



Quality Par Excellence

# RELAXO FOOTWEARS LIMITED

ANNUAL REPORT 2015 - 2016

# Bahamas

**RELAXO**  
Quality Par Excellence

Keep chillin'  
Keep flippin'



BHG-41

BHL-10



BHG-39



BHG-28



BHG-17



BHL-11



BHL-34

Sahar is wearing BHG-31

## Corporate Information

### BOARD OF DIRECTORS

Ramesh Kumar Dua	Managing Director
Mukand Lal Dua	Whole Time Director
Nikhil Dua	Whole Time Director
Deval Ganguly	Whole Time Director
Vivek Kumar	Independent Director
Pankaj Shrimali	Independent Director
Kuruvila Kuriakose	Independent Director
Deepa Verma	Independent Director

### CHIEF FINANCIAL OFFICER

Sushil Batra

### COMPANY SECRETARY

Vikas Kumar Tak

### AUDITORS

Gupta & Dua  
Chartered Accountants  
9, Darya Ganj, New Delhi-110 002

### BANKERS

State Bank of India  
HDFC Bank  
Standard Chartered Bank  
Kotak Mahindra Bank  
HSBC Bank

### SHARE TRANSFER AGENTS

M/s Karvy Computershare Private Limited  
Karvy Selenium Tower-B, Plot No.-31-32,  
Gachibowli Financial District, Nanakramguda  
Hyderabad, Andhra Pradesh-500 032

### REGISTERED OFFICE

Aggarwal City Square, Plot No. 10,  
Manglam Place, District Centre, Sector -3,  
Rohini, Delhi-110 085  
CIN: L74899DL1984PLCO19097

### WORKS

<b>RFL-I &amp; II</b>	326-327, MIE, Bahadurgarh, Haryana
<b>RFL-III</b>	A-1130 & 1130 (A), RIICO Industrial Area, Phase-III, Bhiwadi, Rajasthan
<b>RFL-IV</b>	30/3/2, Mooja Hasanpur, Tikri Border, Bahadurgarh, Haryana
<b>RFL-V</b>	83-92, SIDCUL Industrial Area BHEL, Haridwar, Uttarakhand
<b>RFL-VI</b>	342-343, Footwear Park, Industrial Estate, Sector-17, Bahadurgarh, Haryana
<b>RFL-VII</b>	328-329, MIE, Bahadurgarh, Haryana
<b>RFL-VIII</b>	37, Sector 4B, Bahadurgarh, Haryana

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**Company has closed current Financial Year with Healthy Growth, with increase in Revenue by 16%, with Volume Growth of 10% and Net Profit by 17% as compared to FY2015.**

## FROM THE MANAGING DIRECTOR'S DESK

Dear Stakeholders,

It gives me great pleasure to announce yet another year of healthy growth. FY16 was a crucial year for us as we reemphasized our focus on the growth agenda we had set for ourselves. We closed the fiscal year with increase in revenue by 16%, EBITDA by 21% and PAT by 17%. In FY16 our multiyear transformation program again helped us to step up growth and increase margin despite volatile macro-economic market conditions. Through this transformation, we continue to drive improvements across the organization.

The primary drivers for this growth have been a healthy mix of volume growth in tandem with premiumization. In the last 12 months, Relaxo introduced more than 100 products and is continuously raising the bar. We continue to leverage our strong in-house design capability, whose endeavor is to constantly innovate techniques to provide cutting edge products at reduced costs. To further foster a culture of innovation, we have also launched an innovation portal for our employees to crowd source new product design ideas. The Company is also working towards establishing a dedicated R&D function within the organization.

