

RELAXO FOOTWEARS LIMITED



Quality Par Excellence

**ANNUAL
REPORT**

2009-2010

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Quality Par Excellence

BOARD OF DIRECTORS

Ramesh Kumar Dua	Managing Director
Mukand Lal Dua	Whole Time Director
Nikhil Dua	Whole Time Director
S.K. Sapra	Director
Vivek Kumar	Director
Pankaj Shrimali	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
HDFC Bank
Standard Chartered Bank
ING Vysya Bank

SHARE TRANSFER AGENTS

M/s. Karvy Computershare Private Limited
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 & 328, 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 26th 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, 24th day of September, 2010 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, 2010 and the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S.K. Sapra, Director who retires by rotation as a Director and being eligible, offers himself for re-appointment.
3. To confirm the payment of interim dividend and declare final dividend on equity shares for the financial year 2009-10.
4. To appoint Statutory Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT M/s. Gupta & Jhunjhunwala, Chartered Accountants (Firm Registration No. 003849 N) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

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. Pankaj Shrimali who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 w.e.f 29th May, 2010 and holds office upto the forthcoming Annual General Meeting and in respect 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, liable to retire by rotation.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special 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. Nikhil Dua, as Whole-time Director, for a period of 3 (three) years with effect from 1st day of October, 2010 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.

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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 a Special Resolution :-

“**RESOLVED THAT** pursuant to provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 read with Directors' Relatives (Office or Place of Profit) Rules 2003, or any amendment or substitution thereof and subject to approval of Central Government, the approval of the Shareholder 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, Whole-time 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, 2010 for a period of 3 (three) years, in the grade of (Rs.165000-21000-207000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade after necessary approval 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.”

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

“**RESOLVED THAT** pursuant to provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 read with Directors' Relatives (Office or Place of Profit) Rules 2003, or any amendment or substitution thereof and subject to approval of Central Government, the approval of the Shareholder 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 Whole-time 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, 2010 for a period of 3 (three) years in the grade of (Rs.160000-20500-201000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade after necessary approval 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.”

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

“**RESOLVED THAT** pursuant to provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 read with Directors' Relatives (Office or Place of Profit) Rules 2003, or any amendment or substitution thereof and subject to approval of Central Government, the approval of the Shareholder 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, Whole-time Director of the Company) to hold and

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continue to hold office or place of profit under the Company and designated as Executive Vice-President (Retail) with effect from 1st day of October, 2010 for a period of 3 (three) years, in the grade of (Rs.155000-20000-195000) 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 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.”

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

“**RESOLVED THAT** pursuant to provisions of Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956 read with Directors' Relatives (Office or Place of Profit) Rules 2003, or any amendment or substitution thereof and the approval of the Shareholder be and is hereby accorded to the appointment of Mr. Rahul Dua (relative of Mr. Ramesh Kumar Dua, Managing Director, Mr. Mukand Lal Dua, Whole-time Director and Mr. Nikhil Dua, Whole-time Director of the Company) to hold and continue to hold office or place of profit under the Company and designated as Finance Executive with effect from 1st day of July, 2010 for a period of 2 (two) years, in the grade of (Rs. 15000-5000-20000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade.

RESOLVED FURTHER THAT the Board of Directors 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 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 : May 29, 2010

Kapil Garg
Company Secretary

Notice

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 authorized 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.
- IV.
 - a) The Register of Members and Share Transfer Book of the Company shall remain closed from Monday, 20.09.2010 to Friday, 24.09.2010 (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, 24th day of September, 2010
 - 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 3 months only. Thereafter, the dividend warrant or revalidation is payable at all branches of the bank. The members are therefore advised to encash dividend warrants/drafts within initial validity period.
- V. 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.
- VI. 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.
- 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-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.
- 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 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 National Electronic Clearing Service (NECS), 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)

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constituted by the Central Government under section 250A 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 31.03.2010 (Rs.)
2002-03	26.09.03	01.11.03	31.10.10	30.11.10	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	01.11.08	31.10.15	30.11.15	50343
2008-09	25.09.09	31.10.09	30.10.16	29.11.16	58993
2009-10 (Interim)	31.10.09	06.12.09	05.12.16	04.01.17	68008

By Order of the Board of Directors
For Relaxo Footwears Limited

Place : Delhi
Date : May 29, 2010

Kapil Garg
Company Secretary

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

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5

The Board of Directors of the Company at its meeting held on 29th May, 2010 appointed Mr. Pankaj Shrimali as an Additional Director with effect from 29th May, 2010 pursuant to provisions of Section 260 of the Companies Act, 1956 read with Article 120 of the Articles of Association of the Company.

