

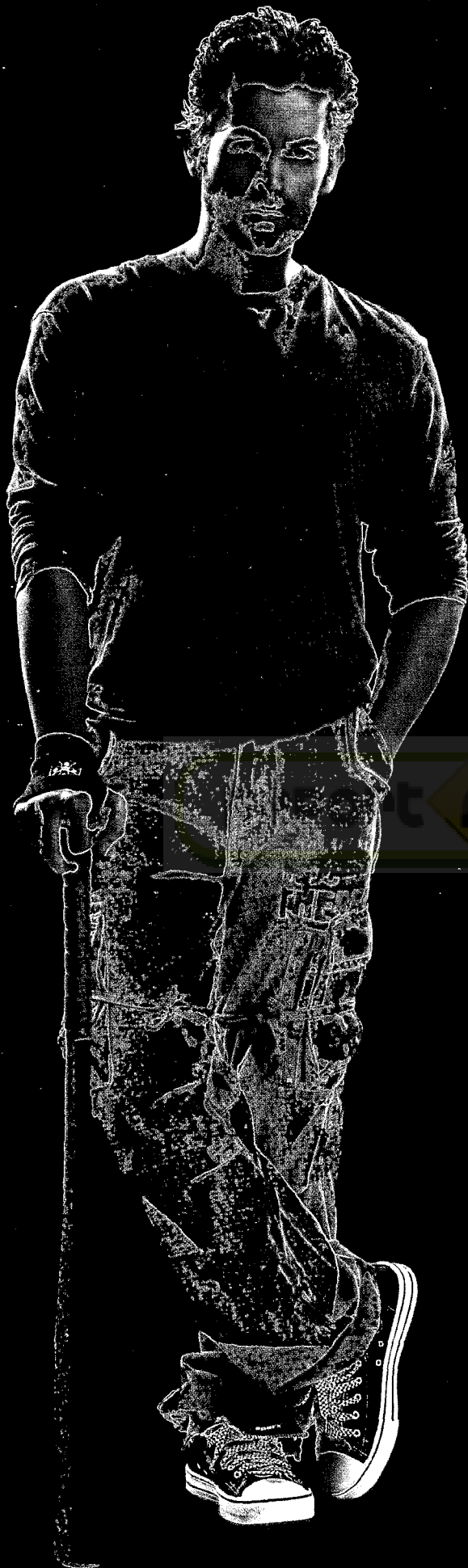


RELAXO FOOTWEARS LIMITED

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# Annual Report

2008 - 2009



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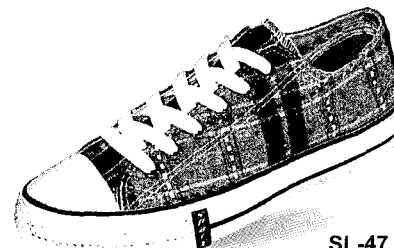
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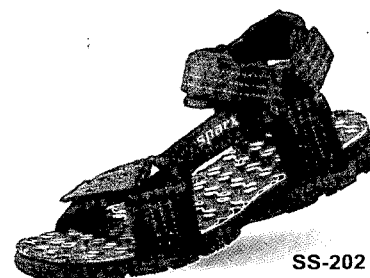
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#### BOARD OF DIRECTORS

Ramesh Kumar Dua	Managing Director
Mukand Lal Dua	Whole Time Director
Nikhil Dua	Whole Time 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, Delhi-110 002

#### BANKERS

STATE BANK OF INDIA  
Mayapuri, New Delhi-110 064

#### SHARE TRANSFER AGENTS

M/s. Karvy Computershare Private Limited  
Karvy House, 46, Avenue 4, Street No.1,  
Banjara Hills  
Hyderabad-500 034

#### REGISTERED OFFICE

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
- 342-343, Footwear Park,  
Industrial Estate, Sector-17,  
Bahadurgarh, Haryana

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## Notice

### **NOTICE**

Notice is hereby given that 25th 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, 25th day of September, 2009 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 31<sup>st</sup>, 2009 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. G.C Rastogi, Director 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.

