

July 28, 2021

BSE Ltd. Corporate Relationship Department 1st Floor New Trading Rotunda Building, P J Towers, Dalal Street Fort, Mumbai – 400001 Scrip Code – 530517	National Stock Exchange of India Ltd. Listing Department, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051 Scrip Code – RELAXO
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Sub: Notice calling 37th Annual General Meeting (AGM) and Annual Report of the Company for the Financial Year 2020-21

Dear Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements), 2015, we are enclosing herewith the Annual Report for the Financial year 2020-21 along with Notice of AGM to be held on Thursday, August 26, 2021 at 10:30 AM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

Request you to please take the above information on your record.

Thanking You,

For Relaxo Footwears Limited


Vikas Kumar Tak
Company Secretary and Compliance Officer
Membership No.: FCS 6618

Encl. as above

RELAXO FOOTWEARS LIMITED

Registered Office: Aggarwal City Square, Plot No. 10, Manglam Place,
District Centre, Sector-3, Rohini, Delhi-110085. Phones: 46800 600, 46800 700
Fax: 46800 692 E-mail: rfi@relaxofootwear.com
CIN L74899DL1984PLC019097



The logo for Relaxo Footwears Limited. The word "RELAXO" is written in a bold, blue, italicized sans-serif font. A stylized orange flame-like graphic element is positioned between the 'L' and 'A'.

COMMITTED TO PROVIDE
BEST-IN-CLASS FOOTWEAR

ANNUAL REPORT 2020-21

RELAXO FOOTWEARS LIMITED



BEST IN CLASS

Decades ago, we made a promise to ourselves, of standing true to our commitment to excellence, customer delight and to the environment. Commitment to provide the best-in-class footwear. No matter what hurdles come our way.

At Relaxo, this commitment reflects in rising to the eternal challenge of achieving excellence and contributing to a prosperous, progressive and sustainable society.

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
Deepa Verma	Independent Director
Rajeev Rupendra Bhadauria	Independent Director

CHIEF FINANCIAL OFFICER

Sushil Batra

COMPANY SECRETARY

Vikas Kumar Tak

AUDITORS

B R Maheswari & Co. LLP.
Chartered Accountants
M-118, Connaught Circus,
New Delhi - 110001

SHARE TRANSFER AGENT

M/s Kfin Technologies Private Limited
Karvy Selenium Tower-B,
Plot No. 31-32,
Gachibowli Financial District,
Hyderabad, Telangana - 500 032

BANKERS

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

REGISTERED OFFICE

Aggarwal City Square,
Plot No. 10, Manglam Place,
District Centre, Sector 3,
Rohini, Delhi - 110 085
CIN: L74899DL1984PLC019097

WORKS

RFL-I & II	326-327, MIE, Bahadurgarh, Haryana
RFL-III	A-1130 & 1130 (A), RIICO Industrial Area, Phase-III, Bhiwadi, Rajasthan
RFL-IV	30/3/2, Mooja Hasanpur, Tikri Border, Bahadurgarh, Haryana
RFL-V	83-92, SIDCUL Industrial Area BHEL, Haridwar, Uttarakhand
RFL-VI	342-343, Footwear Park, Industrial Estate, Sector 17, Bahadurgarh, Haryana
RFL-VII	328-329, MIE, Bahadurgarh, Haryana
RFL-VIII	37, Sector 4B, Bahadurgarh, Haryana
RFL-IX	Plot No. SP-6 & 7 Kaharani, Bhiwadi Extn., Rajasthan

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FROM THE MANAGING DIRECTOR'S DESK

Dear Stakeholders,

It gives me great pleasure to announce yet another profitable year despite the challenging business environment due to Covid-19 pandemic. Even though revenues in FY 2020-21 dipped marginally by 2.13%, EBITDA and PAT increased by 21.16% and 28.87% respectively. Your Company managed Covid-19 challenges well and sustained strong cash generation during the period. Accordingly, your Board has recommended a final dividend of 250% i.e. ₹2.50/- per equity share of ₹1/- each fully paid up for the Financial Year 2020-21.

Financial Year 2020-21 started with uncertainty and our H1 performance was subdued due to demand constraints and nationwide lockdown. However with resilience and adaptability we were able to recover to a large extent in H2, owing to surge in demand and relaxation of Covid-19 restrictions. The spirited performance in FY-21 was achieved mainly due to grit, determination and agility demonstrated by Relaxo team.

Cognizant of the changing business environment your Company quickly ramped up necessary technological infrastructure, provided access & training and graduated all employees to remote working, putting business operations back on track in record time, all the while reworking strategies across verticals.

Your Company continued its endeavour to integrate retail, wholesale, exports and online business verticals to reap synergies in marketing communications and brand building. With a new, consumer facing transactional website and a refreshed brand presence on leading e-commerce portals, your Company is well poised to drive growth in this channel.

On the exports front, a rationalised product portfolio, strategic credit control measures and a new warehousing facility will fetch greater operational efficiencies to your Company in the times ahead.

While our Exclusive Brand Outlets (EBOs) were most adversely affected due to lockdown, your Company took this opportunity to renegotiate long term rentals with the landlords and adopt strategic preventive measures at the outlets to assure a safe shopping experience for its customers even as the restrictions eased.

Keeping pace with the latest during the year, your Company has adopted Pour Moulding Technology for raw materials used in manufacture of EVA slippers and uppers. As a socially responsible corporate citizen, your Company has adopted green fuel technologies by changing all agro/solid fuel based boilers to gas based- PNG & LPG- for a cleaner environment.

Your Company recognises employees among its core assets and has continued to strengthen bond with them through reward & recognition initiatives, trainings and ESOP plans during the year.

Continued efforts in development and a re-aligned product portfolio stood us well to serve the changing consumer demand in these times. With an objective of staying salient in the minds of the consumer, your Company re-aligned its marketing strategies with the tone of communication attuned to being helpful, informative & positive in everyday life while building trust.

Covid-19 pandemic has brought about the greatest human tragedy in modern history, strongly impacting both lives and livelihood. Even though the Country is on the recovery path and there has been substantial dip in the Covid-19 cases, the negative sentiment and its impact is expected to remain for some time. With more than four decades of experience in manufacturing and marketing of footwear, your Company is better placed than its peers to counter these uncertain times. As India battles the second wave of the virus with another in the offing, we, as a responsible corporate citizen, are committed to support our employees, business partners and communities.

I would like to thank all our stakeholders, customers, business partners, Board of Directors, bankers and employees for their valuable support and belief in the Company.

With Best Regards,

Ramesh Kumar Dua

Managing Director

BEST IN PERFORMANCE

True excellence is a ray that exudes positivity and sets standards for humanity at large. Our mission to rise above mediocrity is as inward as it is an inclusive, outward philosophy. Our journey comprises a series of possibilities, overcoming challenges and achieving a collective brilliance. And yet, every success is still part of our learning curve.

Launched Relaxo brand
Revenue:
₹0.12 Crore

1976

Relaxo Footwears Limited was incorporated
Revenue:
₹1.78 Crore

1984

IPO, to set up a plant in Haryana
Revenue:
₹38.17 Crore

1995

Expanded Capacity in Haryana
Revenue:
₹124.24 Crore

2000

Launched 'Flite' and 'Sparx' brands
First COCO store launched
Revenue:
₹215.47 Crore

2005

Commenced Exports
Revenue:
₹235.93 Crore

2007

Renewable power capacity of 6.00MW
Revenue: ₹ 553.70 Crore

2010

2012-14

Business Transformation Initiatives

- Signed top-notch celebrities as brand ambassadors
- Strengthened distribution and supply chain management
- Launched e-commerce platform
- Increased people engagement
- New product development & portfolio strategy

Revenue: ₹ 1,214.61 Crore

2017

Corporate identity revamped
Revenue: ₹ 1,651.97 Crore

2018-21

- Set up 8th plant in Rajasthan
- Merger of 'RRPL' and 'MPPL' with your Company

Revenue: ₹ 2,359.15 Crore

BEST IN BRANDS

At Relaxo, the ethos of excellence is a real experience. It is not just words. We walk the talk.

Our brands offer an array of footwear at competitive prices for customers seeking comfort, style and durability, placing them in a position of reckoning (and) winning trust of millions of customers worldwide.

The Relaxo logo features the word "RELAXO" in a bold, blue, italicized sans-serif font. A yellow swoosh underline is positioned beneath the letter "A".

RELAXO

An iconic brand synonymous with rubber slippers, Relaxo has earned decades of trust cutting across genders, age and class making it the most versatile footwear for all segments of society.

The Flite logo consists of the word "FLITE" in a bold, blue, sans-serif font. To the right of the text is a stylized graphic of a blue and yellow wing or feather.

FLITE

A popular range of fashionable and semi-formal slippers for everyday wear, Flite enables people to take on the day with style and confidence.

The Sparx logo features the word "sparx" in a bold, italicized, black sans-serif font. Below the text is a red horizontal bar with the tagline "GO FOR IT" in small white capital letters.

sparx
GO FOR IT

One of the most loved footwear brands in India, Sparx reflects the attitude, style, dynamism and spirit of young India. Endorsed by Bollywood's fitness hero - Akshay Kumar, it offers sports shoes, sandals & slippers.



Bahamas

For the ever-restless youth, change is the only constant. Endorsed by Salman Khan, the colorful range of Bahamas casual flip flops exude the spirit of freedom, fun and modernity of youth.



BOSTON

A brand that marries craft and comfort with a masterstroke of perfection, Boston stands for elegance for men who are walking towards their success, in their professional life.



Mary Jane

MaryJane is the answer to every woman's dream of a footwear wardrobe. Combining style and quality, the stylish footwear makes a woman put her best foot forward, with panache.



**KIDS
FUN**

Brimming with energy, children need footwear that can be as exciting as their spirit. KidsFun offers a world of footwear to keep pace with the young champs.



Casualz

The ideal walking companion for people bracing the pressures of everyday life. Casualz offers foot-hugging, all-day comfort that make your feet cruise along.

FINANCIAL HIGHLIGHTS

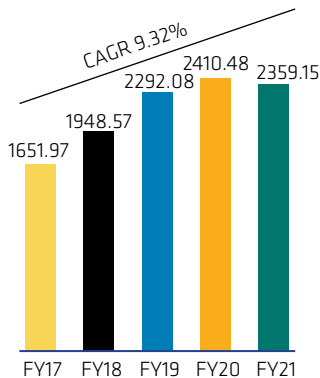
(₹ in Crore)

Particulars	FY 21	FY 20	FY 19	FY 18	FY 17
No. of Pairs sold (in Crore)	19.07	17.92	18.39	15.74	13.46
Revenue from Operations	2359.15	2410.48	2292.08	1948.57	1651.97
EBITDA	495.49	408.95	324.31	302.09	230.91
Finance Costs	17.08	16.87	6.90	8.59	15.03
Depreciation and Amortisation Expense	110.02	109.42	62.41	54.34	51.46
Tax Expense	99.60	65.46	92.54	82.55	58.08
Net Profit before OCI	291.56	226.25	175.44	161.07	119.95
Equity Share Capital	24.84	24.82	12.40	12.03	12.01
Net Worth	1572.41	1272.40	1105.07	761.21	606.37
Net Fixed Assets (Tangible and Intangible)	872.41	836.67	859.54	662.44	603.44
Capital Employed	1572.41	1291.56	1191.99	886.56	738.20
Capital Expenditure	101.36	94.77	258.91	112.85	96.31
Revenue Growth (%)	(2.13)	5.17	17.63	17.95	*1.64
EBITDA (%)	21.00	16.97	14.15	15.50	13.98
Face Value per Share (in ₹)	1.00	1.00	1.00	1.00	1.00
EPS - Basic (in ₹)	11.74	9.12	^7.07	13.40	9.99
EPS - Diluted (in ₹)	11.72	9.10	^7.06	13.38	9.98
Dividend(%)	250	125	^90	150	100
Book Value per share (in ₹)	63.29	51.26	89.08	63.25	50.48
ROCE(%)	28.51	24.85	26.45	31.05	27.18
Market Capitalisation (As on March 31)	21773.47	14868.72	9561.22	7727.91	5992.10

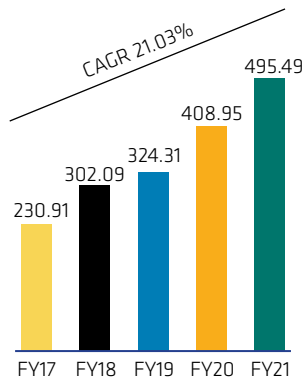
* Growth in sales as per IGAAP

^ Post Bonus

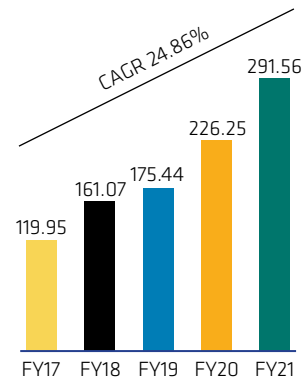
Revenue from Operations (₹ in Crore)



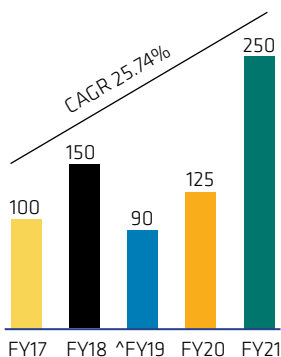
EBITDA (₹ in Crore)



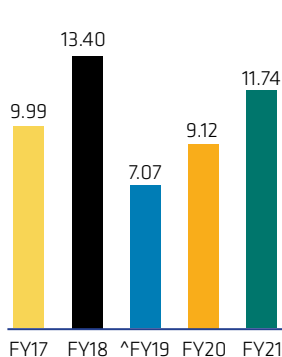
Net Profit (₹ in Crore)



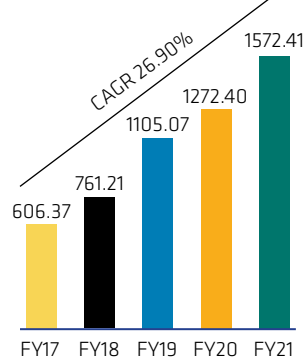
Dividend (%)



EPS - Basic (in ₹)



Net Worth (₹ in Crore)



Directors' Report

Dear Members,

The Board of Directors ("Board") of your Company have pleasure in presenting 37th Annual Report on the Company's business and operations together with the Audited Financial Statements for the Financial Year 2020-21.

1. Company Overview

Incorporated in 1984, Relaxo is the largest footwear manufacturer in India, serving the nation since four decades, and is today ranked among the top 500 Most Valuable Companies with its shares listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

2. Financial Results

In compliance with the provisions of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has prepared its financial statements as per the Indian Accounting Standards (IND AS) for the Financial Year 2020-21. The financial highlights of the Company's operations are as follows:

(₹ in Crore)

Particulars	2020-21	2019-20
Revenue from Operations	2359.15	2410.48
EBITDA	495.49	408.95
Other Income	22.77	9.05
Less: Finance Costs	17.08	16.87
Less: Depreciation and Amortisation Expense	110.02	109.42
Profit before Tax	391.16	291.71
Less: Tax Expense	99.60	65.46
Profit after Tax	291.56	226.25
Other Comprehensive Income	1.45	(0.69)
Balance brought forward from Previous year	52.54	41.30
Amount available for Appropriation	345.55	266.86
Appropriation:		
• Final & Interim Dividend	-	53.36
• Tax on Final & Interim Dividend	-	10.96
• Transfer to General Reserve	300.00	150.00
Balance carried to Balance Sheet	45.55	52.54
EPS-Basic (in ₹)	11.74	9.12
EPS-Diluted (in ₹)	11.72	9.10

3. Business Performance

a) Financial

The key highlights of the Company's financial performance during the Financial Year 2020-21 are given below:

- Revenue from operations decreased by 2.13% to ₹ 2359.15 Crore from ₹ 2410.48 Crore in the last Financial Year.

Relaxo is a Fortune 500 (India) company, synonymous with quality products at affordable prices, manufacturing slippers, sandals and sports & casual shoes at 8 State of the Art manufacturing facilities.

Your Company's most popular brands – Relaxo, Sparx, Flite & Bahamas are a leader in their space.

Having a pan India distribution footprint, Relaxo also operates ~ 400 strong network of own retail outlets, with availability on all major e-commerce portals as well.

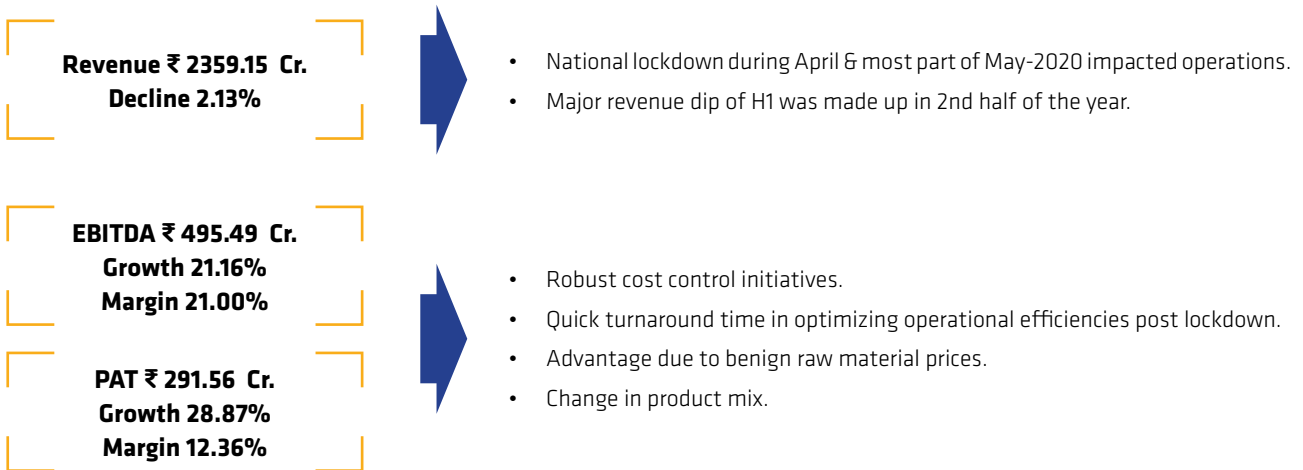
- EBITDA increased by 21.16% to ₹ 495.49 Crore from ₹ 408.95 Crore in last Financial Year.
- Net profit increased by 28.87% to ₹ 291.56 Crore from ₹ 226.25 Crore in the last Financial Year.
- Net profit margins is 12.36 %.
- Total retail outlets increased from 390 to 398 during the Financial Year.

Right in the beginning of this financial year the unprecedented chain of events triggered by Covid-19 pandemic brought the world to a standstill and your Company was no exception.

However, your Company reacted swiftly and adapted its operations to the changed environment. The modified ways of working, gradual ease in restrictions and an already established position of strength helped your Company to tide over the larger crisis. As the economy started to gather itself, the demand for

basic footwear picked up and the long established, resilient infrastructure placed your Company in a position of advantage over its peers. All this while your Company was particularly sensitive to the safety of its workforce and customers and adopted the best practices in vogue.

With most of its manufacturing & business operations functional by May 2020, your Company realigned its strategies to counter Covid-19 impact, and consolidate its position of leadership.



b) Non-Financials

Despite the Covid-19 pandemic, Company has emerged stronger and resilient. Even though initially due to nationwide lockdown the manufacturing operations and administrative offices were closed in the month of April & most part of May 2020.

Sales & Marketing

With Covid-19 impacting the usual, your Company also re-aligned its marketing strategies to the new environment.

With an objective of staying salient in the minds of the consumer, the tone of communication was attuned to being helpful in everyday life, informative, positive & building trust.

Realizing that the nationwide lockdown had forced people to seek information & assurance primarily through digital & TV media, your Company increased frequency of brand activity on social media with relevant content assuring, informative & positive, re-discovering family relations, continuing fitness drive at home, breaking myths about Corona and, most importantly, talking of hope in the future.

Your Company also supported initiatives of public good by way of providing relief materials to State administration, hospitals and NGOs, which were subtly shared in public domain.

Your Company chose to be strategically present at topical moments during PMs/ FMs address to the nation in TV media while also engaging in constant communication with its business partners & employees.

As the nation entered unlock phase, your Company took to:

- Reassuring its consumers by communicating various preventive measures adopted for a safe shopping experience at Relaxo EBOs as well as safe manufacturing practices at units.
- Consistent advertising on TV news channels to catch the eyeballs
- Reorienting its product portfolio with a greater focus on open footwear to cater the newly emerged, large, work from home populace in wake of the pandemic.
- Realigning marketing spends towards e-commerce channels and digital media for brand promotion campaigns.
- In market branding & merchandising activities for visibility.