We have initiated end-to-end distributor and retailer programs to improve engagement levels and connect with our channel partners. The distributor engagement program has delivered incremental and sustainable benefits to Relaxo while ensuring a healthy relationship with our channel partners. The retailer based loyalty program has helped in establishing direct connect with retailers and reward their efforts in promoting Relaxo brands. We have also effectively enhanced our distribution coverage both by strengthening the presence in current regions and expanding across new regions. As celebrity marketing has been studied and analyzed to be an effective lever to build trust in the brand, this year we have engaged Salman Khan – as a brand ambassador for Bahamas. We believe Salman will successfully convey Bahamas as trendy youthful brand. We have also continued with Akshay Kumar – as a brand ambassador for Sparx and Sonakshi Sinha – as a brand ambassador for Flite.

Retail continues to remain instrumental in increasing brand visibility with net increase of 43 stores during FY16, the total tally of Company owned retail stores is 250 as on 31<sup>st</sup> March, 2016, spread across North and Western India. We see Modern Trade and E – Commerce as key growth engines of the future and we are well placed to take advantage of the same. Our online shopping portal at [www.shopatrelaxo.com](http://www.shopatrelaxo.com) has been revamped and is performing with better conversion rates than initial estimates. In FY17, we plan to rollout a structured cost reduction initiative to optimize spending and improve overall profitability of the Retail business.

In order to support sustainable and profitable growth, we took steps towards manufacturing excellence across key production units. The program aimed at improving productivity and reducing manufacturing costs with the help of world class manufacturing concepts like Lean Manufacturing and Maynard Operation Sequence Technique (MOST) has been rolled out in select plants. We have been successful in controlling manufacturing costs by optimizing manpower utilization, energy consumption and rationalizing miscellaneous, capital & operational expenses. Training & capability development programs for the workforce were implemented to improve operational effectiveness at manufacturing facilities.

We were able to manage the material cost due to effective monitoring of the raw material expenses and easing of prices in the international market. We were able to leverage technology for procurement by using e-Auction platform which resulted in cost reduction and improved efficiency. In order to service our channel partners faster and better, Regional Distribution Center (RDCs) operations have been further strengthened. Forward looking supply and capacity planning has been carried out for both plants and warehouses to support future growth.

At Relaxo, we understand that our people and technology are key growth enablers and we have made significant advancements on both fronts. We have continued with leadership development program and Long term incentive plan through ESOPs, which have been successful in targeting and retaining key talent. We have imparted functional and behavioural trainings for all departments and covered 82% of the employees as part of training program. Technology is the backbone of your company and helps in integrating various functions on one platform, thereby, providing efficiencies in operations. Your company took important initiatives last year to support and transform the front and back end functions.

I would like to end by expressing sincere appreciation for continued support from our customers, business partners, Board of Directors, bankers and all the valued employees for their significant contribution and good performance in last year. I sincerely thank all of you and am pleased to share the success that Relaxo has achieved during the last year.

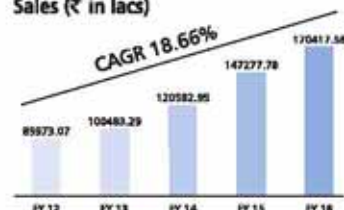
With Best Regards  
Ramesh Kumar Dua  
Managing Director