Place: Delhi  
Date : July 30, 2009

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

**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. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- III.
  - a) The Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, 19.09.2009 to Friday, 25.09.2009 (both days inclusive)
  - b) Dividend on Equity Share of the Company, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after Friday 25<sup>th</sup> day of September, 2009
  - c) Members may please note that the dividend warrants/drafts are payable at par at the all branches of the bank for an initial period of 3 months only. Thereafter, the dividend warrant on revalidation is payable at all branches of the bank. The members are therefore advised to encash dividend warrants/drafts within the initial validity period.
- IV. Members/proxies are requested to bring their Attendance Slip duly filled in and signed for attending the meeting. Members who hold share in Dematerialised Form are requested to write their Client ID and DP ID and those who hold share in physical form are requested to write their Folio Number in Attendance Slip for attending the meeting.

## Notice

- V. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all 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.
- VI. 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-110 035, 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.
- VII. 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 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.

- VIII. 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 31.03.2009 (Rs.)
2001-02	26.09.02	02.11.02	01.11.09	01.12.09	59779
2002-03	26.09.03	02.11.03	01.11.10	01.12.10	53157
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	61065
2007-08	26.09.08	02.11.08	01.11.15	01.12.15	50343

## Notice

Details of Director Seeking Reappointment in 25th Annual General Meeting

Name of Director	Mr. G Irish Chand Rastogi
Age	67 years
Date of Appointment	31.07.01
Qualification	M.Com, F.C.S, M.I.I.A, DICD
Expertise in Specific Functional Area	Mr. G.C. Rastogi, is having vast experience in Company Law, legal, Finance and Management and is a Director (Corporate Governance)
List of Companies in which outside Directorship held	Nil
Chairman/ Member of the committee of Board of Director of other Companies	Nil

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

Place: Delhi  
Date : July 30, 2009

**KAPIL GARG**  
Company Secretary





## Directors' Report

Dear Members,

The Board of Directors of your Company take pleasure in presenting its report on the working of the Company for the Financial Year 2008-09.

### 1. FINANCIAL RESULTS

		(Rs. in Lacs)
<u>Particulars</u>	<b>2008-09</b>	<b>2007-08</b>
<b>Sales &amp; Other Income</b>	<b>41004.86</b>	30731.73
Total Expenditure	<b>37519.50</b>	28123.47
<b>Profit before Depreciation &amp; Tax</b>	<b>3485.36</b>	2608.26
Depreciation	<b>1047.01</b>	934.43
<b>Profit before Tax &amp; Extra Ordinary items</b>	<b>2438.35</b>	1673.83
Extra Ordinary Items	<b>40.32</b>	0.00
<b>Profit before Tax</b>	<b>2398.03</b>	1673.83
Payment / Provision for Tax	<b>974.80</b>	621.42
<b>Profit after Tax</b>	<b>1423.23</b>	1052.41
Balance brought forward from previous year	<b>725.44</b>	278.34
<b>Amount available for Appropriation</b>	<b>2148.67</b>	1330.75
<b><u>Appropriation:-</u></b>		
Dividend	<b>90.01</b>	90.01
Tax on Dividend	<b>15.30</b>	15.30
Transfer to General Reserve	<b>750.00</b>	500.00
Balance carried to Balance Sheet	<b>1293.36</b>	725.44
<b>Total</b>	<b>2148.67</b>	1330.75

### 2. DIVIDEND

The Board of Directors recommend a dividend of 15% on the equity shares of the Company for the year ended 31st March, 2009.

### 3. RESERVES

The reserves at the beginning of the financial year 2008-09 were Rs. 5478.48 Lacs and at the end of the financial year 2008-09 are 6796.40 Lacs.

### 4. AUDITORS

The Statutory Auditors of the Company, M/s. Gupta & Jhunjhunwala, Chartered Accountants hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished the requisite certificate to the effect that their re-appointment, if effected, will be in accordance with Section 224(1B) of the Companies Act, 1956.

### 5. AUDITORS' REPORT

The observations of the Auditors on the Accounts for the year under report have been suitably explained in the Notes to Accounts and do not require any further clarification.