In a strategic move to come closer to the new age consumer, your Company launched a new, consumer facing transactional website to directly service consumer needs.

As the markets opened up, your Company continued its media campaigns with top Bollywood celebrities, Salman Khan, Akshay Kumar and Ranveer Singh, to maintain leadership position for its brands Bahamas, Sparx and Flite.

All this while your Company continued its endeavour to integrate efforts across retail, wholesale, exports and online business verticals to reap synergies in marketing communications and brand building.

E-commerce

The onset of the pandemic has further fuelled e-commerce activities in the country.

Your Company, too, has increased range presence and refreshed its presentation for all brands on leading portals. With sustained investments on these platforms your Company is well positioned to drive growth in this channel.

Retail

Retail sector was most effected during lockdown due to Covid-19 pandemic and all operations were shut down in the month of April and most part of May 2020.

Your Company took this opportunity to renegotiate long term rentals with the landlords and adopt strategic preventive measures to assure a safe shopping experience for its customers, even as the EBOs slowly reopened with time restrictions and scant footfalls.

Proper staff training, adoption of Covid appropriate practices in store and use of digital payments helped regain customer confidence and store traffic.

Despite an inhibitive business environment during FY21, your Company's retail network stands at 398 as on March 2021.

Exports

During the Covid-19 pandemic, your Company was in constant communication with overseas channel partners which, besides fostering a sense of kinship, helped tap available opportunities into sales.

In view of the changed economic environment, your Company has realigned its export product portfolio, implemented strategic credit control measures and has created continuous learning platforms for the sales team besides setting up a new warehousing facility for greater operational efficiencies.

Procurement

While Covid-19 disrupted the supply chain due to

acute manpower shortage, congestion at ports and delays at customs, your Company mitigated its effect with strategic initiatives in planning, scheduling and ordering, using this as an opportunity for cost reduction by re-negotiating payment terms and striking advance bulk deals of materials.

Product Development

New product development and innovation is a key determinant of success in footwear industry and last year threw up novel challenges in this endeavor. However, banking on long standing experience in market sensing and research locally through channel partners as well as access to international design studios, your Company successfully managed to realign its product portfolio to serve consumer demand in the changed business environment.

Manufacturing and Quality

In its relentless quest for quality, your Company has deployed a team of qualified process controllers to identify manufacturing defects, if any, right at the initial stage itself. Keeping pace with newer technologies on raw materials front, during the year, your Company has adopted latest pour molding technology for raw materials used in manufacture of EVA slippers and uppers.

As a socially responsible corporate citizen, your Company has adopted green fuel technologies by changing all agro / solid fuel based boilers to gas based- PNG & LPG- for a cleaner environment.

As a result of the pandemic, all industries were faced with the challenge of reverse migration of workforce during the year. Your Company swiftly reacted by providing safe transport to bring them back from far off villages of Bihar, Jharkhand and eastern U.P. at the first available opportunity and restart production.

Relaxo has been successfully certified for Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015), Occupational Health & Safety Management System (ISO 45001:2018) and Information Security Management System (ISO 27001:2013) by the British Standards Institute, a certification body of global repute.

Information Technology

Early during the year the national lockdown put a forced stop to all business operations across industries. However, your Company quickly ramped up necessary infrastructure, provided access & training and graduated all employees to remote working in record time, using various tool kits for secure remote collaboration and contactless document approvals.

Your Company retained ISO 27001:2013 certification confirming our commitment to IT security, confidentiality and data integrity. Your Company has implemented data leak prevention and web security solutions and is working on cyber security risk assessment to pre-empt risks arising from a remote working environment.

Human Resource

Switching completely online during the year, your Company conducted regular webinars and capability development programs for its employees as part of talent development initiatives. Your Company also conducted campus hiring to induct fresh minds from coveted business schools across the country under its 'Management Trainee & Graduate Engineer Trainee Program'.

Your Company took proactive steps to mitigate impact of the pandemic on its employees by issuing and implementing health advisories, office hygiene, inclusion of Covid-19 in health insurance policies, driving work from home initiatives and introduction of special Corona leaves, which helped maintain employee safety and business continuity.

4. Management Discussion and Analysis Report

Pursuant to Regulation 34(2)(e) of the Listing Regulations, a detailed Management Discussion and Analysis Report for the Financial Year under review is presented in a separate section, forming part of this Annual Report.

5. Dividend

In line with the Dividend Distribution Policy of the Company, the Board of your Company in their meeting held on May 20, 2021 have recommended a final dividend @ 250% equivalent to ₹ 2.50 (Rupees Two and Fifty Paise Only) per equity share of ₹ 1/- (Rupee One Only) each fully paid up for the Financial Year 2020-21 payable to those members whose name appear in the Register of members / list of beneficiaries as on August 19, 2021 i.e. the cut-off date. The total final dividend payout will amount to ₹ 62.11 Crore (Rupees Sixty Two Crore Eleven Lacs Only). The payment of final dividend is subject to the approval of members in the Company's ensuing Annual General Meeting ("AGM").

The Register of Members and Share Transfer Books will remain closed from August 20, 2021 (Friday) to August 25, 2021 (Wednesday) (both days inclusive) for the purpose of payment of final dividend for the Financial Year 2020-21, if declared at the ensuing Annual General Meeting ("AGM").

6. Dividend Distribution Policy

As per Regulation 43A of the Listing Regulations, top 1000 listed companies are required to formulate a

Dividend Distribution Policy. Accordingly, your Company has adopted the Dividend Distribution Policy which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The said Policy is available on the website of the Company at the link https://www.relaxofootwear.com/media/file/pdf/download_file/dividend-distribution-policy-1607581017.pdf.

7. Transfer to Reserves

We propose to transfer ₹ 300.00 Crore (Rupees Three Hundred Crore Only) to the general reserve from net profits and ₹ 0.01 Crore (Rupees One Lac Only) from share based payment reserve pertaining to cancellation of vested options. An amount of ₹ 45.55 Crore (Rupees Forty Five Crore Fifty Five Lacs Only) is proposed to be retained in the Statement of Profit & Loss of the Company.

8. Public Deposits

Your Company has not invited or accepted any deposits within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), from public during the year under review. Therefore, no amount of principal or interest was outstanding, as on the balance sheet closure date.

9. Compliance with Secretarial Standards

During the year under review, the Directors state that applicable Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI"), i.e. Secretarial Standard-1 ("SS-1") and Secretarial Standard-2 ("SS-2"), relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by the Company.

10. Subsidiary/ Joint Venture/ Associate Company

Your Company does not have any subsidiary, joint venture or associate company, during the Financial Year under review.

11. Changes in Nature of Business

There was no change in the nature of business of the Company during the Financial Year under review.

12. Share Capital

Authorised Share Capital:

The Authorized share capital of your Company as on March 31, 2021 stood at ₹ 51,00,00,000 (Rupees Fifty One Crores Only) divided into 51,00,00,000 (Fifty One Crores) Equity Shares of ₹ 1/- (Rupee One Only) each.

Issued, Subscribed and Paid-up Share Capital:

During the Financial Year 2020-21, the Board of Directors at

their meeting held on October 31, 2020, issued and allotted 1,95,665 (One Lac Ninety Five Thousand Six Hundred and Sixty Five) equity shares of ₹ 1/- (Rupee One Only) each fully paid up on exercise of stock options by the eligible employees under the Employee Stock Option Plan, 2014 (RFL ESOP PLAN-2014).

As on March 31, 2021, the issued, subscribed and paid-up share capital of the Company was ₹ 24,84,42,101/- (Rupees Twenty Four Crores Eighty Four Lacs Forty Two Thousand One Hundred and One Only) divided into 24,84,42,101 (Twenty Four Crores Eighty Four Lacs Forty Two Thousand One Hundred and One) equity shares of ₹ 1/- (Rupee One Only) each.

13. Disclosure Relating to Remuneration of Directors and Key Managerial Personnel (KMP)

Your Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board will be able to leverage different skills, qualifications, professional experiences, perspectives and backgrounds, which is necessary for achieving sustainable and balanced development. The Nomination and Remuneration Committee had adopted principles for identification of Key Managerial Personnel, Senior Management including the Executive Directors. The Nomination and Remuneration Policy adopted by the Board also sets out the criteria for determining qualifications, positive attributes and independence while evaluating a person for appointment / re-appointment as Director or as KMP with no discrimination on the grounds of gender, race or ethnicity, nationality or country of origin, and to also determine the framework for remuneration of Directors, KMP, Senior Management Personnel and other employees. No change has been made in the Nomination and Remuneration Policy during the Financial Year under review. The detailed Nomination and Remuneration Policy is available on the website of the Company at the link https://www.relaxof footwear.com/media/file/pdf/download_file/nomination--and--remuneration--policy-1607581216.pdf.

14. Particulars of Employees

The information and disclosure required under Section 197(12) of the Act read with Rule 5(1), 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), in respect of Directors and Employees of your Company is set out in **Annexure - A** to this report.

15. Directors and Key Managerial Personnel

Pursuant to the Section 152(6) of the Act read with the Articles of Association of the Company, Mr. Ramesh Kumar Dua, Managing Director (DIN: 00157872) and Mr.

Mukand Lal Dua, Whole Time Director (DIN: 00157898) of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment. The Board has recommended their re-appointment to shareholders.

The Board of Directors in its Meeting held on May 20, 2021, on the recommendation of Nomination and Remuneration Committee, approved the re-appointment of Mr. Deval Ganguly (DIN: 00152585) as a Whole-Time Director of the Company (liable to retire by rotation), for a period of three (3) years with effect from November 5, 2021, on such remuneration and terms and conditions as provided in the Notice convening the AGM. The Board has recommended his re-appointment to shareholders.

A brief resume of the Directors proposed to be re-appointed, the nature of their expertise in specific functional areas, names of companies in which they hold Directorships, Committee membership/s / Chairmanship/s, shareholding etc. as stipulated under Secretarial Standard-2 issued by ICSI and Regulation 36(3) of the Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

The shareholders in the 36th AGM held on September 24, 2020 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") have approved the re-appointment of Mr. Nikhil Dua (DIN: 00157919) as a Whole-Time Director of the Company for a period of three (3) years w.e.f. October 01, 2020.

As on March 31, 2021, Mr. Ramesh Kumar Dua (DIN - 00157872), Managing Director, Mr. Mukand Lal Dua (DIN - 00157898), Whole-Time Director, Mr. Nikhil Dua (DIN-00157919), Whole-Time Director, Mr. Deval Ganguly (DIN - 00152585) Whole-Time Director, Mr. Sushil Batra, Chief Financial Officer (CFO) and Mr. Vikas Kumar Tak, Company Secretary, are the Key Managerial Personnel (KMP) of your Company.

16. Declaration by Independent Directors

The Company has received necessary declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 25 (8) read with Regulation 16 of Listing Regulations. The Company has also received from them declaration of compliance of Rule 6 (1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, regarding online registration with the Indian Institute of Corporate Affairs at Manesar, for inclusion/ renewal of name in the databank of Independent Directors. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct for Independent Directors prescribed in Schedule IV of the Act.

17. Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year

With regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed/re-appointed during the Financial Year 2020-21, the Board of Directors have taken on record the declarations and confirmations submitted by the Independent Directors and is of the opinion that all the Independent Directors are persons of integrity and possess relevant expertise and experience and their continued association as Directors will be of immense benefit and in the best interest of the Company. With regard to proficiency of the Independent Directors, ascertained from the online proficiency self-assessment test conducted by the Institute, as notified under Sub-Section (1) of Section 150 of the Act, the Board of Directors have taken on record the declarations submitted by Independent Directors that they are exempt from appearing in the test.

None of the Directors other than Mr. Ramesh Kumar Dua, Managing Director, Mr. Mukand Lal Dua and Mr. Nikhil Dua Whole time Directors of the Company are related inter-se, in terms of Section 2(77) of the Act including Rules framed there under.

18. Annual Evaluation

In terms of the provisions of the Act read with Rules issued thereunder and Listing Regulations, the Board of Directors in consultation with Nomination and Remuneration Committee, has formulated a framework recommended by the renowned consultants containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual directors, for the Financial Year 2020-21. The Board Evaluation process was carried out to ensure that the Board and various Committees of the Board have appropriate composition and they have been functioning collectively to achieve the business goals of the Company. Directors were evaluated on their contribution at Board / Committee meetings and guidance & support to the management outside Board / Committee meetings and other parameters as specified by the Nomination and Remuneration Committee of the Company.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, role and accountability, management oversight, risk management, culture and communication, frequency and effectiveness of meetings.

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 Company does not have a regular Chairman, however the Chairman appointed for the Board meetings was also evaluated by all the Directors on the basis of managing relations, leadership, competence and diligence.

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

The Board of Directors expressed their satisfaction with the evaluation process.

19. Familiarization Programme

In terms of Regulation 25(7) of the Listing Regulations, the Company familiarizes its Directors about their role and responsibilities at the time of their appointment through a formal letter of appointment. The format of the letter of appointment / re-appointment is available on our website at the link <https://www.relaxofootwear.com/terms-conditions-of-independent-director>.

Sessions are conducted at the meetings of the Board and its various Committees on the relevant subjects such as strategy, operations, plants, retail, products, organization structure, finance, human resource, capital expenditure, CSR, Compliances etc. All efforts are made to keep Independent Directors aware of major developments taking place in the industry, the Company's business model and relevant changes in the law governing the Company's business. The details of the programs/sessions conducted for familiarization of Independent Directors can be accessed on the Company website at the link <https://www.relaxofootwear.com/other-disclosures>

20. Number of Meetings of the Board

During the Financial Year 2020-21, the Board of Directors met five (5) times on June 6, 2020, August 1, 2020, October 31, 2020, January 30, 2021 and, March 26, 2021, the details of which are provided in the Report on Corporate Governance, which forms part of this Annual Report. The intervening period between any two consecutive Board meetings were within the maximum time gap prescribed under the Act, Regulation 17 of the Listing Regulations and SS-1 issued by ICSI.

21. Committees of the Board

During the Financial Year 2020-2021, the Board had five (5) Committees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, the Risk Management Committee and the Corporate Social Responsibility Committee.

All the recommendations made by the Committee of the Board including the Audit Committee were accepted by the Board. A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during the Financial Year 2020-21 and attendance of the Directors at each meeting is provided in the report on Corporate Governance, which forms part of this Report. All the Audit Committee meetings except the meeting held on June 6, 2020, were held within the period of 120 days. The delay was due to nationwide lockdown because of Covid-19 pandemic. However, SEBI vide its notification no. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 relaxed the time frame for holding Audit Committee meetings beyond the period of 120 days.

22. Director's Responsibility Statement

Pursuant to Section 134(3)(c) and 134(5) of the Act, the Directors to the best of their knowledge and belief, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed, along with the proper explanation relating to material departures;
- b) such accounting policies have been selected and applied 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 that period;
- c) proper and sufficient care has been taken 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 annual accounts have been prepared on a going concern basis;
- e) Internal Financial Controls have been laid down to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. Statutory Auditors

In terms of the provisions of Section 139 of the Act read with provisions of the Companies (Audit and Auditors) Rules, 2014 (as amended) B R Maheswari & Co. LLP, Chartered Accountants (ICAI Firm Registration No. -001035N/N500050) were appointed as the Statutory Auditors of the

Company for a period of five (5) years from the conclusion of 33rd AGM till the conclusion of 38th AGM of the Company.

Pursuant to Section 139 and 141 of the Act and relevant Rules prescribed there under, your Company has received a certificate from the Statutory Auditors confirming their eligibility to continue as the Auditors of the Company and also a copy of the certificate issued by the Peer Review Board (ICAI) as required under Regulation 33 of the Listing Regulations.

24. Auditors' Report

The Board has duly examined the Statutory Auditors' Report to the accounts, which is self-explanatory. The Auditor's Report for the Financial Year ended March 31, 2021 does not contain any qualification, reservation or adverse remarks. The observation of the Statutory Auditors on the financial statements have been suitably explained in the Notes to Accounts and do not require any further clarification.

25. Details in respect of frauds reported by auditors under section 143(12) other than those which are reportable to the Central Government

During the Financial Year under review, no fraud is reported by the Auditors of the Company under Section 143(12) of the Act.

26. Maintenance of Cost Records and Cost Audit

The Company is not falling under the category prescribed under sub-section (1) of Section 148 of the Act and Rules 3 and 4 of the Companies (Cost Records and Audit) Rules, 2014 (as amended from time to time) to whom the requirements of maintenance of Cost Records and the requirement of Cost Audit is applicable.

27. Internal Auditor

Pursuant to the provisions of Section 138 of the Act, the Company has appointed Deloitte Touche Tohmatsu India LLP, as the Internal Auditor of the Company for Financial Year 2021-22 in co-sourcing model along with in-house Internal Auditor.

28. Secretarial Auditor

Pursuant to the provisions of Section 204(1) of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 24A of the Listing Regulations, the Board had appointed M/s Vivek Arora, Practicing Company Secretaries (Membership No. A12222, C.P. No. 8255) to conduct the Secretarial Audit of the Company for the Financial Year 2020-21. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions

of applicable corporate laws. The Secretarial Audit Report for the Financial Year ended March 31, 2021 does not contain any qualification, reservation or adverse remarks. The Secretarial Audit Report for the Financial Year 2020-21 is annexed as **Annexure-B** which forms part of this report.

29. Annual Return

Pursuant to Section 134 and Section 92(3) of the Act read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the annual return as on March 31, 2021 will be available on the website of the Company at the link <https://www.relaxofootwear.com/annual-return>

30. Contracts and Arrangements with Related Parties

During the Financial Year 2020-21, the Company has entered into various transactions with related parties. All the Contracts / arrangements / transactions entered into by the Company with its related parties during the Financial Year under review were in the ordinary course of the business, on the arm's length basis and were undertaken in compliance with the applicable provisions of the Act and the Listing Regulations.

During the Financial Year under review, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions that would have required Shareholders' approval under Regulation 23 of the Listing Regulations.

The Policy on materiality of Related Party Transactions is available on the website of the Company at the link - https://www.relaxofootwear.com/media/file/pdf/download_file/policy-on-materiality-of-related-party-transactions-1607581151.pdf.

The particulars of the material related party transactions are provided in Form AOC-2 as **Annexure-C** which forms part of this Report. Further, the name of related parties and details of transactions with them have been included in note 39 of the financial statements for the year ended March 31, 2021.

31. Details of Loans, Guarantees & Investments

The details of loans, guarantees and investments under Section 186 of the Act read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) are as follows:-

- a) Details of investments made by the Company as on March 31, 2021 (including investments made in previous years)
 - (i) Investment in equity shares : ₹ 20.00 Lacs
 - (ii) Investment in debt instruments : Nil

- b) Details of loans given by the Company : Nil
- c) There are no guarantees issued by your Company in accordance with Section 186 of the Act read with the Rules issued thereunder.

The details of Investments made under Section 186 of the Act are also provided in the note 4 forming part of the financial statements of Financial Year 2020-21.

32. Risk Management

Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the enterprise. These levels form the strategic defense cover of the Company's risk management. Risk management process has been established across the Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the organization. Your Company has constituted a Risk Management Committee of the Board which is authorized to monitor and review risk management plan.

Your Company has developed and implemented a Risk Management Policy which is approved by the Board. The Risk Management Policy, inter alia, includes identification of risks, including cyber security and related risks and also those which in the opinion of the Board may threaten the operations or existence of the Company. The Committee is empowered, to review and recommend to the Board the modifications to the Risk Management Policy.

The details pertaining to the composition, meetings and terms of reference of the Risk Management Committee are included in the Report on Corporate Governance which forms part of this Annual Report.

33. Corporate Social Responsibility (CSR) and its Committee

Your Company has firm belief and commitment towards the collective development of all the stakeholders especially people at bottom of the pyramid and consider it as prerequisite for the sustainability of the business. Thus, CSR is not just compliance for the Company but is an opportunity to contribute towards nation building through well-defined professional approach.

In compliance with the provisions prescribed under Section 135 of the Act, your Company constituted a CSR Committee. The Board of Directors laid down the CSR Policy, covering the objectives, focus areas, governance structure and monitoring & reporting framework among others. The Policy is available on the website of the Company at the link https://www.relaxofootwear.com/media/file/pdf/download_file/corporate--social--responsibility--policy-1607581240.pdf.