In terms of provisions of Section 260 of the Act, Mr. Pankaj Shrimali would hold office upto the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith deposit of Rs. 500/- for proposing the candidature of Mr. Pankaj Shrimali for office of Director of the Company under provisions of Section 257 of the Act.

Mr. Pankaj Shrimali is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act and eligible to act as a Director of the Company.

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Save and except Mr. Pankaj Shrimali none of the other Directors of the Company is, in any way, concerned or interested in the Resolution.

The Board recommends the Resolution as set out at Item no. 5 of the Notice for your approval.

Item No 6.

The Board of Directors has re-appointed Mr. Nikhil Dua, Whole-time Director of the Company in the Board Meeting held on 29th May, 2010 after considering his efforts and contribution in the growth of the Company on the terms and conditions as approved by Remuneration Committee and mentioned hereunder subject to approval of shareholder in ensuing 26th Annual General Meeting of the Company.

In compliance with the requirement of Section 302(7) of the Companies Act, 1956, an Abstract of terms of appointment of Mr. Nikhil Dua as Whole-time Director of the Company, as contained in the Board Resolution and Memorandum of Interest is set below;-

1. **Period : Three years commencing from 1st October, 2010**

2. **Remuneration :**

SALARY (IN THE PAY SCALE OR Rs. 170000-21500-213000) p.m.

	Amount (in Rs.)
Basic Salary	170000/-
HRA	85000/-
Medical Reimbursement	1250/-
Bonus	14166/-
Transport Allowance	800/-
Education Allowance	200/-
Leave Travel Assistance	14166/-

Notwithstanding anything contained here in above, 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 and schedule XIII of the Companies Act, 1956 from time to time.

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

- 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.
- Gratuity payable at a rate not exceeding half month's salary for each completed year of service, and
- Encashment of leave at the end of tenure.
- Other perquisites also include use of Company's car with driver, Group Personal Accident coverage and reimbursement of entertainment and all other expenses incurred by him for the business of the Company as per Company Rules, as applicable to all the employees of the Company from time to time.

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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

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.

The Board recommends the Resolution as set out at Item no. 6 of the Notice for your approval.

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

None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No 7, 8 & 9

In view of contribution made by Mr. Ritesh Dua, Mr. Gaurav Dua and Mr. Nitin Dua to the development and growth of the Company, the Board of Directors at its meeting held on 29th May, 2010 has approved increased in existing salary scale of Mr. Ritesh Dua, Executive-Vice President (Finance), Mr. Gaurav Dua, Executive-Vice President (Marketing) and Mr. Nitin Dua, Executive-Vice President (Retail) for a period of 3 (three) years w.e.f. 1st October, 2010 on the such terms and conditions as approved by Remuneration Committee.

The proposed remuneration structure of these Executive-Vice Presidents is given below: -

Particulars	Mr. Ritesh Dua (Amount in Rs. Per Month)	Mr. Gaurav Dua (Amount in Rs. Per Month)	Mr. Nitin Dua (Amount in Rs. Per Month)
Basic Salary	165000 (Pay Scale 165000-21000-207000)	160000 (Pay Scale 160000-20500-201000)	155000 (Pay Scale 155000-20000-195000)
HRA @ 50% of Basic Salary	82500	80000	77500
PF @ 12% Basic Salary	19800	19200	18600
Bonus @ 8.33% of Basic Salary	13750	13333	12917
LTA @ 8.33% of Basic Salary	13750	13333	12917
Medical Reimbursement	1250	1250	1250
Transport Allowance	800	800	800
Education Allowance	200	200	200
Gratuity/Leave encashment as per the Company Rules			

The provision of use of Company's car with driver for official duty, Group Personal Accident coverage and reimbursement of entertainment and all other expenses incurred by him for the business of the Company as per Company Rules, as applicable to all the employees of the Company from time to time shall not be included in computation of perquisites and allowances.

As per the provisions of Section 314(1B) of the Companies Act, 1956 if the monthly remuneration payable to relative of director is Rs. 50000/- or more, the approval of Central Government is required for the appointment of and payment of remuneration to him in addition to the approval of the shareholders.