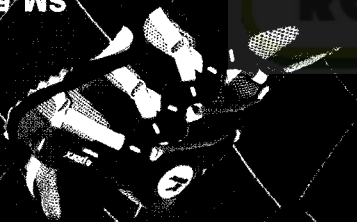
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BOARD OF DIRECTORS

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

Kapil Garg

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 - 500 034

REGISTERED OFFICE

RELAXO FOOTWEARS LIMITED
316-319, Allied House, Inderlok Chowk,
Old Rohtak Road, Delhi - 110 035

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

CONTENTS

Page No.

Notice	2-10
Directors' Report	11-14
Corporate Governance Report	15-24
Auditors' Report	25-28
Balance Sheet	29
Profit & Loss Account	30
Cash Flow Statement	31
Schedules	32-39
Accounting Policies & Notes on Accounts	40-48
Balance Sheet Abstract	49



Notice

Notice is hereby given that the 24th Annual General Meeting of the Members of RELAXO FOOTWEARS LIMITED will be held at Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi - 110 003 on Friday, 26th day of September, 2008 at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2008 and the Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vivek Kumar who retires by rotation as a Director and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Nikhil Dua who retires by rotation as a Director and being eligible, offers himself for re-appointment.
4. To declare dividend.
5. 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

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

"**RESOLVED THAT** in accordance with provision of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, the approval of the Company be and is hereby accorded to alter the Articles of Association of the Company by deleting the Article No. 157 and substituting in its place the following Article as Article No. 157-

157. The Managing Director and Whole-time Directors of the Company shall be liable to retire by rotation and reckoned in the computation of two-third of total Directors as liable to retire by rotation if the terms of appointments as Managing Director/Whole-time Director as approved by the shareholders in general meeting, contain the condition that such Director shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors 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 sole 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 consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

"**RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Shareholders be and is hereby accorded to the appointment of Mr. Ramesh Kumar Dua, as Managing Director of the Company, for a period of 5 (five)



Notice

years with effect from April 1, 2009 and not liable to retire by rotation, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors 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 sole 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 consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

“**RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Mukand Lal Dua, as Whole time Director of the Company, for a period of 5 (five) years with effect from April 1, 2009 and not liable to retire by rotation, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors 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 sole 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 consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION** :

“**RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Shareholders be and is hereby accorded to the appointment of Mr. Nikhil Dua, as Whole-time Director, for a period of 3 (three) years with effect from October 1, 2008 in the grade of Rs. (1,05,000-15,500-1,36,000) and liable to retire by rotation on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors 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 sole 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.”



Notice

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

“RESOLVED THAT subject to the consent of the Shareholders and 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 Shareholders 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 Executive Vice-President (Finance) with effect from 1st day of October, 2008, for a period of 3 (three) years, in the grade of (Rs.100000-15000-130000) 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 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 sole 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.”

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

“RESOLVED THAT subject to consent of Shareholders and 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 Shareholders 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 Executive Vice-President (Marketing) with effect from 1st day of October, 2008, for a period of 3 (three) years, in the grade of (Rs. 95000-14500-124000) 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 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 sole 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.”

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**

“RESOLVED THAT subject to consent of the Shareholders and 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 Shareholders 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



Notice

place of profit under the Company and designated as Executive Vice-President (Retail) with effect from 1st day of October, 2008, for a period of 3 (three) years, in the grade of Rs. (90000-14000-118000) 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 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 sole 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 of Directors
For Relaxo Footwears Limited

Place : Delhi
Date : 28th July, 2008

Kapil Garg
Company Secretary

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 the Meeting.
- II. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- III. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- IV.
 - a) The Register of Members and Share Transfer Book of the Company shall remain closed from Friday, 19th September, 2008 to Friday, 26th September, 2008 (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 Friday, 26th day of September, 2008.
 - 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 centers. The members are, therefore advised to encash Dividend warrants/drafts within the initial validity period.
- V. Members/proxies are requested to bring their Attendance Slip dully filled in and signed for attending the meeting. Members who hold shares in Dematerialised Form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.



Notice

- VI. 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.
- VII. Members desiring any information on the Accounts are requested to write to the Company at its Registered office, 316-319, Allied House, Inderlok Chowk, 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.
- VIII. In order to avoid the incidence of fraudulent encashment of dividend warrants, the Members holding shares in physical form are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to the Company or Karvy to enable them to incorporate the same in the dividend warrant.

Members holding shares in electronic form may please note that the Bank Account details and 9-digit MICR Code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through Electronic Clearing Service (ECS), or for printing on dividend warrants wherever applicable. Therefore, members are requested to update their Bank Account particulars, Change of address and other details with their respective Depository Participants.