## FINANCIAL HIGHLIGHTS

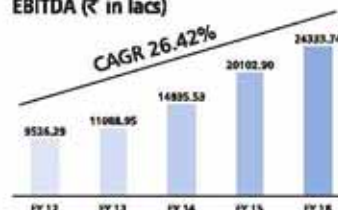
(₹ in lacs)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
No. of Pairs sold (in lacs)	1355.49	1227.96	1077.84	1002.44	924.60
Sales	170417.56	147277.78	120582.95	100483.29	85973.07
Total Income	171527.03	148120.59	121461.17	101090.97	86573.20
EBITDA	24333.74	20102.90	14935.53	11088.95	9526.29
Finance Cost	2289.26	1848.36	2265.87	1770.29	1867.18
Depreciation	4711.87	3989.61	3116.47	2549.82	2310.29
Tax	5731.41	3959.94	2989.55	2288.02	1358.32
Net Profit	12027.65	10304.99	6563.64	4480.82	3990.50
Equity Share Capital	1200.40	600.06	600.06	600.06	600.06
Net Worth	47998.13	36781.77	27656.18	21443.56	17243.55
Gross Fixed Assets (Tangible and Intangible)	79946.61	66989.85	54981.12	48094.63	39977.61
Net Fixed Assets (Tangible and Intangible)	55876.40	47381.62	39005.62	35045.89	29260.64
Capital Employed	75888.78	64149.46	50682.71	46939.26	37376.56
Capital Expenditure	12956.76	12008.73	6886.49	8117.02	4569.52
Growth in Sales (%)	15.71	22.14	20.00	16.88	25.32
EBITDA (%)	14.19	13.65	12.39	11.04	11.08
Face Value per Share (in ₹)	1.00	1.00	1.00	5.00	5.00
EPS - Basic (in ₹)	10.02	17.17	10.94	37.34	33.25
EPS - Diluted (in ₹)	10.00	17.15	10.94	37.34	33.25
Dividend (%)	60	100	50	40	30
Book Value per share (in ₹)	39.99	61.30	46.09	178.68	143.68
ROCE (%)	28.63	27.99	25.18	22.85	21.07
Market Capitalisation (as on 31st March)	436944.51	387638.76	176837.68	70399.04	36489.65

Sales (₹ in lacs)



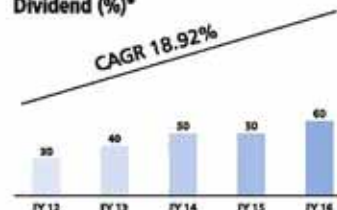
EBITDA (₹ in lacs)



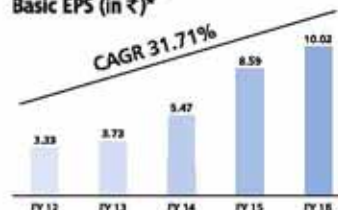
Net Profit (₹ in lacs)



Dividend (%)\*



Basic EPS (in ₹)\*



Net Worth (₹ in lacs)



\*Adjusted

## 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 2015-16.

### 1. FINANCIAL RESULTS

(₹ in Crores)

Particulars	2015-16	2014-15
Revenue	1715.27	1481.21
EBITDA	243.34	201.03
Less : Finance Cost	22.89	18.48
Less : Depreciation	47.12	39.90
Add : Exceptional Item	4.26	-
<b>Profit before Tax</b>	<b>177.59</b>	<b>142.65</b>
Less : Tax Expenses	57.31	39.60
<b>Profit after Tax</b>	<b>120.28</b>	<b>103.05</b>
Balance brought forward from Previous year	1.06	5.23
Amount available for Appropriation	121.34	108.28
<b>Appropriation :</b>		
Final Dividend	7.20	6.00
Tax on Final Dividend	1.47	1.22
Transfer to General Reserve	110.00	100.00
Balance carried to Balance Sheet	2.67	1.06
EPS-Basic (in ₹)	10.02	8.59
EPS-Diluted (in ₹)	10.00	8.58