Your Company has taken note of the recent amendments brought in the CSR provisions under the Act and has taken necessary steps to identify the impact of the amendments on the Company and work out action plans to ensure compliance during the Financial Year under review.

Your Company has decided to work under two thrust areas, 'Education & Skill development' and 'Health & Hygiene', primarily with the underprivileged communities living in the vicinity of Relaxo manufacturing unit locations. However, being one of the most popular household brands 'Relaxo' has presence across India, therefore, your Company intends to work beyond these geographical boundaries.

During the Financial Year 2020-21, the Company has undertaken a long term project Parivartan phase II in Uttarakhand, adopting 32 schools in the Khanpur Block of Haridwar district, Uttarakhand. During the year, your Company has also continued its commitment towards the projects like Parivartan phase I, Nayan project, Smile on wheels etc. through its implementing agency "Relaxo Foundation" explained in detail in **Annexure-D**.

The details pertaining to the composition, meetings and terms of reference of the CSR Committee are included in the Report on Corporate Governance which forms part of this Annual Report.

Key initiatives under each thematic area and the report on CSR under section 135 of the Act is annexed as **Annexure-D** to this Report. As per requirement under the Act read with relevant Rules made thereunder, the composition of the CSR Committee, and CSR Policy and Projects approved by the Board are available on the website of the Company at <https://www.relaxofootwear.com/investor-relations>.

34. Composition of Audit Committee

In compliance with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations, the Board of Directors of the Company had constituted the Audit Committee. The details pertaining to the composition, meetings and terms of reference of the Committee are included in the Report on Corporate Governance which forms part of this Annual Report.

35. Vigil Mechanism

Your Company, as required under Section 177 (9) of the Act and Regulation 22 of the Listing Regulations, has established Vigil Mechanism/ Whistle Blower Policy for Directors and the employees of the Company.

This Policy has been established with a view to provide a tool to Directors and employees of the Company to report to the management on the genuine concerns including unethical behavior, actual or suspected fraud or violation of

the Code or the Policy. This Policy outlines the procedures for reporting, handling, investigating and deciding on the course of action to be taken in case inappropriate conduct is noticed or suspected.

This Policy also provides for adequate safeguards against victimization of director(s)/employee(s) who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The Audit Committee is authorized to oversee the Vigil Mechanism/ Whistle Blower Policy in the Company. At the beginning of the year one complaint was pending which was duly resolved during the year, the Company has not received any complaint during the year. Your Company hereby affirms that no person of the Company has been denied access to the Audit Committee.

The Policy is available on the website of the Company at the link https://www.relaxofootwear.com/media/file/pdf/download_file/vigil---mechanism---policy-1607580776.pdf.

36. Business Responsibility Report

As stipulated under Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report, describing the initiatives taken by the Company for environmental, social and governance perspective, forms part of this Annual Report.

37. Policy on Prevention of Insider Trading

Your Company has adopted a Code for Prohibition of Insider Trading with a view to regulate trading in shares of the Company by Designated Persons and their immediate relatives. The said Code is available on the website of the Company at https://www.relaxofootwear.com/media/file/pdf/download_file/policy-for-prevention-of-insider-trading-1607581125.pdf. The Code prescribes rules for dealing in UPSI of the Company and dealing in shares of the Company.

38. Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWWP Act")

At Relaxo, all employees are of equal value. There is no discrimination between individuals at any point on the basis of race, colour, gender, religion, political opinion, national extraction, social origin, sexual orientation or age.

The Company is an equal employment opportunity employer and is committed to provide a safe and conducive work environment that enables women employees to work without fear of prejudice, gender bias and sexual harassment.

The Company believes that all women employees of the Company have the right to be treated with dignity and as per the Company's compliance framework. Harassment

of any kind including sexual harassment is forbidden. The Company has 'Zero Tolerance' approach towards any act of sexual harassment.

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a Policy on Prevention of sexual harassment of women at workplace and matters connected therewith and has also complied with the provisions relating to the Constitution of Internal Complaint Committee ("ICC").

An Internal Complaint Committee ("ICC") is available at each of the units and offices of the Company as per the requirements of the law. The ICC is responsible for redressal of complaints related to sexual harassment as well as to create a preventive environment across the organization. The Company also conducts sensitization/awareness sessions and quarterly meetings on a regular basis so as to create a free and fair working environment.

No complaint was received during Financial Year 2020-21. It is our constant endeavor to ensure that we provide harassment free, safe and secure working environment to all employees especially women.

39. Significant and Material Litigations / Orders

During the Financial Year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

40. Capital Market Ratings

During the Financial Year 2020-21, ICRA has reaffirmed long term rating of the Company at [ICRA] AA (pronounced as ICRA Double A) with Stable outlook.

Additionally, ICRA has reaffirmed short term rating of the Company at [ICRA] A1+ (pronounced as ICRA A one plus) which is the highest rating for the category. Your Company has observed that there will not be any requirement for Commercial Paper in near future therefore your Company has requested ICRA to discontinue the rating for Commercial Paper. ICRA has on the request of Company withdrawn the rating assigned to Commercial Paper vide its letter dated August 25, 2020 and has also taken a note that there is no amount outstanding against the Commercial Paper as on date.

41. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The details relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 134(3) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as **Annexure-E** which forms part of this Report.

42. Employees Stock Option Plan

Presently, the Company has one Employee Stock Option Plan 2014 ("RFL ESOP PLAN-2014"/ "ESOP Plan"). This Plan helps to attract and retain talented employees in the Company and boost their morale. The Nomination and Remuneration Committee administers and monitors the Company's ESOP Plan.

During the Financial Year 2020-21, 1,95,665 (One Lac Ninety Five Thousand Six Hundred and Sixty Five) options were exercised by the employees of the Company. Accordingly, the Company has on October 31, 2020 made allotment of 1,95,665 equity shares against the options exercised by the employees. During the Financial Year under review, the Company has vested 2,00,740 (Two Lacs Seven Hundred and Forty) options to the employees and cancelled 57,590 (Fifty Seven Thousand Five Hundred and Ninety) options due to resignation or non-performance as per the Company's ESOP Plan.

Pursuant to the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 (the ESOP Regulations), a disclosure with respect to ESOP Scheme of the Company as on March 31, 2021, is available on the website of the Company at the link <https://www.relaxofootwear.com/other-disclosures>.

A certificate from M/s B R Maheswari & Co., LLP, Chartered Accountants, Statutory Auditors of the Company with respect to the implementation of the Company's ESOP Plan would be made available to the members at the ensuing AGM. A copy of the same will also be available for inspection at the registered office of the Company during business hours.

The details as per the requirements of ESOP Regulations are annexed as **Annexure-F** which forms part of this Report.

43. Material Changes and Commitments

There are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year ended on March 31, 2021 of the Company and as on the date of this Report.

44. Internal Financial Controls

Section 134(5)(e) of the Act explains Internal Financial Controls as the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. It requires Directors Responsibility Statement to state that the Directors had laid down Internal Financial Controls and the same were adequate and operating effectively.

Your Company has in place adequate Internal Financial Controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. Such controls have been assessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India. The Company has in place well defined and adequate Internal Financial Control framework which is independently evaluated by external agency apart from periodic evaluation by in-house Internal Audit function for necessary improvement, wherever required. Based on the results of such assessments, no reportable material weakness or significant deficiencies in the design or operation of Internal Financial Controls was observed.

The Managing Director and CFO Certificate included in the Corporate Governance Report confirms the existence of effective internal control systems and procedures in the Company. The Audit Committee reviews the effectiveness of the Internal Financial Control framework in the Company.

45. Managing Director and CFO Certification

The Certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the Managing Director and CFO was placed before the Board. The same is annexed with Corporate Governance Report which forms part of this Annual Report.

Declaration by Managing Director under Regulation 34(3) read with Schedule V of the Listing Regulations in respect of compliance with the Company's Code of Conduct is enclosed with this Annual Report.

46. Transfer of Unclaimed Shares / Dividend

As per the provisions of Regulation 39(4) read with Schedule VI of the Listing Regulations, the unclaimed shares lying in the possession of the Company, are required to be dematerialized and transferred into a special demat account held by the Company.

Accordingly, unclaimed shares lying with the Company have been transferred and dematerialized in an 'Unclaimed Suspense Account' of the Company. This account is being held by the Company purely on behalf of the shareholders entitled for these equity shares.

The summary of 'Unclaimed Suspense Account' during the year is given hereunder:

S. No.	Particulars	No. of Shareholders	No. of equity shares held
1	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on April 1, 2020	26	64,125

S. No.	Particulars	No. of Shareholders	No. of equity shares held
2	Number of shares transferred to suspense account during the year*	14	18,070
3	Number of shareholders who approached the company for shares and to whom shares were transferred from the suspense account during the year	-	-
4.	Transfer of shares to IEPF Account	-	-
5.	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on March 31, 2021	31	82,195

* Unclaimed physical share certificates returned to the Company or Registrar were transferred to the unclaimed suspense account during the year. Some shareholders already included in opening balance.

The voting rights on the equity share(s) in the suspense account shall remain frozen till the rightful owners of such equity share(s) claim the equity share(s). Any corporate benefits in terms of securities accruing on such equity shares viz. bonus shares, split etc., shall also be credited to such demat suspense account or unclaimed suspense account, as applicable in accordance with existing provisions.

In compliance with the statutory provisions, during the Financial Year under review, the Company transferred unclaimed dividend amounting to ₹ 1,35,062/- (Rupees One Lac Thirty Five Thousand and Sixty Two Only) from the Final Dividend for the Financial Year 2012-13 to the Investor's Education and Protection Fund ("IEPF"). The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 24, 2020 (date of last AGM) on the website of the Company at the link <https://www.relaxofootwear.com/unpaid-dividend-data>.

Pursuant to the provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, during the Financial Year 2020-21, the Company transferred 6,726 (Six Thousand Seven Hundred and Twenty Six) equity shares to demat account with IEPF for which dividend was unpaid / unclaimed for seven consecutive years.

The shareholders whose unpaid dividend / shares are transferred to the IEPF can request the Company / Registrar and Transfer Agent as per the applicable provisions in the prescribed form, IEPF-5, for claiming the unpaid dividend /

shares from IEPF. The process and online application form (Form IEPF - 5) as prescribed by the Ministry for claiming back the shares/ dividends are available on the website of MCA at www.iepf.gov.in. Mr. Vikas Kumar Tak, Company Secretary & Compliance Officer acts as the Nodal Officer of the Company as per the provisions of IEPF. The contact details of Nodal Officer is available on the website of the Company at the link www.relaxofootwear.com/Investor-Support.

47. 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. A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the Listing Regulations, forms part of this Annual Report.

A certificate from M/s B R Maheswari & Co., LLP, Chartered Accountants (ICAI Firm Registration No. -001035N / N500050) Statutory Auditors of the Company, confirming the compliance of the Company with the conditions of Corporate Governance, as stipulated under the Listing Regulations, is attached to the Report of Corporate Governance as **Annexure-G**.

48. Details of Non-Compliance with regard to Capital Markets During the Last Three Years

There have been no instances of non-compliances by the Company with regard to Capital Markets during the last three years.

49. Other Disclosures

The Company affirms that the annual listing fees for the Financial Year 2021-22 to National Stock Exchange of India Ltd. and BSE Ltd. is duly paid.

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016. There was no instance of onetime settlement with any Bank or Financial Institution.

50. Acknowledgement

We take this opportunity to thank the employees for their dedicated service and contribution to the Company.

We would like to place on record sincere thanks and appreciation to all our clients, partners, vendors, investors, bankers and other business associates for their continued support and encouragement during the year.

For and on behalf of the Board of Directors

	Ramesh Kumar Dua	Mukand Lal Dua
Delhi	Managing Director	Whole Time Director
May 20, 2021	DIN: 00157872	DIN: 00157898

Annexure 'A'

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force),

A. Ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the Financial Year 2020-21 is as follows :-

Name of Director	DIN	Ratio of Remuneration of Director to the Median Remuneration
Mr. Ramesh Kumar Dua	00157872	930.34
Mr. Mukand Lal Dua	00157898	930.34
Mr. Nikhil Dua	00157919	53.45
Mr. Deval Ganguly	00152585	66.33
Mr. Pankaj Shrimali	00013142	3.19
Mr. Vivek Kumar	00206819	2.88
Ms. Deepa Verma	06944281	2.64
Mr. Rajeev Rupendra Bhadauria	00376562	2.32

- The aforesaid details are calculated on the basis of remuneration for the Financial Year 2020-21.
- The remuneration includes commission and sitting fee paid to the Directors for attending Board & Committee meetings.
- Median Remuneration for all its employees is ₹ 2,19,489/- (Rupees Two Lacs Nineteen Thousand Four Hundred and Eighty Nine Only) for the Financial Year 2020-21.

B. Details of percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year 2020-21 as compared to last year are as follows :-

Name	Designation	% Increase / Decrease
Mr. Ramesh Kumar Dua	Managing Director	36.86
Mr. Mukand Lal Dua	Whole Time Director	36.86
Mr. Nikhil Dua		6.50
Mr. Deval Ganguly		27.35
Mr. Pankaj Shrimali		4.48
Mr. Vivek Kumar	Independent Director	-7.33
Ms. Deepa Verma		-7.94
Mr. Rajeev Rupendra Bhadauria #		-NA-
Mr. Sushil Batra		Chief Financial Officer
Mr. Vikas Kumar Tak	Company Secretary	21.55

Note:

The remuneration to Directors is within the overall limit approved by the shareholders. During the current Financial Year commission

to the tune of ₹ 2.50 Lacs was paid to each Independent Director after approval of financial statements by the shareholders.

Percentage increase is not reported as Mr. Rajeev Rupendra Bhadauria joined during the Financial Year 2019-20.

C. Percentage increase in the median remuneration of all employees in Financial Year 2020-21 :-

There is increase of 3.44% in median remuneration of all employees in Financial Year 2020-21.

D. Number of Permanent Employees on the roll of the Company as on March 31, 2021:

Particulars	No. of Employees
Staff	2,343
Sub Staff	5,886
Total	8,229

E. Comparison of average percentage increase in salary of employees other than Managerial Personnel and the percentage increase in the Managerial Remuneration:

The aggregate remuneration of employees excluding Key Managerial Personnel ("KMPs") grew by 1.26% over the previous year. The aggregate increase in salary for Whole Time Directors and other KMP's was 34.67% in FY21 over FY20. This was based on the recommendation of Nomination and Remuneration Committee.

F. Affirmation

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

G. Statement Containing the particulars of the employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014:

List of permanent employees (full time) who are on the rolls of the Company and were employed throughout the Financial Year 2020-21 and were paid remuneration, not less than ₹ 102 Lacs per annum and employees who have worked for the part of the year and were paid remuneration during the Financial Year 2020-21 at a rate which in aggregate was not less than ₹ 8.50 lacs per month :

S. No.	Employee Name	Designation	Date of joining	Age (Years)	Remuneration (₹ in Lacs)	Qualification	Experience (Years)	Last Employment
1	Mr. Deepak Bagga	Vice President (Projects)	16-Oct-95	55	102.36	B. Tech, Dip. Civil Engg	31	East Coast Contracting Co
2	Mr. Deval Ganguly	Whole Time Director	05-Nov-12	62	145.59	B.Tech.	40	JK Tyre & Industries Ltd.
3	Mr. Gaurav Dua	Executive Vice President (Marketing)	01-Apr-01	41	117.33	B.Com., MBA	20	Relaxo Footwears Ltd.
4	Mr. Hans Raj Sapra	Senior Vice President (Material)	16-Oct-93	72	147.26	BE, Dip. Mech. Engg.	48	India Meterological Dept.
5	Mr. Mukand Lal Dua	Whole Time Director	13-Sep-84	72	2042.00	B.Sc.	48	Relaxo Rubber Pvt .Ltd.
6	Mr. Nikhil Dua	Whole Time Director	01-Oct-08	46	117.33	B.Com., Course in Shoe Making (Czech Republic)	25	Marvel Polymers Pvt. Ltd.
7	Mr. Nitin Dua	Executive Vice President (Retail)	01-Apr-04	40	117.33	B.Com., PGDBM	17	Relaxo Footwears Ltd.
8	Mr. Ramesh Kumar Dua	Managing Director	13-Sep-84	67	2042.00	B.Com., Licentiate of LPRI London	45	Relaxo Rubber Pvt. Ltd.
9	Mr. Ritesh Dua	Executive Vice President (Finance)	01-Jun-00	44	117.33	B.Com., PGDBM	21	Relaxo Footwears Ltd.
10	Mr. Sushil Batra	Chief Financial Officer	30-Jul-07	56	162.22	B.Com., FCA	30	A2Z Infra Engg. Ltd.
11	Mr. Vinay Kumar Bajaj	Vice President (Sales)	01-Jun-16	59	149.12	B.Com.	30	SSIPL
12	Mr. Virender Kumar	Vice President (Manufacturing)	16-Jan-95	57	113.12	PGDM	39	Relaxo Rubber Pvt Ltd

Note:

1. Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua are Promoter Directors of the Company and are also related to each other. Mr. Mukand Lal Dua is also related to Mr. Nikhil Dua, Promoter Director of the Company.

Annexure 'B'

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31-03-2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members

Relaxo Footwears Limited

Aggarwal City Square, Plot no. 10, District Centre,
Manglam Palace, Sector- 3,
Rohini, Delhi-110085

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Relaxo Footwears Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31-03-2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31-03-2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities (Amendment) Regulations, 2015
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2009
 - h) The Securities and Exchange Board of India (Buy-back of Securities) (Amendment) Regulations, 2019
- (vi) The Rubber Act, 1947 (the law which is applicable specifically to the Company) .
- (vii) I have also examined compliance with the applicable clauses of the following:
 - a) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - b) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 pertaining to Listed equity shares of the Company at NSE and BSE.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I have conducted online verification and examination of records as facilitated by the Company due to COVID 19 and subsequent lockdown situation for the purpose of issuing this Report.

I further report that during the audit period (during FY 2020-21) under the Company's RFL Employee Stock Option Scheme – 2014,

- a. 26,700 options were granted;
- b. No option was lapsed;
- c. Out of cumulative options i.e. options granted earlier and added with those granted this year, 57,590 options were cancelled and 195,665 equity shares of ₹. 1/- each were allotted (under RFL Employee Stock Option Scheme – 2014).

For **Vivek Arora**
Company Secretaries

Vivek Arora

Proprietor

CP NO 8255 ACS 12222

UNIQUE IDENTIFICATION NO -1200912009DE651300

UDIN number - A012222C000346831

Place : New Delhi

Date : May 20, 2021

Note : This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE 'A'

TO SECRETARIAL AUDIT REPORT ISSUED

To,

The Members

Relaxo Footwears Limited

Aggarwal City Square, Plot no. 10, District Centre,
Manglam Palace, Sector- 3,
Rohini, Delhi-110085 (CIN-L74899DL1984PLCO19097)

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for **Vivek Arora**
Company Secretaries

Vivek Arora

Proprietor

UDIN number A012222C000346831

CP NO 8255 ACS 12222

UNIQUE IDENTIFICATION NO -12009DE651300

Place : New Delhi

Date : May 20, 2021

Annexure 'C'

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis during Financial Year 2020-21:

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at arm's length basis during Financial Year 2020-21::

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any	

3. Details of contracts or arrangements or transactions not in the ordinary course of business during Financial Year 2020-21:

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board, if any	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director
DIN: 00157872

Mukand Lal Dua
Whole Time Director
DIN: 00157898

Delhi, May 20 2021

Annexure 'D'

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020 - 21

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. A brief outline of the company's CSR Policy, including an overview of projects/ programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects/programs.

Your Company has firm belief and commitment towards the collective development of all the stakeholders especially people at bottom of the pyramid and consider it as prerequisite for the sustainability of the business. Thus, CSR is not just compliance for the Company but is an opportunity to contribute towards Nation building through well-defined professional approach.

In compliance with the provision of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules), as amended, your Company has aligned its CSR Policy, covering the objectives, focus areas, governance structure and monitoring & reporting framework among others with a focus on the CSR activities carried out by the Company. The Policy, as updated in the Board Meeting held on March 26, 2021, is available at https://www.relaxofootwear.com/media/file/pdf/download_file/corporate--social--responsibility--policy-1607581240.pdf.