- IX. 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 as on 31.03.2008 (Rs.)
2000-01	14.09.01	21.10.01	20.10.08	19.11.08	34,881
2001-02	26.09.02	02.11.02	01.11.09	01.12.09	59,291
2002-03	26.09.03	02.11.03	01.11.10	01.12.10	52,228
2003-04	24.09.04	30.10.04	29.10.11	28.11.11	313
2004-05	22.09.05	28.10.05	27.10.12	26.11.12	1315
2005-06	21.09.06	27.10.06	26.10.13	25.11.13	19052
2006-07	24.09.07	30.10.07	29.10.14	28.11.14	61140



Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

ITEM 6

As per the Articles of Association of the Company, the Managing Director and Whole-time Directors of the Company are not be liable to retire by rotation, while they continue to hold the office and can not be reckoned as a Director for the purpose of computation of Directors liable to retire by rotation. In order to include the Managing Director and Whole-time Directors within the purview, the computation of Directors liable to retire by rotation subject to approval of Shareholders, it is necessary to alter the Articles of Association of the Company.

Your Directors recommend the resolution for approval of the Members.

No Director is concerned or interested in the passing of this resolution.

ITEM 7 & 8

Mr. Ramesh Kumar Dua was appointed as Managing Director w.e.f. 1st April 2004 in the Annual General Meeting of the Company held on 24th September, 2004. The term of appointment shall expire on 31st March, 2009.

Mr. Mukand Lal Dua was appointed as Whole Time Director w.e.f. 1st April 2004 in the Annual General Meeting of the Company held on 24th September, 2004. His term of appointment shall expire on 31st March, 2009.

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 28th July, 2008, based on the recommendation of the Remuneration Committee and subject to approval of the members in the ensuing 24th Annual General Meeting, has unanimously approved the re-appointment of Mr. Ramesh Kumar Dua as Managing Director and Mr. Mukand Lal Dua as Whole-Time Director on the terms and conditions as given below -

1. **PERIOD** : Five years commencing from 1st April 2009.

2. **REMUNERATION** :

I) SALARY

Name and Designation	Salary per Month effective from 1 st April, 2009
Mr. Ramesh Kumar Dua <i>Managing Director</i>	Rs. 3,50,000/-
Mr. Mukand Lal Dua <i>Whole-Time Director</i>	Rs. 3,50,000/-

II) 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 309 of the Companies Act, 1956 that the total remuneration by way of salary, dearness allowance, perquisites, commission and other allowances shall not exceed 5% of its net profits for one such managerial person and if there is more than one such managerial person, the total remuneration paid to all such managerial person shall not exceed 10% of the net profits.



Notice

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of this tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Schedule XIII of the Companies Act, 1956 whichever is lower.

In addition to the above remuneration, Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua, shall be entitled for 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 as per rules of the Company.

However, the above perquisites to the extent these are not taxable under the Income Tax Act, 1961 shall not be included in the overall ceiling of remuneration as per Section 198 and 309 of the Companies Act, 1956.

Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua shall not be paid any sitting fees for attending meetings of the Board of Directors/Committees from the date of their re-appointment.

Memorandum of Concern or Interest dated 28th July 2008 has already been dispatched to the Shareholders.

Your Directors recommend the resolutions for approval of the Members.

Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua (themselves) and Mr. Nikhil Dua are interested in the passing of this resolution.

ITEM 9

Mr. Nikhil Dua, who was appointed as Whole-time Director of the Company w.e.f. 1st January, 2008 in the previous Annual General Meeting held on 24th September, 2007, had resigned from the whole-time employment of the Company w.e.f. 25th July, 2008 in the Board Meeting of the Company held on 28th May, 2008. But in view of his efforts, contribution in the growth of the Company and considering his dedication towards working of the Company, the Board of Directors has appointed Mr. Nikhil Dua again, as Whole-time Director of the Company on rotation subject to the approval of Shareholders in ensuing 24th Annual General Meeting on the following terms and conditions :

1. **PERIOD** : Three years commencing from 1st October, 2008.
2. **REMUNERATION** :

SALARY (IN THE PAY SCALE OF RS. 1,05,000-15,500-1,36,000)

(Amount in Rs. per month)

Basic Salary	:	1,05,000/-
HRA	:	63,000/-
Medical Reimbursement	:	8,750/-
Bonus	:	8,750/-
Transport Allowance	:	800/-
Education Allowance	:	200/-
Leave Travel Assistance	:	8,750/-