### 2. BUSINESS PERFORMANCE

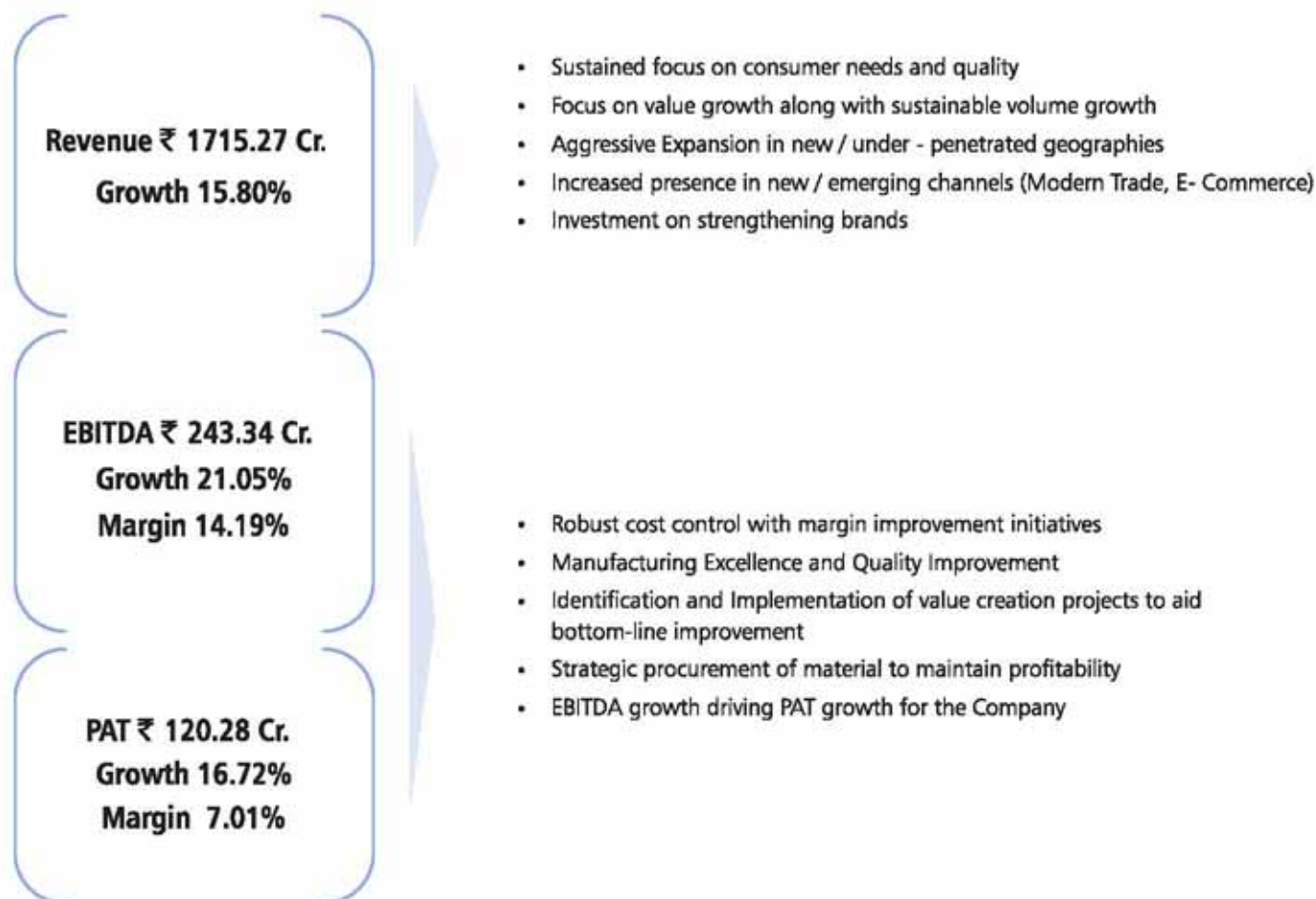
The key highlights of the Company's financial performance during the Financial Year 2015-16 are given here below:-

- Revenue increased by 15.80% to ₹ 1715.27 Crores from ₹ 1481.21 Crores in the last Financial Year.
- EBITDA increased by 21.05% to ₹ 243.34 Crores; EBITDA margins increased by 62 bps to 14.19%.
- Net Profit increased by 16.72% to ₹ 120.28 Crores from ₹ 103.05 Crores in the last Financial Year.
- Net Profit margins increased to 7.01%.
- Total retail outlets increased from 207 to 250 during the Financial Year.