Your Company being a responsible corporate citizen, fulfil its social responsibility by delivering the community development programs. The programs has designed in a way to support the marginalized communities to uplift their lives, through the initiatives under Education, Skill development, Health, Hygiene etc.

Your company has committed its resources to cater the needs under the thematic areas of "Education & Skill Development", "Health & Hygiene". However, the Company, subject to the approval of the CSR Committee, may undertake any CSR project specified in Schedule VII of the Companies Act, 2013, from time to time.

Your Company continued its social initiatives during the year through its dedicated society, along with various relief measures for people effected with Covid-19.

The Company continued implementation of its CSR projects undertaken in yester years through Relaxo Foundation (implementing agency) vide CSR registration number - CSR00004306. During the period of reporting, Relaxo Foundation has continued implementation of its ongoing

7 CSR projects in 5 geographical locations of 4 States viz. Delhi, Haryana, Rajasthan and Uttarakhand, that helped to impact lives of more than 1.73 Lacs people directly and more than 0.66 Lac people indirectly.

Key initiatives under each thematic area are mentioned below -

A. Education & Skill development

I. "Parivartan" Model School Program

The project Parivartan was undertaken for 3 years in February, 2018 by adopting 13 government schools of Khanpur block of Haridwar district, Uttarakhand, with implementation partner "Plan International (India)".

In this project, 13 Government Primary Schools having 17 Anganwadi centres in the same premise benefitting 3554 students were adopted. In the reporting period, schools were closed due to Covid-19 pandemic hence activities related to training of teachers, children, SMC members could not happen, but left over infrastructure development works of renovation of schools were completed and initiatives like BALA, training of teachers etc. were adopted.

Due to closure of schools, main focus was to engage with the students in education activities in their homes or neighbourhood and then we started making small children groups and identified some motivated youth leaders in the villages who were willing to teach these children and took 1-2 hours classes on every day basis. In the reporting period, 216 groups were formed successfully, with the support of 208 Community youth leaders and engaged 1457 children of 12 project villages in education, by taking appropriate safety measures for Covid-19. Through this initiative, these children were not only linked with education but it was also expected that as and when schools reopen these children will re-join schools without any gap.

To expand it further, your Company adopted 32 Government Primary Schools with the total project cost of ₹ 542.71 Lacs under long

term project during the Financial Year 2020-21 in Khanpur block of Haridwar district, Uttarakhand, with enhanced vision of improving these schools in terms of infrastructure as well as soft skills of teachers, children and school management committee (SMC) members. Your Company also aims to address the education in larger perspective with community through community mobilization activities.

II. Remedial Education Program- Navjyoti

Relaxo Foundation has partnered with the Navjyoti India Foundation for implementing a Remedial Education Project in Bawana, Delhi, currently benefiting 159 underprivileged children, (Boys 78 & Girls 81) of classes VI & VII of government schools.

Many online activities like virtual session on gender sensitization, book learning habit, weekly sessions on 'find the power within' were organized to benefit students.

This program was started with a Short-term objective to improve the learning outcome of the students and the long-term objective to save these children from the external threats that may lead them into anti-social activities.

III. Vocational Training Program

Relaxo Foundation has partnered with, the GMR Varalakshmi Foundation to run vocational training course of customer service associate at their vocational training centre, 'Centre for Empowerment and Livelihoods- Delhi'.

Due to Covid-19 impact, all the classes were conducted virtually during the year and 33 students (15 boys and 18 girls) have completed the course.

IV. 'Jaagriti' Project

Relaxo Foundation has partnered with Mamta HIMC and CMGGA (Chief Minister Good Governance Associates.) for imparting trainings to master/nodal trainers under cascading model over gender sensitization, gender violence and gender equality in all the 22 districts of Haryana. This project was planned to be implemented in all the schools of Haryana state but due to Covid-19 it couldn't be rolled out.

B. Health & Hygiene

I. Smile on Wheels (SoW), Comprehensive Health Project

Relaxo Foundation has partnered with Smile Foundation in 2017 to implement a 3 year long term program to cater the primary health requirements at their villages. Under this program Relaxo Foundation selected villages on the basis of population, availability of health facilities etc. The mobile van is equipped with MBBS Doctor, Pharmacist, ANM, lab technician, community mobilizer and driver, with the basic testing kits and equipment.

Under this initiative, main focus is on:

- Identification and prevention of diseases at initial stage.
- Reduction in out of pocket expenses on medical needs.
- Reduction in loss of man days due to illness.
- Reduction in absenteeism in school going children due to illness.
- Reduction in mental fatigue and pressure due to medical needs in family.

During the reporting period total 12783 OPD's were registered in 296 health camps. 141 ANC/PNC, 319 lab tests were also undertaken through Mobile Health Van. 142 awareness sessions were organized with the community people over various topics like diabetic & hypertension, maternal & child health care, nutrition, breastfeeding etc.

II. Project 'NAYAN' Giving Sight to the Underprivileged

Project Nayan in partnership with Dr. Shroff's Charity Eye Hospital (SCEH) was launched in January 2018 for 3 years to work towards reducing the incidence and the backlog of avoidable blindness cases in Tijara block District Alwar Rajasthan.

Due to Covid-19 protocols, surgeries, community camps and health talks couldn't be organized as per the plan. Hence strategy was modified and door to door screening was started in the nearby villages. On World Diabetic Retinopathy Day and World Glaucoma Day some events and awareness sessions were organized in villages. Total 15,177 screenings were done through door to door screening and 3,368 people were screened at 2 vision centres. Total 365 cataract surgeries, 17 speciality surgeries were done and spectacles were advised to 796 people.

III. Support to Covid-19 relief -

Covid-19 created havoc during the Financial Year 2020-21 and your Company being a socially responsible business house is always there for the needy. Thus, during Covid-19 pandemic and distressful time of lockdown, your Company provided support through various channels like :

- One Maruti Ertiga was donated to the Superintendent of Police, Jhajjar for using it for patrolling and as an Ambulance in emergency.
- During lockdown period, your Company distributed 71,000 cooked-food packets to poor & migrant labourers and 665 dry

ration kits to marginalized families in rural areas.

- 25000 pair of footwear were donated to sanitation workers of NDMC.
- Donation of around 10,000 long shoe covers were given to hospital staff of AIIMS Delhi. Medical/non-medical requirements of various other hospitals like bedsheets, blanket, towel, overbed table, saline stand, etc. were provided for special corona wards.
- Various charitable and welfare organizations were supported for helping people in need.

2. Composition of CSR Committee:

The Composition and attendance of members at the meetings held during the Financial Year -2020-21 is as following:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ramesh Kumar Dua	Chairman / Managing Director	2	2
2	Mr. Mukund Lal Dua	Member / Whole Time Director	2	2
3	Mr. Pankaj Shrimali	Member / Independent Director	2	2
4	Ms. Deepa Verma	Member / Independent Director	2	2

The CSR meetings were held on July 31, 2020 and March 26, 2021 during the Financial Year 2020-21 and were attended by all the members.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The weblink for the composition of CSR committee as part of the CSR Policy and CSR projects approved by the board are disclosed on the website on <https://www.relaxofootwear.com/investor-relations>.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the

Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Your Company does not fall in the criteria of Impact assessment as per sub-rule (3) of rule 8 of the CSR Rules. Though your Company believe that Impact assessment of a project is important to ascertain the change it brings to the society. However, due to Covid-19 project could not be delivered as per the expected plan and hence impact assessment could not be done during the year.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Lacs)	Amount required to be setoff for the financial year, if any (₹ in Lacs)
Not Applicable			

S. No.	Particulars	Amount (₹ in Lacs)
6.	Average net profit of the company as per section 135(5)	27,135.60
7. (a)	Two percent of average net profit of the company as per section 135(5)	542.71
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (7a+7b+7c)	542.71

8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year	Amount Unspent (₹ in Lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil	542.71	April 30, 2021	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lacs.)	Amount spent in the current Financial Year (₹ in Lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lacs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number

Nil - Your Company has not spent against any ongoing projects during the Financial Year 2020-21 due to Covid-19 pandemic. The Board of the Company on the recommendation of CSR Committee, had approved Parivartan Model School Project on March 26, 2021 with an outlay of ₹ 542.71 Lacs. However, the project could not be implemented due to the schools remaining shut under the Covid-19 restrictions and hence the entire amount of ₹ 542.71 Lacs remaining unspent as at the end of the Financial Year 2020-21 has been transferred to the Unspent CSR account of the Company on April 30, 2021.

(c) Details of CSR amount spent against other than ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation on - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name.	CSR registration number.
1	NA - Your Company through its implementation agency (Relaxo Foundation) has spent on various projects undertaken in yester years (details in point 11), however there are no projects other than ongoing project for the Financial Year 2020-21.								

(d)	Amount spent in Administrative Overheads	Nil
(e)	Amount spent on Impact Assessment, if applicable	NA
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	Nil

(g) Excess amount for set off, if any:

S. No.	Particular	Amount (₹ in Lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	542.71
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lacs)	Amount spent in the reporting Financial Year (₹ in Lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (₹ in Lacs)
				Name of the Fund	Amount (₹ in Lacs)	Date of transfer.	
1.				Nil			

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (₹ in Lacs)	Amount spent on the project in the reporting Financial Year (₹ in Lacs)	Cumulative amount spent at the end of reporting Financial Year. (₹ in Lacs)	Status of the project - Completed / Ongoing.
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details).

(a)	Date of creation or acquisition of the capital asset(s)	NA
(b)	Amount of CSR spent for creation or acquisition of capital asset	NA
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NA
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Your Company has decided to take up the "Parivartan" Model School Program, for this current Financial Year 2020-21 and the same was approved by the Board of Directors, as recommended by the CSR committee on March 26, 2021. The project will be undertaken for a period of 3 (three) years i.e. till the Financial Year 2023-24 and 32 schools of Khanpur Block of Haridwar District, Uttarakhand have been adopted under the said project. However, as schools were closed during the period April 2020 to March 2021 due to Covid -19, the project could not be implement and now it will start from the next Financial Year i.e. 2021-22. The full amount of ₹ 542.71 Lacs has been transferred to Relaxo Footwears Ltd Unspent CSR Account 2020-21 on April 30, 2021, and will be utilized for Project Parivartan, during the upcoming years.

Relaxo Foundation has spent ₹ 173.84 Lacs only, towards different projects, from the CSR funds available of yester years. The details are given in the below table:

Details of CSR Activities undertaken by the Company:							
S. No.	CSR Projects/ activity identified	Sector in which the project is covered/ Relevant Section of Schedule VII in which the project is covered	Locations	Amount Outlay (Budget) Project or Activity wise (₹ In Lacs)	Amount spent on the projects or programs (₹ In Lacs)	Cumulative Expenditure up to the reporting period (₹ In Lacs)	Amount spent: Direct or through implementing agency
1	'Parivartan' Model School Project	Education	Haridwar, Uttarakhand & Hisar, Haryana	43.06	21.94	21.94	Plan International (India Chapter) & Relaxo Foundation
2	Remedial Education Program	Education	Delhi	17.57	17.58	39.52	Navjyoti India Foundation
3	Customer Service Associate Vocational Course	Vocational skills	Delhi	4.10	4.90	44.42	GMR Varalakshmi Foundation
4	Smile on Wheels (SoW)	Healthcare	Bhiwadi, Rajasthan	31.00	31.00	75.42	Smile Foundation
5	'NAYAN' Giving Sight to the Underprivileged	Healthcare	Bhiwadi, Rajasthan	27.07	27.07	102.49	Dr. Shroff's Charity Eye Hospital
6	Covid-19 Support Program and Other programs	Healthcare , Education & Hygiene	Delhi, Uttarakhand, Haryana		55.34	157.83	Direct
Sub Total				122.80	157.83		
7	Administrative Expenses			20.00	16.01	173.84	Direct
Total				142.80	173.84		

Note: All the above projects has been implemented by Relaxo Foundation (CSR00004306) through the partner agencies as mentioned above.

Delhi, May 20, 2021

Ramesh Kumar Dua
(Managing Director & Chairman of CSR Committee)

Sushil Batra
(Chief Financial Officer)

Annexure 'E'

1. CONSERVATION OF ENERGY

Energy conservation is an ongoing process in your Company. Your Company is committed to invest in the latest energy efficient technologies, to conserve energy on all locations, plants and sites of the Company. As a part of Company's endeavour towards conservation of energy and prevention of energy wastage, constant improvements are undertaken in order to conserve energy on an ongoing basis.

a) The steps taken or impact on conservation of energy:

(i) The Company has started following initiatives at plants for energy conservation which has led to restrict the impact of increase in the cost of energy thereby reducing the cost of production of goods:

- Started Power Trading for improved planning for consumption of electricity.
- Replacing CFL with LED's at manufacturing plants not only saving energy but also substantial cost.
- Adding of varying cubic feet per minute (CFM) variable frequency drive (VFD) to all compressors to optimize power consumption and realize the potential saving of 15-20% in power consumption.

(ii) The Company has started following initiatives at its retail outlets for energy conservation which has led to substantial saving of its annual energy and maintenance cost:-

- Reduced energy consumption by using Inverter air conditioner in new retail outlets.
- Upgraded conventional light fittings by energy efficient LED lighting fixtures in existing outlets in routine repair and maintenance.
- Prompted retail outlet staff regarding awareness of energy saving.

b) The steps taken by Company for utilizing alternate sources of energy:

Traditionally, your Company has been using Pet Coke, followed by agro based biofuel for all boilers across plants, requiring steam for process. As a strategic measure, your Company has changed all its agro / solid fuel based boilers to gas fired boilers (PNG & LPG), thereby changing over to green fuel and also helping environment through much cleaner stack emission and clean environment at boiler floor level.

c) The capital investment on energy conservation of energy:

There was no major capital investment on energy conservation during the year.

2. TECHNOLOGY ABSORPTION

a) Efforts made towards technology absorption

- Switched from existing biomass fired boilers to gas fired boilers across all plants of the Company,
- Traditionally, your Company has acquired the technology of blending PU ourselves and have thereby become hugely cost efficient by blending in-house.
- To keep pace with the newer development on material front, your Company adopted new technology of pour molding for EVA slippers and also uppers, using PVC in liquid form.

b) Benefit derived as a result of the above efforts

- Better environment friendly fuel.
- Better Quality of products.
- Better shop floor environment in plants.
- Less reliance on vendors
- Cost saving

c) Technology imported during last 3 years: None

d) Expenditure on R & D -

The Company has incurred expenditure of ₹ 5.32 Crore through respective heads of accounts on R & D.

3 FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to export initiatives taken to increase exports, development of new export for products and export plans:

Your Company regularly participate in prestigious international exhibition and has developed markets of Asia, Middle East, Europe, Australia, Africa, South America & Oceania and these markets will increase overall export of Company in coming years. The branch office is operational in Dubai for strategizing export plans and expand its business to newer geographies.

b) Total Foreign Currency used and earned

(₹ in Crore)

Particulars	2020-21	2019-20
Used	299.94	377.03
Earned	89.66	91.37

Annexure 'F'

EMPLOYEE STOCK OPTION PLAN ("ESOP")

The Company had instituted the Employee Stock Option Plan 2014 (the "Plan") for employees of the Company by granting shares thereunder. Accordingly, the Plan was formulated in accordance with the SEBI (ESOS & ESPS) Guidelines, 1999. The Plan was approved by the shareholders of the Company, on August 5, 2014, through postal ballot. The Plan provides for issue and allotment of not exceeding 9,00,090 Equity Shares to the eligible employees of the Company and subsequent to the Bonus Issue in July 2015 and June 2019, the number of options available increased to 31,79,940. Disclosures in compliance with Employee Stock Option Plan of the Company, are set below:

- I. The information pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 read with 'Guidance note on accounting for Employee share-based payments' issued by ICAI have been provided in **Annexure-1** to this Report.
- II. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations in accordance with Ind AS 33 - Earnings Per Share issued by ICAI have been provided in **Annexure 1** to this Report

Annexure 1: Details related to ESOS

Requirements under the SEBI (Share Based Employee Benefits) Regulations, 2014

Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under -

A. Summary

S. No.	Particulars	ESOP Scheme
1	Date of Shareholders Approval	August 5, 2014
2	Total number of options approved under the scheme	31,79,940
3	Date of Grants	August 9, 2014, May 9, 2015, July 25, 2015, October 31, 2015, May 14, 2016, July 30, 2016, November 5, 2016, August 5, 2017, November 4, 2017, May 11, 2018, August 4, 2018, November 3, 2018, May 10, 2019, August 3, 2019, November 2, 2019, June 6, 2020, August 1, 2020 and October 31, 2020
4	Options Granted (After adjustment for bonus on June 28, 2019)	16,92,130
5	Vesting Schedule	Minimum one year from the date of Grant
6	Pricing Formula	Closing Market price prior to the date of the meeting of Nomination & Remuneration Committee in which options are granted, on the stock exchange on which the shares of the Company are listed. In case shares are listed on more than one stock exchange then the stock exchange where the highest trading volume is recorded on the said date shall be considered.
7	Maximum Term of Options Granted	8 years from the date of Grant
8	Source of Shares	Primary
9	Variation in terms of Options	No Variations
10	Method used for Accounting of ESOP	Fair Value Method

B. Option Movement During the year

S. No.	Particulars	ESOP Scheme
1	Options Outstanding at the Beginning of the period	7,35,550
2	Number of Options Granted during the period	26,700
3	Number of options vested during the period	2,00,740
4	Number of options exercised during the period	1,95,665
5	Total number of shares arising as a result of exercise of options	1,95,665
6	Number of options Cancelled & lapsed during the period	57,590
7	Number of Options outstanding at the end of the year	5,08,995
8	Number of Options exercisable at the end of the year	45,055
9	Money realised by exercise of options during the year(₹)	4,89,77,462
10	Loan repaid by the trust during the year from the exercised price received	NA

C. Employee-wise details of options granted to:

(i) Senior managerial personnel

Name	No. of options granted
NIL	

(ii) Employees who were granted options during the year, amounting to 5% or more of the options.

Name	No. of options granted
Bhushan Singhal	3200
Kinshuk Sharma	3200
Kushvir Singh Ruhela	1900
Maninder Singh	2600
Navin K Trivedy	2200
Praveen Sethi	2300
Rajendra Singh	1500
Rakesh Bedi	1400
Raman Kishore Azad	1600
Rashmi Asthana	1700
Vijay Pratap Singh	2200
Vikas Bora	2900

(iii) Identified employees who were granted option, during the year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

Name	No. of options granted
NIL	

D(i).	Weighted average exercise price of Options granted during the year whose	
(a)	Exercise price equals market price (₹)	729.83
(b)	Exercise price is greater than market price (₹)	Nil
(c)	Exercise price is less than market price (₹)	Nil

D(ii)	Weighted average fair value of options whose	
(a)	Exercise price equals market price (₹)	186.64
(b)	Exercise price is greater than market price (₹)	Nil
(c)	Exercise price is less than market price (₹)	Nil

E.	Method and Assumptions used to estimate the fair value of options granted during the year:	
a)	The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows:	
	Stock Price (₹)	729.83
	Volatility	29.44%
	Risk free Rate	4.77%
	Exercise Price (₹)	729.83
	Time to Maturity (In Years)	3.00
	Dividend yield	0.29%
b)	The volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the options and is based on the daily volatility of the Company's stock price on NSE	
c)	There are no market conditions attached to the grant and vest.	

Annexure 'G'

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
THE MEMBERS OF
RELAXO FOOTWEARS LIMITED

1. We, B R Maheswari & Co LLP, Chartered Accountants, the Statutory Auditors of Relaxo Footwears Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing (Obligation and Disclosure requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This Responsibility includes the Design, implementation and maintenance of internal controls and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial Statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2021.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No. 081075
UDIN: 21081075AAAABU1357

New Delhi, May 20, 2021

CORPORATE GOVERNANCE REPORT

Corporate Governance is about our commitment to human values in business which translates into ethical corporate conduct. Corporate Governance is about balancing economic goals with greater responsibilities towards society and creating valuable impact with practices and policies embedded within Company's value system, management ethos, and business practices. Corporate Governance practice are reflection of one's value, culture, policies and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of Corporate Governance. When adhered to and implemented in the best of spirit, Corporate Governance positively impact the activities, processes and policies of an organization, portray a positive vision to investors and enhance the trust and confidence of the stakeholders. It can also encourage a sense of trustworthiness amongst the society at large, influence the immediate corporate environment positively and have an overall healthy impact on the national economy.