### 6. DIRECTORS

Mr. G.C. Rastogi, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Your Directors recommend his appointment as the Director of the Company.

## Directors' Report

### 7. **CORPORATE GOVERNANCE**

The Company has taken the requisite steps to comply with the recommendations concerning the Corporate Governance. A Report on Corporate Governance together with a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is annexed to this Report.

### 8. **FIXED DEPOSITS**

The Company has not raised any money by way of Fixed Deposits under section 58A of the Companies Act, 1956 during the year under review.

### 9. **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956 with regard to Directors' Responsibility Statement, it is hereby confirmed:-

1. That the applicable Accounting Standards have been followed in the preparation of the Annual Accounts for the Financial Year 2008-09, and that there have been no material departures there from;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for the year under review.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the Annual Accounts on a going concern basis.

### 10. **CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

#### **A. CONSERVATION OF ENERGY**

The provisions of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding the conservation of energy are not applicable to our Company.

#### **B. TECHNOLOGY ABSORPTION**

##### **I. RESEARCH AND DEVELOPMENT**

##### **a) Specific areas in which R & D carried out by the Company**

- Import substitution of various components and spares.
- Product / process development.
- Waste recycling.
- Raw material & Chemical substitution.

##### **b) Benefits derived as a result of R & D**

- Improvement in quality.
- Development of new product / process.

##### **c) Expenditure on R & D**

- Expenses of Rs. 3.13 Lacs have been incurred for R & D.



## Directors' Report

### II. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

#### a) Efforts made towards technology

- Introduction of low shrinkage footwear.
- Introduction of light weight footwear.

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

- Better market acceptance.
- Improvement in quality.
- Reduction in process cycle time.
- Reduction in wastage & process losses.
- Reduction in overall cost of production.

#### c) Technology imported during last five years

NIL

### C. FOREIGN EXCHANGE EARNINGS AND OUT GO

- I. **Activities relating to export initiatives taken to increase exports, development of new export for products and export plans:** The Company has developed new markets of Middle East, Europe, & Africa and these new markets will increase overall export of Company.

#### II. Total Foreign Currency used and earned

Used	Rs. 4186.98 Lacs
Earned	Rs. 714.98 Lacs

### 11. HUMAN RESOURCES MANAGEMENT & INDUSTRIAL RELATIONS

The Company during the year organised training and development programmes to boost up the morale of employees, maintain work life balance and to create a feeling of team-work to develop capabilities to enhance its leadership in the talent domain. Areas for focus have been leadership development, sales focus and quality of services.

The Industrial Relations in all the units of the Company continued to be harmonious during the year under review.

### 12. ENVIRONMENT AND SAFETY

The Company is committed to ensure health and safety to all employees of the Company, visitors and any other person present at the work place of the Company. Adequate measures for safe guarding the safety and health of employees and labourers are installed at the plants of Company. The Company installs fire fighting equipments at all manufacturing plants. Workers / staff are trained to handle these equipments effectively in case of need.

### 13. QUALITY MANAGEMENT

Your Company has been certified for ISO 9001:2000 by British Standards Institutes (B.S.I.). This certification enables an organization to improve product quality and enhance productivity. This assessment signifies your Company's capability to manage and control manufacturing process for the manufacture and supply of quality products to its customers.

### 14. PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956

The Statement of Particulars pursuant to section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2002, forms part of this report. However, as per the provisions of the Companies Act, 1956, the Reports and Accounts are being sent to all shareholders excluding the above statement. The statement is available for inspection at the Registered Office during working hours upto the date of the Annual General Meeting or write to the Company for a copy.

## Directors' Report

### 15. **APPRECIATION**

Your Directors express their gratitude to the Company's shareholders, business partners and suppliers for their understanding and support. Your Director's record their appreciation and gratitude to the banks for their continued and timely assistance in meeting the Company's resource requirement. Finally, your Directors acknowledge the dedicated services rendered by all employees of the Company.

For and on behalf of the Board of Directors

Place : Delhi  
Date : July 30, 2009

**RAMESH KUMAR DUA**  
Managing Director

**MUKAND LAL DUA**  
Whole Time Director