### 3. PERFORMANCE OVERVIEW

#### (A) FINANCIALS

Your Company has been able to show a healthy growth on the key financial metrics for the year, despite the market scenario being uncertain and competitive activity increasing in the year. Your Company continues its journey of profitable growth driven by the strong fundamentals of operating model, overwhelming desire to serve customers and the end consumer and continued focus on the long term business plan.



## (B) NON-FINANCIALS - GROWTH ACROSS THE VALUE CHAIN

### Consumer Focus / Product Innovation

Your Company continued its relentless efforts to understand the consumer and has designed its portfolio in line with their changing tastes. Structured market research approach along with regular market sensing exercises have kept Your Company abreast with consumer needs across different regional, economic and demographic strata. Our focus on in-season launches with an optimal product portfolio, has enabled us to deliver right products at right price points at the right time. All our brands – Relaxo, Flite, Sparx and Bahamas have experienced good growth and success with our revised approach on building a targeted portfolio.

New product development is the key driver of consistent growth for our company. We have a very strong in-house design capability, whose endeavor is to constantly innovate techniques to provide cutting edge products at reduced costs. We have also launched an innovation portal for our employees to crowd source the new product design ideas and are also working towards establishing a dedicated R&D function within the organization.

We are bullish on the growth potential from organized retail and e-commerce platforms and have developed a dedicated portfolio to ensure healthy topline contribution from them,

with minimal impact to conventional trade channels. This has been a successful strategy for FY16 and continues to be a focus area for FY17.

Trust in the brand is essential for its growth and we intend to invest heavily to ensure this objective is met. As celebrity marketing has been studied and analyzed to be an effective lever to build trust in the brand, this year we have engaged Salman Khan as the brand ambassador for Bahamas. We believe Salman will successfully convey Bahamas as trendy youthful brand. We have also continued with Akshay Kumar as the brand ambassador for Sparx and Sonakshi Sinha as the brand ambassador for Flite.

### Sales Channel Development

We have successfully implemented end-to-end distributor and retailer programs to improve engagement levels and connect with our channel partners. The distributor engagement program has delivered incremental and sustainable benefits to Relaxo while ensuring a healthy relationship with our channel partners. The retailer based loyalty program has helped in establishing direct connect with retailers and in rewarding their efforts in promoting Relaxo brands.

We have also effectively enhanced our distribution coverage both by strengthening the presence in current regions and expanding across new regions.

We continue to believe Flite PU to be a brand with high potential and have setup initiatives to improve product offerings, manufacturing standards and overall market presence. We will continue to focus on Flite PU brand in FY17. Retail continues to remain instrumental in increasing brand visibility with its 250 stores spread across North and Western India. In FY16, we focused on strengthening the back end infrastructure by improving inventory control and building a flexible supply chain. We have also been successful in adapting changes in technology to upgrade our ERP and reporting platforms. This has led to improved visibility across the system and is supporting better decision making. Our structured store expansion has helped strengthen the Relaxo brand and facilitate a strong connect of the company with the end consumer. We are also in the process of renewing our loyalty reward scheme and enabling digital payment facility for our customers via digital wallets. Our online shopping portal, [www.shopatrelaxo.com](http://www.shopatrelaxo.com), has been redesigned and is performing with better conversion rates than initial estimates. In FY17, we plan to rollout a structured cost reduction initiative to optimize spending and improve overall profitability of the Retail business.

With changing global sourcing patterns, international brands are moving towards India from China to fulfill their contract manufacturing requirements. Relaxo is rightly positioned to become a reliable partner for these brands. Branded label contract manufacturing is being looked as a key growth area for Your Company in the medium term. Relaxo branded channel sales across international markets has also strengthened, with Middle East continuing to be our key revenue contributor, owing to widespread Indian diaspora and the Company's market understanding. We continue to focus on African and Oceania markets as well and are well positioned to capitalize on the next wave of growth from these regions.