At Relaxo Footwears Limited ("Relaxo"), we believe that good Corporate Governance is a continuing exercise and that each one at Relaxo is equally responsible and committed to support this cause in all management and operational activities. Integrity and transparency are key to our Corporate Governance practices helping us earn trust of our stakeholders and facilitate effective and prudent management to come up to their expectations. Your Company is conscious of the fact that success of a corporation is a reflection of the professionalism, conduct and ethical values of its management and employees. In addition to regulatory compliance, your Company endeavours to meet highest standards of ethical and responsible conduct throughout the organisation in letter and in spirit.

1. GOVERNANCE PHILOSOPHY

Corporate Governance has occupied pivotal position at Relaxo Footwears Limited since inception. The business has, since then, been conducted in most transparent and ethical manner. Relaxo's governance framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. The Company continuously endeavors to maintain pace with changing socio-economic scenario to ensure that the conduct of business is as per the policies of the management, namely Honesty, Transparency and Ethical Behavior. Relaxo has implemented corporate governance practices that go beyond just meeting the letter of law. The Company has voluntarily adopted and evolved various practices of Governance conforming to highest ethical and responsible standards of business. The

Company has not only adopted practices mandated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"), but also incorporated the relevant non-mandatory recommendations.

2. BOARD OF DIRECTORS

Composition

In terms of Regulation 17 of the Listing Regulations, the composition of the Board of your Company is well diverse. Every member of the Board is having experience and expertise in their respective fields. The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company.

The Company's policy is to maintain an optimum combination of Executive and Non-Executive/Independent Directors. As on March 31, 2021, the Company has 1 (One) Managing Director, 3 (Three) Whole Time Directors and 4 (Four) Non-Executive Independent Directors including 1 (One) Woman Independent Director. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and expertise in varied fields enabling it to discharge its responsibilities and provide effective leadership for long-term vision with highest standards of governance. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

Board Meetings and its Attendance

During the Financial Year ended March 31, 2021, the Board of Directors of the Company met 5 (Five) times on June 6, 2020, August 1, 2020, October 31, 2020, January 30, 2021 and March 26, 2021. The intervening period between the Board Meetings were within the maximum time gap prescribed under the Companies Act, 2013 (hereinafter referred as the "Act") and Regulation 17 of the Listing Regulations.

Necessary disclosures regarding Directorship and Committee positions in other Companies as on March 31, 2021 have been made by the Directors. As per the disclosures received from them, none of the Directors of the Company is a member of more than 10 (Ten) Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than 5 (Five) Committees across all Public Limited Companies in which he / she is a Director. Also, none of the Directors serve as an Independent Director in more than 7 (Seven) Listed Companies.

The composition of the Board during the Financial Year under review and position held by Directors on the Board / Committees of the Company as on March 31, 2021 along with their attendance at Board meetings and Annual General Meeting (“AGM”) of the Company during the Financial Year under review are given below:

Name of Directors	Category of Directors	No. of board meetings attended (total held during tenure)	Attendance at last AGM (September 24, 2020) attended through VC/ OAVM	No. of positions held as on March 31, 2021			Name of Listed Entity where the person is a Director (Category)	No. of equity shares held
				No. of other Directorship ¹	Committee ² (including the Company)			
					Membership	Chairmanship		
Ramesh Kumar Dua	Promoter Managing Director- Executive	5(5)	Yes	1	1	-	-	5,78,17,744
Mukand Lal Dua	Promoter Whole Time Director- Executive	4(5)	Yes	-	1	-	-	5,01,41,920
Nikhil Dua	Promoter Whole Time Director- Executive	5 (5)	Yes	-	1	-	-	93,43,674
Deval Ganguly	Whole Time Director- Executive	5 (5)	Yes	-	-	-	-	-
Vivek Kumar	Independent Director- Non- Executive	5 (5)	Yes	-	2	1	-	-
Pankaj Shrimali	Independent Director- Non- Executive	5 (5)	Yes	-	1	1	-	16,050
Rajeev Rupendra Bhadauria	Independent Director- Non- Executive	4 (5)	Yes	-	1	-	-	-
Deepa Verma	Independent Director- Non- Executive	5(5)	Yes	-	-	-	-	-

- For the purpose of considering the limit of the number of directorship and Chairman/member of committees, Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act are excluded which is in line with the requirement of relevant conditions of Regulation 26 of the Listing Regulations. The directorships held by Directors as mentioned above do not include the directorships held in Relaxo Footwears Limited.
- Committees considered for the purpose are those prescribed under Regulation 26 of the Listing Regulations viz. Audit Committee and Stakeholders’ Relationship Committee of Indian Public Limited companies including Relaxo Footwears Limited.
- Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua, Directors are related to each other. Mr. Mukand Lal Dua is also related to Mr. Nikhil Dua, Whole Time Director of the Company. None of the Directors other than above have any relationship with any Director of the Company as per Sec 2(77) of the Companies Act 2013 including rules thereunder

The below matrix summarizes the skills, expertise and competencies possessed by our individual directors, which are key to corporate governance and board effectiveness as on March 31, 2021:

Name of Directors	Strategy & Planning - Business strategy and Corporate Management	Governance - developing governance practices, serving the best interests of all stakeholders and driving corporate ethics and values	Manufacturing & Operations - Production and Product development, Quality enhancement, Plant Management, environment & safety	Finance, Marketing & Human Resource Development - finance, investment & commercial banking, institution affairs, human resource, marketing & sales
Ramesh Kumar Dua	√	√	√	√
Mukand Lal Dua	√		√	
Nikhil Dua	√		√	
Deval Ganguly	√		√	
Pankaj Shrimali	√	√		√
Vivek Kumar	√	√	√	
Rajeev Rupendra Bhadauria	√			√
Deepa Verma	√			√

Familiarization Program

In order to encourage active participation of Independent Directors and in order to understand the business of the Company, programs are conducted for the Independent Directors with detailed presentations covering all aspects of information that they need to possess/update. The details of the programs/sessions conducted for familiarization of Independent Directors can be accessed on the Company website at the link <https://www.relaxofootwear.com/other-disclosures>.

Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee Meetings. The Company Secretary attends all the Meetings of the Board and its Committees, either in the capacity of Secretary of the Committees or as a Member of the Committee. The Company Secretary advises / assures the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the Meetings.

Independent Directors

All Independent Directors of the Company have been appointed as per the provisions of the Act and Listing Regulations. Formal letters of appointment / re-appointment have been issued to the Independent Directors which inter-alia explains the role, function, duties and responsibilities as an Independent Director of the Company. The terms and conditions of their appointment / re-appointment are disclosed on the Company's website in the investor section at <https://www.relaxofootwear.com/terms-conditions-of-independent-director>.

At the time of appointment and thereafter at the beginning of each financial year or whenever there is any change in the circumstances which may affect their status, the Independent Directors submit declaration confirming their independence and compliance with various eligibility criteria laid down by the Company among other disclosures and the Company also ensures that its Directors meet the aforesaid eligibility criteria. All such declarations are placed before the Board for its information. All Independent Directors of the Company have registered themselves with the Independent Directors' databank and submitted the declarations with the Company that they are exempt from appearing in the test as required under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, it is confirmed that Independent Directors of the Company fulfill the conditions specified in the Act and Listing Regulations and are independent of the management.

Meeting of Independent Directors

The Independent Directors meet separately at least once in a Financial Year, without the attendance of non-independent Directors and members / representatives of management of the Company. They meet to discuss and form an independent opinion on the agenda items, various other Board-related matters, identify areas where they need clarity or information from management and to annually review the performance of Non-Independent Directors, the Board as a whole and the Chairman appointed for the Board meetings.

During the Financial Year 2020-21, the Independent Directors met once on March 26, 2021.

The Company familiarizes its Independent Directors with

the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc., through various programs.

The Familiarization program imparted to Independent Directors is available on the Company's website at the following web link: <https://www.relaxofootwear.com/other-disclosures>.

3. COMMITTEES OF THE BOARD OF DIRECTORS

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted several Committees of Board with specific terms of reference. The Committees operate as empowered agents of the Board as per their terms of reference that set forth their purposes, goals and responsibilities. Committee members are appointed by the Board with the consent of individual Directors. The Board-level Committees constituted in the Company are:

- i. Audit Committee
- ii. Stakeholder Relationship Committee ("SRC")
- iii. Nomination and Remuneration Committee ("NRC")
- iv. Corporate Social Responsibility ("CSR") Committee
- v. Risk Management Committee ("RMC")

The Company Secretary acts as the Secretary of all the Committees. Detailed terms of reference, composition, quorum, meetings, attendance and other relevant details of these Committees are as under:

I. AUDIT COMMITTEE

As required under Section 177 of the Act, and Regulation 18 read with Part C of Schedule II of Listing Regulations and as a measure for good Corporate Governance and to provide assistance to the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company, an Audit Committee has been constituted. The Audit Committee primarily constitutes a formal and transparent arrangement for accurate financial reporting and strong internal controls. All members of the Audit Committee, including the Chairman, are financially literate.

The terms of reference of the Audit Committee includes all the matters prescribed under the applicable provisions of the Act and Listing Regulations which, inter alia, include the following:

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of subsection 3 of Section 134 of the Act.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Modified opinion(s) in the draft audit report, if any
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- h) Approval or any subsequent modification of transactions of the company with related parties.
- i) Scrutiny of inter-corporate loans and investments.

- j) Valuation of undertakings or assets of the company, wherever it is necessary.
- k) Evaluation of internal financial controls and risk management systems.
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n) Discussion with internal auditors of any significant findings and follow up there on.
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r) To review the functioning of the Whistle Blower mechanism.
- s) Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- t) Reviewing compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 on quarterly basis.
- u) Undertake/ carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as may be assigned by the Board of Directors, from time to time, or as may be stipulated under any law, rule or regulation including Listing Regulations and the Act.

The Audit Committee is empowered, pursuant to the terms of reference, to investigate any activity within its terms of reference and to seek any information it requires from any employee, obtain legal or other independent professional advice and to secure the

attendance of outsiders with relevant expertise, which is considered necessary and reviews other matters also which are referred to it from time to time by the Board or it considers appropriate for discharge of its various functions.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses;
- e) Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
- f) Statement of deviations;
- g) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); and
- h) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

Composition and Attendance

As on March 31, 2021, the Audit Committee comprised of 4 (Four) members namely Mr. Pankaj Shrimali-Chairman of the Committee, Mr. Vivek Kumar, Mr. Nikhil Dua and Mr. Rajeev Rupendra Bhadauria - Members of the Committee.

During the Financial Year under review, the Audit Committee met 4 (Four) times i.e. June 6, 2020, August 1, 2020, October 31, 2020, and January 30, 2021. All the Audit Committee meetings were held within the period of 120 days except the meeting held on June 6, 2020. The delay was due to nationwide lockdown because of Covid-19 pandemic. However, SEBI vide its notification no. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 relaxed the time frame for holding Audit Committee meetings beyond the stipulated period of 120 days.

All the recommendations made by the Audit Committee were accepted by the Board. The composition and attendance of members at the meetings held during the year under review is as follows:

Name of Members	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. Pankaj Shrimali	Chairman	Non-Executive & Independent Director	4	4
Mr. Nikhil Dua	Member	Whole Time Director	4	4
Mr. Rajeev Rupendra Bhadauria	Member	Non-Executive & Independent Director	4	3
Mr. Vivek Kumar	Member	Non-Executive & Independent Director	4	4

Members of the Audit Committee have requisite Financial and Management expertise. The Statutory Auditors and concerned employees of Internal Auditors were invitees to the Audit Committee meetings, whenever required. The Chairman of the Committee was present at the last AGM of the Company held on September 24, 2020 through VC/OAVM. Mr. Vikas Kumar Tak, acts as Company Secretary and Compliance Officer of the Company.

II. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with Regulation 20 of the Listing Regulations and pursuant to provisions of Section 178 of the Act, the Company has constituted Stakeholders' Relationship Committee.

Further, the role of the Committee shall inter-alia include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards

adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Any allied matter out of and incidental to these functions

Composition and Attendance

As on the Financial Year ended March 31, 2021, the Stakeholders' Relationship Committee comprised of 3 (Three) members namely Mr. Vivek Kumar- Chairman of the Committee; Mr. Ramesh Kumar Dua and Mr. Mukand Lal Dua- Members of the Committee.

During the Financial Year under review, the Stakeholders' Relationship Committee met 5 (Five) times i.e. June 6, 2020, July 15, 2020, October 31, 2020, November 30, 2020 and January 13, 2021. The composition and attendance of members at the meetings held during the Financial Year under review is as follows:

Name of Members	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. Vivek Kumar	Chairman	Non-Executive & Independent Director	5	5
Mr. Ramesh Kumar Dua	Member	Managing Director	5	5
Mr. Mukand Lal Dua	Member	Whole Time Director	5	5

Status of total complaints received during the Financial Year ended March 31, 2021:

S. No.	Particulars	No. of Complaints
1	Complaints, suggestions and grievances received during the year	25
2	Complaints resolved within 15 days	25
3	Complaints pending on March 31, 2021	Nil

The Chairman of the Committee was present at the last AGM held on September 24, 2020 through VC/OAVM. Mr. Vikas Kumar Tak, acts as Company Secretary and Compliance Officer of the Company.

Pursuant to the provisions of the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs ("MCA") as amended from time to time, all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more are liable to be transferred to the Investors Education and Protection Fund ("IEPF") established by the Central Government.

In compliance with the aforesaid provisions, during the year the Company has transferred a total of 6,726 (Six Thousand Seven Hundred and Twenty Six) equity shares to the IEPF Authority.

III. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations. The role of the Nomination and Remuneration Committee is as follows:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- (b) Formulation of criteria for effective evaluation of performance of the Board, Independent Directors and other individual directors and review its implementation and compliance thereof.
- (c) Devising a policy on diversity of board of directors.
- (d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- (e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

- (f) Recommend to the Board, all remuneration, in whatever form, payable to Directors, KMP, Senior Management, i.e. salary, benefits, bonus, stock options etc. and determining policy on service contracts, notice period, severance fees for Directors, KMP and Senior Management.
- (g) Reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria.

As required under SEBI (Share based Employee Benefits) Regulation, 2014, the Board has also designated the existing Nomination and Remuneration Committee for ensuring the compliance and to perform all functions and responsibilities stated under the said Regulations and the Committee is also responsible for administering the Stock Option Plan of the Company and determining eligibility of employees for stock options.

Composition and Attendance

As on March 31, 2021 the Committee comprised of 3 (Three) members namely Mr. Pankaj Shrimali- Chairman of the Committee, Ms. Deepa Verma and Mr. Vivek Kumar- Members of the Committee.

The Chairman of the NRC was present at the last AGM held on September 24, 2020.

During the Financial Year under review, the Committee met 4 (Four) times i.e. June 6, 2020, August 1, 2020, October 31, 2020, and January 30, 2021. The composition and attendance of members at the meetings held during the Financial Year under review is as follows:

Name of Members	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. Pankaj Shrimali	Chairman	Non-Executive & Independent Director	4	4
Mr. Vivek Kumar	Member	Non-Executive & Independent Director	4	4
Ms. Deepa Verma	Member	Non-Executive & Independent Director	4	4

Nomination and Remuneration Policy of the Company

The Nomination and Remuneration Policy is also available on the website of the Company at the following link https://www.relaxofootwear.com/media/file/pdf/download_file/nomination--and--remuneration--policy-1607581216.pdf.

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board of Directors, in consultation with Nomination and Remuneration Committee, has formulated a Board evaluation

framework containing inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors including Independent Directors.

The NRC has specified the manner for effective evaluation of performance of Board, its Committee and individual Director including Independent Directors. The Board has carried out evaluation of performance of each of them. The NRC reviews its implementation and ensures the compliances thereof.

Board's functioning was evaluated on various aspects including inter alia degree of fulfillment of key responsibilities, Board structure and composition, role and accountability, management oversight, risk management, culture and communication, frequency and effectiveness of meetings.

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 Chairman appointed for the Board Meetings was also evaluated by all the Directors on the basis of managing relations, leadership, competence and diligence. Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings, guidance/ support to the management outside Board/ Committee Meetings, professional qualifications and prior experience.

The Independent Directors' performance evaluation was carried out by the entire Board excluding the Director being evaluated.

The performance evaluation of the Chairman appointed for the Board Meetings and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

4. REMUNERATION DETAILS

The details of remuneration paid to Executive and Non-Executive Directors during the Financial Year 2020-21 are given below:

i) Executive Directors

The Managing Director and Whole-Time Directors are paid remuneration as per the terms recommended by the Nomination and Remuneration Committee and Board of Directors of the Company and approved by the members of the Company subject to such other statutory approvals as may be necessary. Details of remuneration paid to the Executive Directors in the Financial Year 2020-21 is as follows:

(₹ in Lacs)

Particular	(Managing Director)	(Whole-Time Directors)		
	Mr. Ramesh Kumar Dua	Mr. Mukand Lal Dua	Mr. Nikhil Dua	Mr. Deval Ganguly
Salary	180.00	180.00	85.44	90.07
Commission Payable	1,840.00	1,840.00	-	-
Contribution to Provident Fund	21.60	21.60	4.46	4.71
Perquisite value of Stock Options	-	-	-	27.96
Allowance/ Perquisites	0.40	0.40	3.50	3.59
Performance Incentive	-	-	23.93	19.26
Total	2,042.00	2,042.00	117.33	145.59

- Mr. Ramesh Kumar Dua, and Mr. Mukand Lal Dua, were re-appointed as Managing Director and Whole-time Director of the Company respectively for a period of five (5) years with effect from April 1, 2019 and are related to each other.
- Mr. Deval Ganguly, Whole-Time Director, was re-appointed with effect from November 5, 2018 for a period of three (3) years.
- During the year 8,450 options were vested to Mr. Deval Ganguly and he exercised 6,500 options. The options were vested as per the RFL ESOP, 2014 and details are provided in **Annexure F** of the Board Report.
- Mr. Nikhil Dua, Whole-Time Director was re-appointed with effect from October 1, 2020 for

a period of three (3) years and is related to Mr. Mukand Lal Dua.

- No severance fee is payable to Managing Director and Whole-Time Directors.
- Notice period for the Executive Directors is Three (3) months.

ii) Non-Executive Directors:-

The Company has formulated the criteria of making payments to non-executive Directors and the details of remuneration paid by way of sitting fees to the Non-Executive and Independent Directors for attending Board and its Committees Meetings during the Financial Year ended March 31, 2021 and the number of shares held by the Non-Executive and Independent Directors as on March 31, 2021 are as under:

Name of Directors	Category	Sitting Fees	Commission	Total	No. of shares held
Mr. Pankaj Shrimali	Non -Executive & Independent Director	4.50	2.50	7.00	16,050
Mr. Vivek Kumar	Non -Executive & Independent Director	3.83	2.50	6.33	-
Ms. Deepa Verma	Non -Executive & Independent Director	3.30	2.50	5.80	-
Mr. Rajeev Rupendra Bhadauria	Non -Executive & Independent Director	2.60	2.50	5.10	-

Note: The remuneration to Directors is within the overall limit approved by shareholders.

There were no other pecuniary relationships or transactions of the Non-Executive and Independent Directors vis-à-vis the Company except for the Sitting Fee or the payment of Commission to Non-Executive Directors, within the limits approved by the members and Board of Directors of the Company.

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility ("CSR") Committee which functions according to its terms of reference in accordance with Section 135 of the Act which, inter alia, include:

- Formulate and recommend to the Board, a CSR Policy indicating the activity(ies) to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount to be spent on the CSR activities.
- Monitor the Company's CSR Policy periodically.
- Attend to such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the CSR Committee and is available on the website of the Company at https://www.relaxof footwear.com/media/file/pdf/download_file/corporate--social--responsibility--policy-1607581240.pdf.

The Report on CSR activities for the Financial Year 2020-21 forms a part of the Directors' Report.

Composition and Attendance

As on March 31, 2021, the Committee comprised of 4 (Four) members namely Mr. Ramesh Kumar Dua-Chairman of the Committee, Mr. Mukand Lal Dua, Mr. Pankaj Shrimali and Ms. Deepa Verma- Members of the Committee.

During the Financial Year under review, the Committee met 2 (Two) times on July 31, 2020 and March 26, 2021. The composition and attendance of members at the meetings held during the Financial Year under review is as follows:

Name of Members	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. Ramesh Kumar Dua	Chairman	Managing Director	2	2
Mr. Mukand Lal Dua	Member	Whole Time Director	2	2
Mr. Pankaj Shrimali	Member	Non -Executive & Independent Director	2	2
Ms. Deepa Verma	Member	Non -Executive & Independent Director	2	2

V. RISK MANAGEMENT COMMITTEE

In compliance with the Regulation 21 to the Listing Regulations, the Company has constituted Risk Management Committee.