#### **Procurement**

Your Company was able to manage the material cost owing to effective monitoring of the raw material expenses and easing of prices in the international market. We were able to leverage technology for procurement by using e-auction platform which resulted in cost reduction and improved efficiency.

#### **Manufacturing**

In order to support sustainable and profitable growth, we took steps towards manufacturing excellence across key production units. The program aimed at improving productivity and reducing manufacturing costs with the help of world class manufacturing concepts like Lean Manufacturing and Maynard Operation Sequence Technique

(MOST) has been rolled out in select plants. We have been successful in controlling manufacturing costs by optimizing manpower utilization, energy consumption and rationalizing miscellaneous, capital & operational expenses. Training & capability development programs for the workforce were implemented to improve operational effectiveness at manufacturing facilities.

We are also fulfilling our commitment towards environment by utilizing alternate sources of energy. We have successfully completed a pilot project to harness power by commissioning a solar unit in one of our plants in Jan'16.

#### **Technology**

Technology is the backbone of Your Company and helps in integrating various functions on one platform, thereby, providing efficiencies in operations. Your Company took important initiatives last year to support and transform the front end and back end functions. We have launched a real-time sales automation tool to enable our distributors to place orders and track them. Keeping in line with the technology trends, we are moving towards cloud based solutions to improve overall system resilience and accessibility.

#### **Supply Chain Optimization**

Supply chain remains one of the key areas for enabling growth of Your Company. Focused initiatives have been implemented towards improvement in utilization of existing distribution network and optimizing inventory. In order to service our channel partners faster and better, Regional Distribution Center (RDCs) operations have been further strengthened. Forward looking supply and capacity planning has been carried out for both plants and warehouses to support future growth.

We plan to continue to ensure close coordination between Manufacturing, Supply Chain and Sales to ensure on-time fulfilment of demand while maintaining optimum inventory levels. We also plan to continue focusing on fulfilling requirements of our non-distribution channels like Modern Trade, Retail and Exports.

#### **People Focus**

Over the last year, the HR function in Your Company has been continuing the transformation journey towards becoming a high performance function. Following key initiatives were delivered in FY 16:

- a) **Culture assessment:** Your Company sales and capabilities are growing at a rapid pace. It is imperative that the culture also evolves at a commensurate pace. The current exercise of culture assessment has identified levers & HR interventions are planned to take it to the next level.
- b) **Employee Stock Options Program (ESOP):** Select group of employees, depending upon their nature of job and criticality of the position that they handle, were granted shares in 2014 under the ESOP 2014 scheme (RFL ESOP PLAN -2014). Shares were vested in August 2015 as per

the policy.

- c) **Employee Engagement-** Your Company is focused on creating an employee friendly workplace. To increase employee engagement, employees are given forums to raise their issues and look outside of their core role via one-on-one sessions and skip-level sessions. For our workmen, we organized Workmen Family Connect Programs in our Plants.
- d) **Leadership Development:** Crucibles, a Leadership Development Programme, is a fine mix of Classroom Trainings, On the Job Cross Functional Projects and Coaching sessions aimed at developing leaders from within Relaxo. Crucibles was carried out successfully in its second year run.
- e) **Training and Development:** We imparted functional and behavioural trainings for all departments. Last year, we covered 82% of the employees as part of the training program.
- f) **Reward and Recognition:** Recognition programs such as Function wise Star Employee of the Quarter Award has been running successfully.

#### 4. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report forms an integral part of this Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company's business, internal controls and their adequacy, risk management systems and other material development during the Financial Year.

#### 5. DIVIDEND

Board of Directors in their meeting held on 14th May, 2016 have recommended a final dividend of 60% i.e. Re 0.60 per equity share for the Financial Year ended 31st March, 2016. The Proposed Dividend is subject to the approval of shareholders at the Annual General Meeting to be held on 15th September, 2016.

#### 6. TRANSFER TO RESERVE

We propose to transfer Net Profit of ₹ 110.00 Crores to the General Reserve. An amount of ₹ 2.67 Crores is proposed to be retained in profit & loss account.

#### 7. PUBLIC DEPOSITS

Your Company has not invited or accepted any Deposits within the meaning of Sections 73 & 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 from Public during the year under review.

#### 8. 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. The Report on Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015 forms an integral part of the Report. The

requisite certificate from the Statutory Auditors of the Company M/s Gupta & Dua, Chartered Accountants, confirming compliance with the conditions of Corporate Governance is attached to the Report of Corporate Governance.

#### 9. DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL & PARTICULARS OF EMPLOYEES

In accordance with Section 178 of the Companies Act, 2013 read with rules issued thereunder and Clause 49 of Listing Agreement, the Board of Directors at their meeting held on 10th May, 2014 formulated the Nomination & Remuneration Policy of Your Company. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Report. The Nomination and Remuneration Policy is available on the website of the Company at the following link <http://www.relaxofootwear.com/pdf/Nomination-and-remuneration-policy.pdf>.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ Employees of Your Company is set out in **Annexure -A** to this Report.

#### 10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During Financial Year 2015-16, Mr. Deval Ganguly was reappointed as Whole Time Director for another period of three years w.e.f. 5th November, 2015 by the Shareholders in the Annual General Meeting held on 24th September, 2015.

During the year, Mr. Vikas Kumar Tak was appointed as Company Secretary, pursuant to the provisions of Companies Act, 2013.

Mr. Nikhil Dua, Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment.

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

The term of Mr. Nikhil Dua as Whole time Director is going to expire on 30th September, 2016. He is to be reappointed for another term of 1 year w.e.f. 1st October, 2016 if approved by Shareholders in the forthcoming Annual General Meeting.

#### 11. ANNUAL EVALUATION OF BOARD'S PERFORMANCE

In terms of provisions of Companies Act, 2013 read with Rules issued thereunder and SEBI (LODR) Regulations 2015, the Board of Directors on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board/ Director(s) for the Financial Year 2015-16. Directors were evaluated on their contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

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 Independent Directors performance evaluation was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

## 12. NUMBER OF MEETINGS OF THE BOARD

The Board met six times during the Financial Year, the detail of which is given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two consecutive meetings was within the period prescribed by the Companies Act, 2013.

## 13. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

## 14. TRAINING OF INDEPENDENT DIRECTORS

The Company makes presentation to the new Independent Directors about the Company's strategy, operations, products, organization structure, finance, human resource and facilities. During the year, Company had arranged presentations for the Independent Directors, on the Business Operating Plans, Capital Expenditure Plans, Business Strategy, HR Policies, Outsourcing Strategy, Compliance Process.

Further at the time of appointment of an Independent Director, the Company issued a formal letter of appointment outlining his / her role function, duties & responsibilities as an Independent Director. The format of the letter of appointment is available on our website <http://www.relaxofootwear.com/terms-condition.aspx>.

## 15. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 with regard to Director's Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true

and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date.

- c) the Directors have taken proper and sufficient care 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 Directors have prepared the annual accounts on a 'going concern' basis.
- e) the Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 16. AUDITORS

The Statutory Auditors of the Company M/s. Gupta & Dua, Chartered Accountants hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

## 17. AUDITORS' REPORT

The observation 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.

## 18. SECRETARIAL AUDITOR

Pursuant to the provisions of Section- 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Your Company has appointed M/s Vivek Arora, Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit Report for the Financial Year 2015-16 forms part of the Annual Report as **Annexure-B** to the Board's Report.

## 19. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as **"Annexure - C"** to this Report.

## 20. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All Contracts / arrangements / transactions entered by the Company during the Financial Year with related parties were in the ordinary course of the business and on the arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), the Listing Agreement and SEBI (LODR) Regulations 2015. During the year the