The role of Risk Management Committee is to focus on risk management including determination of Company's risk appetite, risk tolerance, risk assessments (risk identification, risk evaluation, risk management and mitigation) etc. including cyber security. The risk management policy is available at the website of the Company at https://www.relaxof footwear.com/media/file/pdf/download_file/risk-management--policy-1607581048.pdf.

As on March 31, 2021, the Committee comprised of 5 (Five) members namely Mr. Ramesh Kumar Dua-Chairman of the Committee, Mr. Deval Ganguly, Mr. Pankaj Shrimali, Mr. Ritesh Dua and Mr. Sushil Batra- Members of the committee.

During the Financial Year under review, the Committee met 2 (Two) times on June 5, 2020 and March 8, 2021. The attendance of each member at the meeting held during the Financial Year under review is as follows:

Name of Members	Designation	Category	No. of Meetings held	No. of Meetings attended
Mr. Ramesh Kumar Dua	Chairman	Managing Director	2	2
Mr. Deval Ganguly	Member	Whole Time Director	2	2
Mr. Pankaj Shrimali	Member	Non-Executive & Independent Director	2	2
Mr. Ritesh Dua	Member	Executive Vice President (Finance)	2	2
Mr. Sushil Batra	Member	Chief Financial Officer	2	2

7. VENUE & TIME OF ANNUAL GENERAL MEETINGS

The last 3 (Three) AGMs of the Company were held within the statutory time period and the details of the same are reproduced herein below:

Year	Venue	No. of Special Resolution	Day and Date	Time
2019-20	AGM held through Video Conferencing ("VC") / Other Audio Visual Means ("DAVM"), due to COVID-19 pandemic in compliance with various circulars issued by MCA and SEBI.	5	Thursday, September 24, 2020	10.30 a.m.
2018-19	Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi-110 003	2	Thursday, September 26, 2019	10.30 a.m.
2017-18	-- do --	7	Thursday, September 27, 2018	10.30 a.m.

8. EXTRA ORDINARY GENERAL MEETING

During the Financial Year 2020-21, no Extra Ordinary General Meeting was held.

9. POSTAL BALLOT

No special resolution was passed through postal ballot during the last year.

Whether any Special Resolution is proposed to be passed through Postal Ballot

No Special Resolution was passed through Postal Ballot during the Financial Year and no resolution is proposed to be passed through Postal Ballot.

10. DISCLOSURES

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of your Company at large

During the Financial Year 2020-21, there was no materially significant related party transaction entered into by the Company that may have potential conflict with the interests of your Company at large.

All transactions entered into with related parties as defined under the Act and the Listing Regulations during the Financial Year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Act.

None of the transactions with any of the related parties were in conflict with the interest of the Company rather, they synchronize and synergies with

the Company's operations. Attention of members is drawn to the disclosure of transactions with the related parties set out in note no. 39 of the Financial Statements, forming part of the Annual Report.

The required statements / disclosures, with respect to the related party transactions, are placed before the Audit Committee /Board, on quarterly basis in terms of Regulation 23(3) of the Listing Regulations and other applicable laws for approval / information. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive in nature. The Company does not have any subsidiary. The Board of Directors has formulated a Policy on dealing with related parties, pursuant to the provisions of the Act and the Listing Regulations. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties. The Policy is posted on the website of the Company at https://www.relaxofootwear.com/media/file/pdf/download_file/policy-on-materiality-of-related-party-transactions-1607581151.pdf.

b) Disclosure of Accounting Treatment

The Company has followed all relevant Indian Accounting Standards (Ind-AS) while preparing the Financial Statements.

c) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory

authority, on any matter related to capital markets, during the last three years

There has not been any non-compliance by the Company and no penalties or strictures have been imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. The Company has complied with applicable rules and regulations prescribed by Stock Exchange, SEBI or any other statutory authority relating to Capital Market.

All Returns/Reports were filed within stipulated time with the Stock Exchanges / other authorities.

d) Vigil Mechanism/ Whistle Blower Policy

In accordance with the requirement of Section 177 of the Act read with the Rules made thereunder and Regulation 22 of Listing Regulations, the Company has formulated a 'Vigil Mechanism / Whistle Blower Policy' which provides a tool to the Directors and Employees of the Company to report genuine concerns including unethical behavior, actual or suspected fraud or violation of the Code of Conduct or Policy. The Policy also provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism and direct access to the Chairperson of the Audit Committee in exceptional cases. The Audit Committee reviews the functioning of Whistle Blower Mechanism. The Whistle Blower Policy is available at the website of the company at following link https://www.relaxofootwear.com/media/file/pdf/download_file/vigil---mechanism---policy-1607580776.pdf. It is affirmed that no personnel of the Company has been denied access to the audit committee.

e) Compliance of Regulation 27 of the Listing Regulations

The Company has complied with the mandatory requirements specified in Regulation 17 to 27 & clause 'b' to 'i' of sub-regulation (2) of Regulation 46 of the Listing Regulations and Quarterly compliance report on Corporate Governance, in the prescribed format duly signed by the compliance officer, is submitted quarterly with the Stock Exchanges where the shares of the Company are listed. The Company has also complied with relevant para of Schedule V of Listing Regulations on Corporate Governance.

f) Compliance of Mandatory and Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of relevant regulations and schedules of the Listing Regulations, relating to Corporate Governance. In addition to the mandatory requirements, the Company has also adopted

the following non-mandatory requirements i.e. Regulation 27(1) read with Part E of Schedule II of the Listing Regulations:

i. Modified opinion(s) in the audit reports

The Auditors of the Company have issued Audit Reports with unmodified opinion on the financial statements for the year ended March 31, 2021.

ii. Reporting of Internal Auditors

Internal Auditors directly report to the Audit Committee.

g) Policy for Prevention of Insider Trading

With a view to prevent trading of shares of the Company by an insider on the basis of unpublished price sensitive information, the Board has approved Policy for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Under the Policy, insiders are prohibited to deal in the Company's shares while in possession of unpublished price sensitive information of the Company.

The Company follows highest standards of transparency and fairness in dealing with all stakeholders and ensures that no insider shall use his or her position with or without knowledge of the Company to gain personal benefit or to provide benefit to any third party.

h) Commodity price risk and Commodity hedging activities

Your Company does not deal in commodities and hence the disclosure as required under Listing Regulations is not applicable. During the Financial Year 2020-21, Company had foreign exchange exposure towards the working capital loans, import and export. However, the Company as a policy, hedges major part of the import and export transactions.

i) Policy for Determining Material Subsidiaries Companies

The Company does not have any subsidiary, therefore, there is no policy for determining material subsidiaries companies.

j) Details of utilization of funds raised through preferential allotment or qualified institutional placements as specified under Regulation 32 (7A)

No allotment of shares was made through preferential

allotment or qualified institutional placements as specified under Regulation 32 (7A) of the Listing Regulations.

k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

The total fee paid to statutory auditor is given in note no. 42 of Financial Statements.

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

As per the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), your Company has a robust mechanism in place to redress complaints reported under it. Status of Complaints during the year are as follows:-

- a. number of complaints pending at the start of the Financial Year- Nil
- b. number of complaints filed during the Financial Year- Nil
- c. number of complaints disposed of during the Financial Year- Nil
- d. number of complaints pending as on end of the Financial Year- Nil

m) Certificate from Practicing Company Secretary:

Your Company has obtained a certificate from a company secretary in practice that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority in accordance with Listing Regulations. The copy of the same is enclosed with this report.

- n)** All the recommendations of Board Committees have been accepted by the Board of Directors during the year.

11. RECONCILIATION OF SHARE CAPITAL

A qualified Practicing Company Secretary carried out quarterly examination of Secretarial Records to reconcile the total admitted share capital with NSDL and CDSL and the total issued and listed capital. The audit confirmed that the total issued /paid-up capital was in agreement with the aggregate of total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

12. CODE OF CONDUCT

The Company has framed and adopted a Code of Conduct ("Code") for all the Board members and Senior Management Personnel of the Company. The Code is available on the Company's website i.e. www.relaxof footwear.com. The Code is applicable to all Board members and Senior Management Personnel. The Code is circulated to all the Board Members and Senior Management personnel and its compliance is affirmed by them annually.

A declaration signed by Mr. Ramesh Kumar Dua, Managing Director of the Company, regarding affirmation of the compliance with the Code by Board members and Senior Management for the Financial Year ended March 31, 2021, is enclosed with this report.

13. MEANS OF COMMUNICATION

The Company ensures timely disclosure of all corporate financial information and other details relevant to the members of the Company.

Publication of financial results:

During the Financial Year, Company's quarterly and half-yearly financial results were published in the following two newspapers:

Economic Times (in English Language); and
Navbharat Times (in Hindi Language).

The Company availed the option provided by SEBI vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 15, 2020 for not publishing the annual audited results for FY20 in newspapers due to Covid-19 restrictions. However, the results were filed with the Stock Exchanges and uploaded on the website of the Company. i.e. www.relaxof footwear.com.

News releases, presentations to Institutional Investors or to the Analysts: Official news releases, official media releases and presentation to institutional investors and analysts are sent to stock exchanges and uploaded on the Company's website i.e. www.relaxof footwear.com.

NSE Electronic Application Processing System (NEAPS)/ BSE Corporate Compliance & Listing Centre: The NEAPS/ BSE Listing Centre is a web-based application designed for corporates. All periodical compliance filings, like shareholding pattern, Corporate Governance Report, financial results, media releases and other material information are also filed electronically on the designated portals.

Website: Upto date financial results, annual reports, shareholding patterns, official news releases, financial analysis reports, latest presentation made to the institutional investors and other general information about the Company are available on the Company's website www.relaxof footwear.com.

14. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting

Date : August 26, 2021

Day : Thursday

Time : 10.30 a.m.

Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular bearing no. 20/2020 dated May 5, 2020 and 02/2021 dated January 13, 2021 and accordingly there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

b) Financial Year

The Company follows April to March as its Financial Year i.e. April 1, 2020 – March 31, 2021. The results for every quarter, beginning from April, will be declared

f) Listing on Stock Exchanges:

Name and address of the Stock Exchange	Scrip Code	Status of listing fee paid for the FY 2021-22
National Stock Exchange of India Limited Exchange Plaza C-1, Block - G, Bandra-Kurla Complex, Bandra (E) Mumbai-400 051	RELAXO	Paid
BSE Limited Phirozee Jeejeebhoy Towers, Dalal Street, Mumbai-400001.	530517	Paid

g) Market Price Data

Table showing monthly price movement on BSE & NSE during the Financial Year 2020-21:

(in ₹)

Month & Year	BSE			NSE		
	High	Low	Close	High	Low	Close
Apr-20	649.05	570.00	634.80	649.00	570.35	635.80
May-20	688.90	580.75	675.95	688.80	580.55	676.55
Jun-20	781.00	618.40	633.00	785.00	625.25	633.35
Jul-20	673.95	578.20	596.25	675.00	578.00	595.20
Aug-20	671.65	585.00	654.65	672.00	589.50	655.40
Sep-20	692.85	610.05	666.25	692.95	610.00	666.65
Oct-20	685.90	646.45	661.55	685.80	645.00	660.40
Nov-20	755.00	655.10	737.85	756.90	655.00	737.60
Dec-20	815.70	706.80	811.20	815.00	715.45	809.70
Jan-21	927.65	810.35	823.45	928.00	808.75	823.70
Feb-21	903.95	818.00	854.55	903.50	817.05	854.85
Mar-21	918.85	810.00	874.15	918.90	821.00	876.40

within 45 days of the end of quarter, except for the last quarter, which will be submitted, along with the annual audited results within 60 days of the end of the last quarter or such extended date prescribed by SEBI from time to time.

c) Book Closure Date:

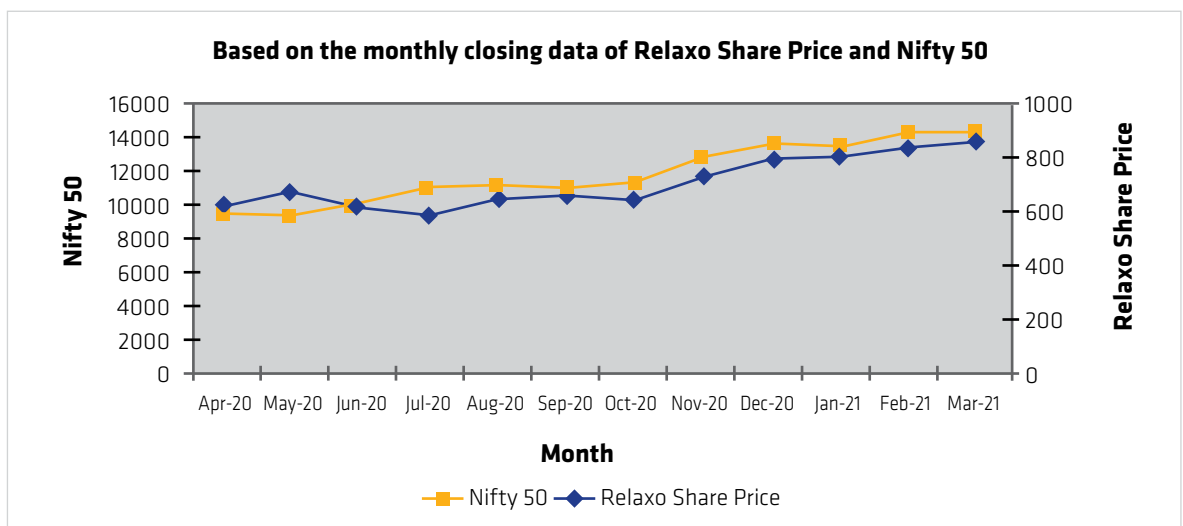
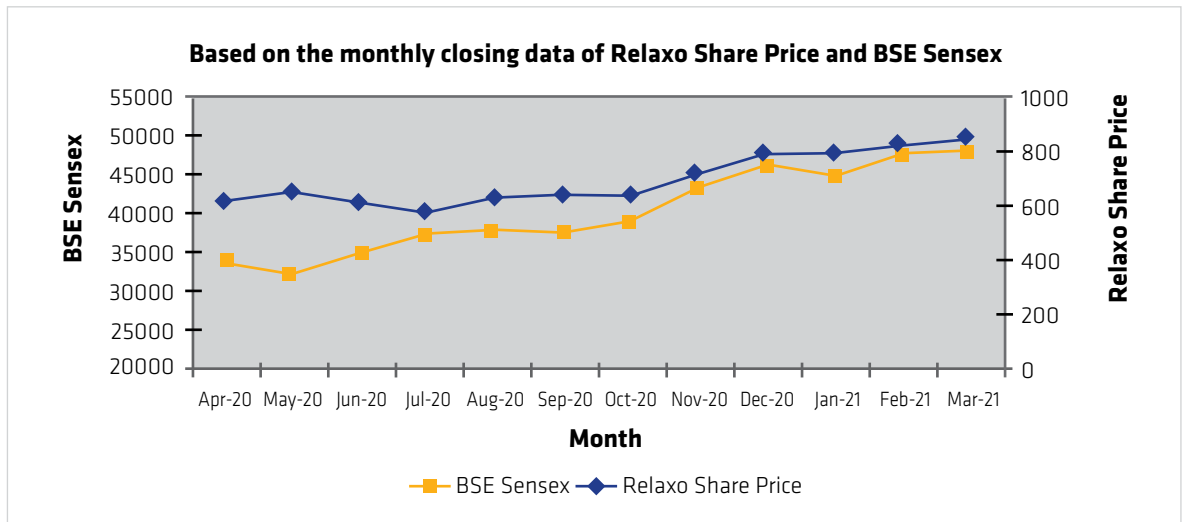
Friday, August 20, 2021 to Wednesday, August 25, 2021 (both days inclusive).

d) Dividend Payment Date:

On or before September 24, 2021 (subject to approval of shareholders in AGM).

e) Registered Office:

Aggarwal City Square, Plot No. -10 Manglam Place, District Centre, Sector-3 Rohini, Delhi -110085, Tel.: 011- 46800600, 46800700.



h) Registrar and Share Transfer Agent (RTA): Securities and Exchange Board of India (SEBI), has made it mandatory for all the listed companies that all the work relating to share transfer / registry, physical and demat registry work, to be handled either wholly 'in house' by companies or wholly by a SEBI registered external Registrar and Share Transfer Agent. The Company has appointed M/s. Kfin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited.) as the Registrar and Share Transfer Agent of the Company. As required under Regulation 7(3) of the Listing Regulations, the Company files, on half yearly basis, certificate issued by RTA and compliance officer of the Company certifying that all activities in relation to both physical and electronic share transfer facility are maintained by RTA registered with SEBI i.e. KFin Technologies Private Limited. Detail of the Registrar and Share Transfer Agent of the Company is given below:-

M/s. Kfin Technologies Private Limited (formerly Karvy Fintech Private Limited)

Karvy Selenium Tower B, Plot 31-32, Financial District Gachibowli, Hyderabad, Telangana - 500 032,

Email : einward.ris@kfin.com

website: www.kfintech.com

Phone: 040 - 67162222 & 33211000

i) Share Transfer System

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions. Although transmission

of shares in physical form is allowed. The details of transmission are placed before the Stakeholder Relationship Committee from time to time for noting and confirmation.

Pursuant to Regulation 40(9) & 40(10) of the Listing Regulations, Certificate on half yearly basis

confirming due compliance with all pending Share Transfer formalities by the Company and Certificate for timely dematerialization of shares as per SEBI (Depositories and Participants) Regulations, 1996, have been submitted with stock exchanges.

j) Distribution Pattern as on March 31, 2021:

i) Shareholding pattern (in form of size):

S. No.	No. of Equity Shares held	2021				2020			
		No. of Share holders	% of total Share-holders	No. of Shares held	% of total Shares	No. of Share holders	% of total Share-holders	No. of Shares held	% of total Shares
1	1-5000	1,25,009	99.51	1,01,76,487	4.10	69,954	99.10	84,95,472	3.42
2	5001- 10000	306	0.24	22,30,151	0.90	319	0.45	23,34,431	0.94
3	10001- 20000	135	0.11	19,66,484	0.79	131	0.19	19,07,627	0.77
4	20001- 30000	42	0.03	10,42,830	0.42	39	0.05	9,71,925	0.39
5	30001- 40000	27	0.02	9,75,394	0.39	22	0.03	7,87,265	0.32
6	40001- 50000	10	0.01	4,41,411	0.18	19	0.03	8,72,213	0.35
7	50001- 100000	27	0.02	18,50,495	0.74	35	0.05	24,72,014	1.00
8	100001 & Above	72	0.06	22,97,58,849	92.48	72	0.10	23,04,05,489	92.81
	Total	1,25,628	100.00	24,84,42,101	100.00	70,591	100.00	24,82,46,436	100.00

ii) Shareholding pattern (in form of Ownership Category):

S. No.	Category	2021				2020			
		No. of Share-holders	% of total Share-holders	No. of Shares held	% of total Shares	No. of Share-holders	% of total Share-holders	No. of Shares held	% of total Shares
1	Promoters	12	0.01	17,61,94,906	70.92	12	0.02	17,61,94,906	70.98
2	Bodies corporate	602	0.48	2,64,04,419	10.63	612	0.87	2,83,95,902	11.44
3	Resident individuals	1,20,658	96.04	1,48,29,023	5.97	67,156	95.13	1,45,79,675	5.87
4	H U F	975	0.78	6,45,900	0.26	641	0.91	3,96,951	0.16
5	Clearing Members	191	0.15	1,23,295	0.05	170	0.24	2,97,968	0.12
6	Non-resident Indians	2,927	2.33	14,02,210	0.56	1,780	2.52	13,97,633	0.56
7	Foreign Portfolio Investors	93	0.07	96,32,742	3.88	79	0.11	73,29,706	2.95
8	Others	170	0.14	1,92,09,606	7.73	141	0.20	1,96,53,695	7.92
	Total	1,25,628	100.00	24,84,42,101	100.00	70,591	100.00	24,82,46,436	100.00

The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments

k) Dematerialization of Shares:

The Company's shares are compulsorily traded in Dematerialized form and are available for trading with both the Depositories:

- National Securities Depository Limited ("NSDL")
- Central Depository Services (India) Limited ("CDSL")

The shareholders can hold the Company's shares with any of the depository participants, registered with these

depositories. ISIN for the Company's shares is INE131B01039. The Company's equity shares are frequently traded at the BSE Limited and National Stock Exchange of India Limited.

The details of shares of the Company in demat and physical forms, as on March 31, 2021, is given below:

Particulars	No. of Shares	% of Paid up Capital	No. of Shareholders
National Securities Depository Limited (a)	24,28,52,275	97.75	45,946
Central Depository Services (India) Limited (b)	49,43,666	1.99	79,528
Shares in Demat Form (a+b)	24,77,95,941	99.74	1,25,474
Shares in Physical Form (c)	6,46,160	0.26	154
Total (a+b+c)	24,84,42,101	100.00	1,25,628

l) Investors Correspondence:

All enquiries, clarifications and correspondence should be addressed to the Compliance Officer at the following address:

Vikas Kumar Tak, Company Secretary & Compliance Officer / Nodal Officer,
Relaxo Footwears Limited
Aggarwal City Square, Plot No. -10, Manglam Place, District Centre, Sector-3 Rohini Delhi -110085
E-mail: cs@relaxofootwear.com

The Company addresses all complaints, suggestions, grievances and other correspondence expeditiously and replies are sent usually within 7-10 days except in case of other impediments. The Company endeavours to implement suggestions as and when received from the investors. During the year under review, a total of 25 investors' complaints were received and all complaints were resolved.

m) Plant Locations

Location of Plants of the Company is given below :

- **RFL-I & II** - 326-327, MIE, Bahadurgarh, Haryana
- **RFL-III** - A-1130 & 1130 (A), RIICO Industrial Area, Phase-III, Bhiwadi, Rajasthan
- **RFL-IV** - 30/3/2, Mooja Hasanpur, Tikri Border Bahadurgarh, Haryana
- **RFL-V** - 83-92, SIDCUL Industrial Area, BHEL, Haridwar, Uttarakhand
- **RFL-VI** - 342-343, Footwear Park, Industrial Estate, Sector-17, Bahadurgarh, Haryana
- **RFL-VII** - 328-329, MIE, Bahadurgarh, Haryana
- **RFL-VIII** - 37, Sector 4B, Bahadurgarh, Haryana
- **RFL-IX** - Plot No. SP - 6 & 7 Kaharani, Bhiwadi Extn Rajasthan

n) Corporate Identity Number (CIN): L74899DL1984PLC019097

o) Per Share Data:

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Net Earning (₹ in Crore)	291.56	226.25	175.44	161.07	119.95
Cash Earning (₹ in Crore)	401.58	335.67	237.85	215.41	171.41
EPS-Basic (in ₹)	11.74	9.12	7.07*	13.40	9.99
Dividend (including Interim Dividend per share) (in ₹)	2.50	1.25	0.90*	1.50	1.00
Dividend Pay out (%)	21.29	13.71	12.72	11.19	10.01
Book Value Per Share (in ₹)	63.29	51.26	89.08	63.25	50.48
Face value Per Share (in ₹)	1.00	1.00	1.00	1.00	1.00

* Post bonus

p) There were no outstanding ADRs/GDRs/Warrants or any other convertible instruments, conversions date and likely impact on equity during the year under review.

q) Credit Rating

During the Financial Year 2020-21, ICRA has reaffirmed Long term rating of the Company to [ICRA] AA (pronounced as ICRA Double A) with Stable outlook.

During the year, ICRA has reaffirmed short term rating of the Company as [ICRA] A1+ (pronounced as ICRA A one plus). which is the highest rating for the product.

Your Company has observed that there will not be any requirement for Commercial Paper in near future therefore your Company has requested ICRA to discontinue the rating for Commercial Paper. ICRA has on the request of Company withdrawn the rating assigned to Commercial Paper vide its letter dated August 25, 2020 and also taken a note that there is no amount outstanding against the Commercial Paper as on date.

r) Transfer of unclaimed amount to Investors Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124, 125 and other relevant rules of the Act, the dividend declared by the Company which remain unpaid/unclaimed for a period of seven years shall be transferred by the Company to Investor Education and Protection Fund established by the Central Government.

During the year under review, the Company has deposited unclaimed dividend amounts of ₹ 1,35,062/- from the Final Dividend for the year 2012 - 13 due for transfer to IEPF.

The details of disclosure with respect to unclaimed demat suspense account is provided in point no. 46 of the Directors Report.

s) During the Financial Year 2020-21, Company had foreign exchange exposure towards the working capital loans, import and export. However, the Company has hedged major part of the import and export transactions.

t) Other useful information for the shareholders:

- i) Equity Shares of the Company are under compulsory demat trading. To avail the advantage of scripless trading, Shareholders are advised to consider dematerialization

of their shareholding so as to avoid inconvenience in future.

- ii) Members/Beneficial owners are requested to quote their Folio No./ D.P. & Client ID Nos. as the case may be, in all correspondence with the Company.
- iii) In case of loss/misplacement of shares, a complaint shall be lodged with the Police Station and an intimation shall be sent to the Company along with original or certified copy of FIR/acknowledgement of the Complaint.
- iv) Beneficial owners of shares, in demat form, are advised that in terms of the Regulations of NSDL & CDSL, their Bank Account details, as furnished to the Depository Participants ("DP") will be printed on their Dividend Warrants. The Company will not entertain requests for change of such bank details printed on their dividend warrants.
- v) Members holding shares in physical form, are requested to notify to the Company, change in their Address/Pin Code Number and Bank Account details promptly.
- vi) Beneficial owners of shares in demat form, are requested to send their instructions regarding change of address, bank details, nomination, power of attorney etc. directly to their DP as the same are maintained by them.
- vii) Section 72 of the Act extends nomination facility to individuals holding shares in physical form in Companies. Members, in particular those holding shares in single name, may avail of the above facility by furnishing the particulars of their nomination in the prescribed Nomination form.

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director
DIN: 00157872

Mukand Lal Dua
Whole Time Director
DIN: 00157898

Delhi
May 20, 2021

CEO / CFO CERTIFICATION

To
The Board of Directors
Relaxo Footwears Limited

Subject: CEO and CFO Certification

We Ramesh Kumar Dua, Managing Director and Sushil Batra, Chief Financial Officer of Relaxo Footwears Limited, certify that:

1. We have reviewed financial statements and the cash flow statements for the Financial Year ended on 31st March, 2021.
2. To the best of our knowledge and information:
 - i) these statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions, entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee.
 - i) Significant changes in internal control over financial reporting during the year, if any;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
 - iii) Instances of fraud, whether or not significant, of which we have become aware and the involvement thereto, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Delhi
Date: May 20, 2021

Ramesh Kumar Dua
Managing Director
DIN: 00157872

Sushil Batra
Chief Financial Officer

DECLARATION

I hereby confirm that the Company has received from all the members of the Board and Senior Management, for the financial year ended 31st March, 2021, a confirmation that they are in compliance with the Company's Code of Conduct.

Place: Delhi
Date: May 20, 2021

Ramesh Kumar Dua
Managing Director
DIN: 00157872

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Relaxo Footwears Limited
Aggarwal City Square, Plot No. 10, Manglam Place,
District Centre, Sector-3, Rohini,
Delhi-110085

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Relaxo Footwears Limited having CIN L74899DL1984PLC019097 and having registered office at Aggarwal City Square, Plot No. 10, Manglam Place, District Centre, Sector-3, Rohini, Delhi-110085, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment / Re-appointment
1.	Ramesh Kumar Dua	00157872	13/09/1984
2.	Mukand Lal Dua	00157898	13/09/1984
3.	Nikhil Dua	00157919	22/02/1997
4.	Deval Ganguly	00152585	05/11/2012
5.	Vivek Kumar	00206819	30/01/2007
6.	Pankaj Shrimali	00013142	29/05/2010
7.	Deepa Verma	06944281	18/09/2014
8.	Rajeev Rupendra Bhadauria	00376562	23/08/2019

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Delhi
Date : April 26, 2021

CS Baldev Singh Kashtwal
Membership No.: 3616
C. P. No. : 3169
ICSI-UDIN : F003616C000183631

MANAGEMENT DISCUSSION & ANALYSIS

This report contains statements that are the Company's beliefs and may be considered to be "Forward Looking Statements" that describe our objective, plans or goals. All these forward looking statements are subject to certain risks and uncertainties, including, but not limited to, government action, local & global political or economic developments, changes in legislation, technology, risk inherent in the Company's growth strategy, dependence on certain suppliers and other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements.

These forward looking statements included in this report are made only as on the date of this report and we undertake no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.

Industry structure and developments

India is the second largest footwear manufacturer in the world with 9% of the annual global production of 22 billion pairs. Presently about 90% of the footwear produced in India is consumed by the domestic market and the rest is exported. India's consumption stands at ~2.1 billion pairs and is third largest globally after China and USA.

Increasing consumer preference for brands and a bent towards premium products will be facilitating growth in the forecast period for Indian footwear market. Coupled with a dynamic lifestyle, evolving purchase habits and impact of social media, rapid changes have come about in fashion trends, influencing footwear industry as well. Increasing awareness towards fitness and well-being has only further spurred footwear styling and growth, more so in the branded segment.

Rising disposable income is edging individuals up the value chain promoting occasion based purchases, leading to emergence of new product segments, differentiated by aesthetics, performance and price, be it shoes, sandals or even basic slippers, driving industry leaders to continually innovate their offerings fuelling growth in every category.

Unlike most global markets, the Indian footwear market is skewed towards men with the segment commanding nearly 60% share vis-à-vis a global average of 40%. However, improved education and employment opportunities and the resultant economic empowerment for women has substantially augmented demand of trendy and stylish footwear among women of all age groups and is likely to lead to disproportionately higher growth in the women's footwear market.

Increased internet access and evolving digital technologies has created a new class of consumers- more aware, ambitious and early adopters- driving the change in Indian footwear industry.

The companies too, are quick to spot this emerging segment and have adapted their strategies and earmarked significant investments to tap this market. A perfect interface has been enabled with the emergence of online market places and support infrastructure for logistics and billing. Further, availability of big data and advanced analytics has enabled companies to access invaluable information about consumer behaviour, useful for product development and strategic marketing planning. Omni channel presence is the new buzz word, and companies are rushing to reap this trend. For consumers, all this translates into a bonanza of greater availability, convenience and price optimisation, helping them in taking informed shopping decisions.

It is expected that the market for footwear will grow on the back of the rise of middle-income group and increase in literacy rate. Further, active participation in the workforce, supported by ever-growing population and urbanization in the country will fuel market growth. Additionally, this evolution has led to a spurt in demand from tier 2 cities and below, opening up newer markets for the footwear industry. Several leading global fashion and lifestyle brands have started betting big on small cities of India. Nearly a third of future consumption in footwear is expected to come from the aspirational consumers in these markets.

The unexpected halt caused by Covid-19 pandemic across global economies including India, led to a slowdown in the footwear industry as well, impacting its performance during Financial Year 20-21. The temporary shutdown of retail outlets across the country significantly impacted the revenues for Financial Year 2020-21 vis-à-vis Financial Year 2019-20. While the lockdown measures have been eased, the shift in the lifestyle in comparison to the pre-pandemic times cannot be ignored. Though the e-commerce space is gaining attention of the consumers, the markets may still take time to revive to its earlier potential.

Opportunities and challenges

Opportunities:

The Indian footwear market is under penetrated with per capita consumption of only ~1.7 pairs per annum against a global average of 3 pairs, while the developed countries average around 6-7 pairs. With rising disposable incomes and emergence of fashion conscious and aspirational consumers, the Indian footwear market is well positioned to achieve double digit growth over the next few years.

Footwear, being a labour intensive industry, also presents a unique 'social' opportunity with a potential to generate significant employment over next few years.

Abundant raw material and cost efficient skilled labour, provide a distinct competitive advantage to Indian footwear manufacturers

over their international peers, enabling them to tap the huge domestic market. Given the right market access and incentives, the industry is well poised to even target global markets and transform India into an export hub for footwear.

On consumption front, growing consciousness among consumers about the latest trends in India as well as other developing countries, provides the Indian footwear industry with significant opportunities. Demographic changes with smaller cities gaining momentum in terms of business and development make way for a whole set of new ventures to be explored in such tier II and tier III cities. Consumers are now seeking fashion and style more and more in their footwear of choice with the functional benefits of comfort and durability being a given and an increasing interest in fitness and wellbeing have only added further to this transition.

Indian Government's strategy of creating an 'Atmanirbhar Bharat' will encourage Indian producers and manufactures across industries to expand existing businesses and initiate new ventures with a make in India focus. Better infrastructure and conducive State policies towards e-commerce as well as greater acceptance among consumers has created a whole new marketing channel for footwear industry, giving access to hitherto untapped market potential.

Challenges:

A large section of the footwear industry is of unorganised nature and offers a strong price competition to those dealing in branded products, forcing them to rely on innovative and technology enabled solutions to market their products.

The outbreak of Covid-19 Pandemic has caused unexpected economic impact worldwide and footwear industry is no exception. Despite the subsequent ease of restrictions, the business landscape is far from normal with people still hesitant to step out. With greater incidence of remote working and setting in for work from home culture, consumption patterns have undergone a change impacting both product mix and volumes in footwear industry in the past one year. Growth in retail business is likely to remain subdued at least in near future before normalcy resumes.

Risks and Concerns

Economic and political factors, both national and global, that are beyond control, and factors force majeure' may directly affect performance of the Company as well as the footwear industry.

These factors include interest rates and its impact on availability of retail space, rate of economic growth, fiscal and monetary policies of governments, inflation, deflation, consumer credit availability, consumer debt levels, tax rates and policy, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, pandemics, and other matters that influence consumer confidence and spending.

The Company is subject to risks arising from material price

and exchange rate fluctuations which may adversely affect our financial performance.

During the normal course of business, the competition is ever increasing from domestic and international brands. The availability and retention of talent, tackling counterfeit goods, product quality management, innovation and new product development, rapidly changing consumer preferences, impact of strategic and marketing initiatives, data security etc. may affect your Company. Relaxo has 8 (eight) state of art manufacturing units and normal challenges of labour management, technological developments, etc. are, nonetheless, risks faced by your Company.

Your Company monitors its major risks and concerns at regular intervals. Appropriate steps are taken in consultation with all the concerned including the Risk Management Committee and the Audit Committee of the Board to identify and mitigate such risks.

The Covid-19 impact

The impact of pandemic started in India in late February 2020 and after the nationwide lockdown in March 2020, it had an adverse impact on both consumer and trade sentiment as well as purchasing power majorly in the first quarter of FY21.

The economic impact in the Financial Year 2020-21 due to Covid-19 pandemic in India has been largely disruptive. Under complete lockdown, your Company had to suspend operations for the month of April 2020 in the current Financial Year leading to substantial revenue loss. Your Company re-started operations in May 2020 in a restricted manner and majority of the operations were functional by mid of June 2020. With continuing restrictions on sale of non-essential (footwear) products in several markets for a major part of Q1 FY21, the first half year performance of your company was adversely affected. However, in tandem with the gradual unlock process, revenues started improving and your Company clocked ₹ 2359.15 Crore in FY21 despite an inhibiting business environment.

However, the negative sentiment and impact of Covid-19 is expected to remain for some time. Your Company, with four decades of experience in manufacturing and marketing of footwear, is better placed than its peers to counter these uncertain times.

Internal Control System and its adequacy

A separate paragraph on internal control systems and its adequacy has been provided in the Director's Report.

Human Resources/Industrial Relation

Over the last year, HR has taken various initiatives for employee benefit and retention. The detailed information is provided at point no. 3 of the Director's Report. The relationship of your Company with employees has been cordial during the year.

As on March 31, 2021, the total number of employees of the Company is 8,229 against 6,254 on March 31, 2020.

Financial Performance of the Company

During the Financial Year 2020-21, your Company achieved a turnover of ₹ 2,359.15 crores and profit of ₹ 291.56 crores. Detailed report on financial performance of the Company is provided in point no. 1, 2 & 3 of the Director's Report.

The Board have recommended a final dividend @ 250% equivalent to ₹ 2.50/- per equity share of ₹ 1/- each fully paid up for the Financial Year 2020-21.

The capital expenditure incurred during the Financial Year 2020-21 amounted to ₹ 101.36 Crore as compared to ₹ 94.77 Crores in Financial Year 2019-20. The capital expenditure was in line with the growth strategy of the Company and was funded through internal accruals.

The Company has no term loan outstanding as on March 31, 2021.

The Company has only one segment i.e. 'Footwear and related products' and the performance is already captured in point no. 2 & 3 of the Directors Report and Financial Statements.

Details of Significant changes in Key financial ratios along with explanation

In compliance with the requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations'), the key financial ratios along with explanation for significant changes (i.e. changes of 25% or more as compared to the immediately preceding financial year) has been provided hereunder:

S. No.	Particulars	UOM	2020-21	2019-20
1	Debtors Turnover	Times	13.35	12.22
2	Inventory Turnover	Times	3.51	3.49
3	Interest Coverage Ratio	Ratio	23.90	18.29
4	Current Ratio	Ratio	2.40	1.91
5	Debt Equity Ratio	Ratio	-	0.02
6	Operating Margin i.e. EBITDA	%	21.00	16.97
7	Net Profit Margin	%	12.36	9.39
8	Return on Net worth	%	20.50	19.03

The outstanding loans have been reduced to NIL and working capital utilization during the year has been reduced considerably, so interest coverage ratio and debt equity ratio have improved during FY21. The cash flow of the Company has improved due to cost control measures and benign raw material prices so net profit margin and current ratio has improved for FY21.

Outlook

Basis the socio economic climate and the strategic measures enumerated above, your Company is well placed to meet the emerging market needs in future. Footwear industry has been recognised by the Government of India as a focus sector in the 'Make in India' mission. Your Company is well placed with cluster of its manufacturing units to take advantage of such situation.

With footwear evolving from a functional requirement in day-to-day life to a symbol of fashion and style, it is necessary for the players to align their strategies to come up to the expectations of the modern consumer.

Aggressive marketing strategies adopted by your Company over time have placed its brands in a position of leadership in their category, not only making the products more aspirational but also creating a significant barrier for competition. Coupled with a proactive approach towards the key drivers of manufacturing, supply chain and distribution your Company has kept abreast of changing consumer expectations.

Covid-19 pandemic is far from over and continues to impact the prospects of footwear market in the short term. The launch of vaccines and a greater awareness about following a Covid-19 appropriate behaviour is likely to arrest the pace of infections but a lax attitude among the masses may bring in severe recurrent waves which would adversely affect the industry.

BUSINESS RESPONSIBILITY REPORT

About Relaxo

Relaxo Footwears Limited (Relaxo / Company) is the largest footwear manufacturing company in India, which deals in non-leather products i.e. rubber / EVA / PU slippers, canvas/ sport / school shoes, sandals, etc. A Fortune 500 (India) company, synonymous with quality products & affordable prices, it manufactures slippers, sandals and sports & casual shoes, at its 8 state of the art manufacturing facilities, five in Bahadurgarh (Haryana), two in Bhiwadi (Rajasthan) and one in Haridwar (Uttarakhand). It has a portfolio of brands including major brands like Relaxo, Flite, Sparx and Bahamas. Having a pan India distribution footprint, Relaxo also operates around 400 strong network of own retail outlets, with availability on all major e-commerce portals as well. Relaxo has sustained to maintain its leadership in the footwear sector in India.

About Business Responsibility Report

The Securities and Exchange Board of India (SEBI) has mandated the top 1,000 listed Companies by market capitalization to include Business Responsibility Report (BRR) in its Annual Report. The reporting framework is based on the 'National Voluntary Guidelines on social, environmental and economic responsibilities of business ("NVGs")' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 principles and core elements for each of those 9 principles. Our BRR includes our responses to questions on our practices and performance on key principles defined by Regulation 34(2)(f)

of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (SEBI LODR) covering topics across environment, governance, and stakeholder relationships.

Furthermore, SEBI, in its meeting held on March 25, 2021 followed by an amendment to Regulation 34(2)(f) of the SEBI LODR vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021, has introduced a new sustainability reporting requirement called as Business Responsibility and Sustainability Report (BRSR) which would replace the existing BRR. The BRSR is applicable to the top 1000 listed entities (by market capitalization), for reporting on a mandatory basis from the Financial Year (FY) 2022-23 and Relaxo will comply with the requisite provisions as per the SEBI guidelines from its effective date.

Since inception, Relaxo has consistently lived by and upheld its quality assurance by rigidly adhering to the statutes of Quality Par Excellence and absolute customer satisfaction. We are committed to our objectives of providing a platform for better governance and conducting the business practices in transparent and ethical manner. Relaxo has been ranked 169 by National Stock Exchange of India Limited, on the basis of the market capitalization as on March 31, 2021.

The Directors hereby present the BRR of the Company for the Financial Year ended on March 31, 2021, which conforms to the BRR requirement of the SEBI LODR and NVG on Social, Environmental and Economic Responsibilities of Business.

The BRR for FY 2020-21 describing the initiatives undertaken by your Company in the prescribed format is given below:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L74899DL1984PLC019097
2	Name of the Company	Relaxo Footwears Limited
3	Registered address	Aggarwal City Square, Plot No. 10, Manglam Place, District Centre, Sector-3, Rohini, Delhi-110085
4	Website	www.relaxofootwear.com
5	E-mail id	rfl@relaxofootwear.com
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Footwear (15202)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Relaxo is a non-leather footwear company and operates in 3 major categories i.e. Relaxo & Bahamas (rubber slippers), Flite (EVA & PU Slippers) and Sparx (sports & canvas shoes, sandals & sporty slippers).
9	Total number of locations where business activity is undertaken by the Company :	
	a) Number of International Locations	Branch office (Dubai) - 1
	b) Number of National Locations	Manufacturing Plants - 8 Registered & Corporate office - 1 Retail Outlets (EBO) - 398
10	Markets served by the Company - Local/State/ National/International	Relaxo has Pan India market along with presence in Gulf, South East Asia Market and Africa.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ in Crore)

1	Paid up Capital	24.84
2	Total Turnover	2345.58
3	Total profit after taxes	291.56
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Nil*
5	List of activities in which expenditure in 4 above has been incurred:	Company has adopted 32 schools for ongoing project (education sector) and has allocated ₹ 542.71 Lacs.

* ₹ 542.71 Lacs has been approved for long term project and funds has been transferred to Relaxo Footwears Ltd Unspent CSR Account 20-21.

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

(b) Details of the BR head

1. Details of Director/Directors responsible for BR

(a) Details of the Director responsible for implementation of the BR policy/policies:

- DIN : 00157872
- Name : Mr. Ramesh Kumar Dua
- Designation : Managing Director

S.No.	Particulars	Details
1	DIN	00157872
2	Name	Mr. Ramesh Kumar Dua
3	Designation	Managing Director
4	Telephone number	011-46800600
5	e-mail id	rfl@relaxofootwear.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Business Ethics	Product Responsibility	Employee Wellbeing	Shareholder Engagement	Human Rights	Environment Protection	Public & Regulatory Policy	CSR	Customer relation
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national / international standards?	Note 1	Note 1	Note 1	Note 1	Note 1	ISO 14001	NA	Note 1	Note 1
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Note 2	Note 2	Note 2	Note 2	Note 2	Note 2	NA	Note 2	Note 2
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Indicate the link for the policy to be viewed online?	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3	NA	Note 3	Note 3
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Business Ethics	Product Responsibility	Employee Wellbeing	Shareholder Engagement	Human Rights	Environment Protection	Public & Regulatory Policy	CSR	Customer relation
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Note 4	Note 4	Note 4	Note 4	Note 4	Note 4	NA	Note 4	Note 4

Note :-

- The policies generally comply with the basic laws of the nation, general business standards, fair trade practices and good corporate governance.
- The Board monitors policy implementation and progress on initiatives and actions through periodic reviews and policies have been signed by Managing Director.
- The policies which are mandatorily required to be uploaded on the website are available at the website of the Company i.e. <http://www.relaxofootwear.com/investor-relations.aspx>. Some of the policies which pertain to the employees of the Company are available on intranet.
- Internal Audit team evaluates the policies on regular basis.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No	Questions	Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
1	The Company has not understood the Principles.	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.	-
3	The Company does not have financial or manpower resources available for the task.	-
4	It is planned to be done within next 6 months.	-
5	It is planned to be done within the next 1 year.	-
6	Any other reason (please specify)	Your Company is a member of various industrial and trade bodies and actively participates in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue and hence do not feel such a policy is necessary, given our way of doing business.

3. Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Board of Directors of the Company assesses various initiatives forming part of the BR performance of the Company at least once a year.
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Company publish its Business Responsibility Report annually as a part of Annual Report and these reports are available online at http://www.relaxofootwear.com/investor-relations.aspx

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

- 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?**

Code of Conduct

Your Company is committed to adherence to the highest standards of transparency, business conduct ethics, corporate culture, values, legal principles and believe to run business in fair and transparent manner. Based on these principles, the Company has laid down the Code of Conduct that is approved by the Board of directors and this code is applicable to all Directors, Senior Management, employees and all its associates, that includes dealing with gifts, bribery, sexual harassment etc. Code of Conduct is signed by all the Executives at the time of joining the Company. An annual affirmation on compliance and adherence to the Code of Conduct and Business Ethics is obtained from the Directors and Senior Managerial Personnel.

Whistle Blower

In order to ensure the effective implementation of the Code of Conduct, your Company has strong Vigil Mechanism / Whistle Blower policy, applicable to all the employees and Directors that ensures fearless reporting and fair treatment of the incidence. This policy is applicable to Directors, employees, vendors and other business partners of the Company. The policy is updated from time to time to align with changes in regulatory environment and to make it more inclusive and effective.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

All the 25 complaints received from shareholders during the Financial Year 2020-21 were resolved. No complaint was received under Code of Conduct however one complaint was pending at the beginning of the year under whistle blower policy as on April 1, 2020, which was duly resolved during the year.

Principle 2: Product Life Cycle Sustainability

The ethos of your Company is to provide qualitative but value for money (VFM) products to its customers. It provides innovative, value-added footwear to all classes of society including all gender and age groups across regions, which are user-friendly as well as environment-friendly.

Your Company complies with all applicable environmental, legal and other requirements towards protecting the environment and conserving natural resources. Your Company strives to achieve continuous improvement in the environmental sustainability

journey through clearly defined objectives and targets which are based on reduction in energy consumption, control on emissions and waste generation, conservation of water, reducing effluent discharge and creating environmental awareness.

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

As a leading footwear manufacturer, we at Relaxo have a legacy of providing consumers with high quality products at affordable prices. The Company has been manufacturing and selling synthetic EVA (Ethylene Vinyl Acetate) products instead of using natural rubber thereby contributing towards natural resource conservation. Your Company, has also Switched to Gas Fired Boilers across its plants, from existing Biomass fired Boilers, being an environment responsible Company.

Our products such as Ortho & Fitness range are specially designed for the comfort of the feet, while Hi-Heel & Cushion Series are economical and affordable products. In the youth segment, Company offers Bahamas & Flite products, which have attractive design and are available in wide range of colors. Sparx range contains trendy slippers, sandals & shoes in the premier range and includes sports footwear. Our products are designed by focusing on fashion & comfort, aesthetics, price and saleability and adopting standard manufacturing practices.

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**
- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Relaxo believes in "save energy, save nation" principle. The Company is committed to conservation and optimal utilisation of all resources, zero waste to landfill and recycling by-products. Towards this, your Company has taken following steps to reduce the consumption of energy, water & raw material:

- Traditionally, your Company has been using Pet Coke, followed by Agro based biofuel for all boilers across plants, requiring steam for process. As a strategic measure, your Company has changed all our agro / solid fuel based boilers to Gas Fired Boilers (PNG & LPG)
- Regular training for employees to manage the resources in an efficient manner.
- The Company is adopting power trading for improving planning for consumption of electricity.

- The solar power unit with a capacity of 75KW in our manufacturing site at Bahadurgarh, Haryana adds to efforts of conservation of energy and using of natural resources.
- By-product recycling of EVA, PVC led to material wastage reduction and gain in yield.
- Rainwater harvesting facility is operational at our manufacturing facility. Company continues its water conservation initiatives included recycling of waste water.
- Safe and environmental-friendly disposal mechanism of waste.
- Installation of modern and efficient machinery across its manufacturing units to save the usage of thermal & electrical energy.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably?

Yes, your Company, over the years, has worked towards embedding sustainability throughout its inbound supply chain and will continue to do so. For maintaining sustainability of supply line, your Company prefers indigenous sourcing wherein locally available raw materials are generally used by the Company. To support the sustainability and environmental purpose, your Company also uses some packing materials made of waste products. Substantial raw material procured is based on sustainable sourced materials. Most of our suppliers are located very close to our manufacturing plants, thus putting minimum strain on environment due to transportation.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, your Company outsources job-work to nearby local and small vendors. Services like hospitality, security, and canteen facilities have also been outsourced to local and small vendors. Your Company continuously audits these suppliers for quality systems and manufacturing capabilities and also has a code of conduct for such business partners with whom agreement for supplies is undertaken.

Wherever possible, your Company prefers to procure materials from local and small producers. It treats its local, small vendors as business partners by closely interacting with them for quality improvement, waste reduction and in taking cost savings initiatives. Your

Company provides technical support, testing facilities and training to employees of such local and small producers in achieving the common objectives of mutually beneficial business association.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, your Company constantly endeavor to minimize waste generation, reduction at the source and ensure responsible waste disposal. Companies strategies are directed towards achieving the greenest and safest operations across all units by optimising usage of natural resources and providing a safe and healthy workplace.

Your Company has mechanism to recycle the products like rubber in new production. In certain products the waste is recycled completely while in few, it is recycled partially. In addition to this, your Company has tie up with cement companies to consume our waste as fuel.

Principle 3: Employee wellbeing

1. Please indicate the Total number of employees.

Number of Permanent employees as on March 31, 2021 is 8,229.

2. Please indicate the Total number of employees hired on temporary/contractual /casual basis.

Number of Temporary / Contractual / Casual employees as on March 31, 2021 is 13,815.

3. Please indicate the Number of permanent women employees.

Number of Permanent women employees as on March 31, 2021 is 464.

4. Please indicate the Number of permanent employees with disabilities

Number of Permanent employees with disabilities as on March 31, 2021 is 7.

5. Do you have an employee association that is recognized by management.

No, your Company does not have any employee association that is recognized by management.

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil	NA
2	Sexual harassment	Nil	NA
3	Discriminatory employment	Nil	NA

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees - 100%
- (b) Permanent Women Employees - 100%
- (c) Casual/Temporary/Contractual Employees - 100%
- (d) Employees with Disabilities - 100%

Relaxo's full-time employees receive benefits such as periodic preventive health check-ups, accidental insurance, annual leave along with leave encashment, maternity leave for women employees etc. The Company organizes various training sessions in-house on a regular basis. E-learning modules have also been rolled out in Microsoft teams for creating awareness.

Principle 4: Stakeholder Engagement

1. Has the company mapped its internal and external stakeholders?

Yes, your Company defines stakeholders 'as persons or groups who are directly or indirectly affected by the business, as well as those who may have interest in the business and/or the ability to influence its outcome, either positively or negatively'. Taking this definition, your Company has mapped both internal and external stakeholders and is committed towards understanding & addressing their concerns strategically.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, your Company has identified underserved communities in the vicinity of the Plant locations as most vulnerable external stakeholders. However, the women and children are given preference in all decision making. During the Financial Year, Company also focussed on Covid-19 relief activities during the nationwide lockdown.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The CSR activities during the Financial Year were hampered by the nationwide lockdown. However, Relaxo's CSR

team adopted to alternative measures to work with the marginalized neighboring communities through projects under education, gender sensitization, skill development and health. For education, your Company is working on the model of 'school-led-individual- & community development, and under health, the focus is on improving the accessibility, availability and affordability of primary health care facilities and providing curative, preventive and promotive health care services.

Apart from CSR, your Company continued to support workers e.g. financial aid to Meritorious students (children of workmen), sanitary napkins to the female workmen and educate them on basic hygiene and health and subsidized canteen food for workmen.

During the year, migrant labour employed by us for production faced unparalleled crisis of "Return Home", during Covid-19 pandemic. To support these people and to bring them back from far off villages of Bihar / Jharkhand / Eastern UP and other places, your Company provided transport with perfect and safe Logistics' support with timely communication to all individual workers, despite intermittent Lockdowns and prevailing Pandemic all over.

Principle 5: Human Rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

At Relaxo, matters related to human rights are covered under the Code of Conduct Policy, the Vigil Mechanism Policy, Sexual Harassment Policy and Grievance Handling Policy. Most of these Policies are applicable not only to employees of the Company but to all stakeholders including contract labour, business associates (suppliers, vendors and dealers). Your Company does not employ any person below the age of eighteen as per its recruitment policy. Your Company prohibits the use of forced labour at all our plants and dispirit the same with our business associates. The Code of Conduct Policy and the Vigil Mechanism Policy discourages violation of human rights and provide a fair and a transparent mechanism for reporting any such violation.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint was received pertaining to human rights violation during FY21.

Principle 6: Environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Quality, Environment & Safety Policy pertains to Principle 6 extend only to the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Your Company has a Quality Environment & Safety Policy which is communicated to all employees. The Policy is available at all the plants. The Company does not have specific strategies/ initiatives to address global environmental issues.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, some of the environmental risk are identified in process of EMS implementation periodically and company take action to mitigate these risks. Your Company has replaced all conventional boilers at its plants to environment friendly gas fired boilers which is environment friendly and improves environmental conditions. The Company has initiated measures across business units to ensure waste minimisation, segregation at source and recycling.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Your Company has wind power project of 6MW (4 WTC × 1.5MW) in Jodhpur district of Rajasthan state which resulted in reductions of greenhouse gas emissions that give long-term benefits to the mitigation of climate change. The project is registered with UNFCCC for CER credits.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Your Company is committed to promote a sustainable environment and drive progress through better engineered and energy efficient processes. In view of green energy consumption, all the solid fuel based boilers at the plants have been replaced by gas fired boilers (PNG & LNG).

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, emission / waste generated by the Company are well within the permissible limits prescribed by CPCB / SPCB. These emission and waste generated are being monitored on regular basis and reported to SPCB during the filing of Annual Environment Statement (Form V) by September every year.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

We have not received any show cause notice from either CPCB or SPCB in FY21.

Principle 7: Policy Advocacy

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- a) CII (Confederation of Indian Industry)
- b) PHD Chamber of Commerce
- c) CIFI (Confederation of Indian Footwear Industries)
- d) CFLA (Council for Footwear Leather and Accessories)
- e) SATRA (International)
- f) All India Rubber Association
- g) Bahadurgarh Footwear Development Services Pvt Ltd
- h) FORM (Foundation of Rubber & Polymer Manufacturer)
- i) CLE (Delhi)
- j) Delhi Chamber of Commerce
- k) Bahadurgarh Chamber of Commerce & Industries
- l) All India Federation of Plastic Industries- (Delhi)
- m) Indian Rubber Institute - (Delhi)
- n) FIEO - (Delhi)
- o) Footwear Park Association- HSIIDC - (Bahadurgarh)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue.

Principle 8: Inclusive Growth

Your Company has firm belief and commitment towards the collective development of all the stakeholders especially people at bottom of the pyramid and consider it as prerequisite for the sustainability of the business. Thus, CSR is not just compliance for the Company but is an opportunity to contribute towards Nation building through well-defined professional approach. Your Company strives to bring positive impact on the lives of vulnerable poor population associated or impacted by the business. Company believes that the benefit of growth must reach across all parts of society, and no one shall be left behind due to lack of opportunities or ignorance.

Thus, CSR is not the only tool for your Company to support inclusive growth and equitable development. However, even before the amendment in the Companies Act 2013, promoters of your Company were involved in various philanthropic activities through two registered Societies funded by promoters for the welfare of down-trodden, such as (a) Financial support to needy

patients (b) running Skill Development centre and (c) support to grass-root level NGOs.

However, through CSR, your Company is fulfilling its commitment towards people at the bottom of the pyramid in a more strategic and professional manner.

Your Company has identified 'Education & Skill Development' and 'Health & Hygiene' as two focus areas to implement different social initiatives towards betterment of socially & economically excluded communities.

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8?

The Board's Report- **Annexure D** shares details of our social inclusion initiatives. Your Company has CSR Policy in place to ensure the inclusive growth and equitable development of down trodden people affected or associated by business in any manner. In order to convert intent into action.

2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Your Company has extended its parivartan project by adopting 32 schools in block Khanpur of district Haridwar, Uttarakhand. However, apart from this, your Company has continued projects undertaken in yester years, through its CSR arm "Relaxo Foundation". The projects pertain mainly to Education & Skill Development' and 'Health & Hygiene' whose details are provided in **Annexure D**. However, during the year Company also undertook relief activities for people affected with Covid-19 pandemic or nationwide lockdown due to pandemic. The relief activities were undertaken through Relaxo Foundation.

3. Have you done any impact assessment of your initiative?

All our CSR projects are designed professionally with log frames that have clearly defined project goals, objectives, activities, expected outcome and indicators to measure the success. Against these indicators the regular monitoring is being done on periodic basis. We consider independent impact assessment as equally crucial and intend to have independent assessment at the end of the projects. We are considering to have periodic assessment of the new ongoing project undertaken by the Company at block Khanpur of district Haridwar, Uttarakhand to ensure whether the project is moving in right direction or not and do necessary course correction.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the Financial Year ended March 31, 2021, your Company has undertaken ongoing project in March 2021 at block

Khanpur of district Haridwar, Uttarakhand. The total project cost is ₹ 542.71 Lacs and has to be utilized in three years. The amount has been transferred to the Relaxo Footwears Ltd Unspent CSR Account 20-21 and will be utilized on the project in three years. During the year, your Company has also continued its commitment towards the projects like Parivartan model school, Mobile health unit project, Nayan project, Vocational training programmes, Remedial Education program, Relief to people impacted by Covid-19 pandemic or lockdown etc. through its implementing agency "Relaxo Foundation". The details thereof have been provided in the **Annexure D** to this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Considering community as the most important stakeholder for CSR objective, the Company's CSR projects at several locations are developed in consultation and participation with various stakeholders including the local communities. Since the programmes are developed after a detailed need assessment, it ensures that the initiatives are successfully adopted by the community.

Your Company ensures their active involvement at all the stages from need assessment to impact assessment directly or indirectly. Along with this, towards ensuring the sustainability of the project, it identifies & involves key stakeholders in all the projects, so that they can be capacitated during the project duration and can take ownership of the project later. For instance, in our school based intervention along with teachers, we consider School Management Committee & parents as important stakeholders and are going to continue it in the ongoing project undertaken at block Khanpur of district Haridwar, Uttarakhand.

Principle 9: Customer/ Consumer value

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Nil consumer complaints are pending as on March 31, 2021

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Your company displays all information as mandated by the statutory regulations to ensure full compliance with relevant laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

At the new product development division, the Company conducts various consumer survey, market sensing and

monitors evolving consumer needs to develop relevant products. Your Company, also seeks consumer and trade feedback before and after launch of its products. The Company has a strong Customer Feedback Mechanism to capture feedback from customers on their shopping experience. The Company also conducts brand track study for its brands.

Independent Auditors' Report

TO THE MEMBERS OF RELAXO FOOTWEARS LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Relaxo Footwears Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matters:

Key audit matters	How our audit addressed the key audit matter
<p>Revenue Recognition (Refer Note no.21,30 and 46 to the Financial statements:</p> <p>As per the accounting policy of the Company, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration the rebates and discounts as per the terms of the contracts.</p> <p>With regard to the determination of revenue, the management is required to make significant estimates in respect of following:</p> <ul style="list-style-type: none">• the rebates/ discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company; and• discounts offered by the customers to the ultimate consumers at the behest of the Company. <p>The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Obtained an understanding from the management with regard to controls relating to recording of rebates and discounts and period end provisions relating to estimation of revenue, and tested the operating effectiveness of such controls;• Tested the inputs used in the estimation of revenue in context of rebates and discounts to source data;• Assessed the underlying assumptions used for determination of rebates and discounts;• Ensured the completeness of liabilities recognised by evaluating the parameters for sample schemes;• Performed look-back analysis for past trends by comparing recent actuals with the estimates of earlier periods and assessed subsequent events;• Tested credit notes issued to customers and payments made to them during the year and subsequent to the year end along with the terms of the related schemes. <p>Based on the above procedures, we did not identify any significant deviation to the assessment made by management in respect of estimation of rebates and discounts.</p>

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<p>Provisions, Litigations, Claims and Contingent Liabilities: (Refer Note-17 , 30 and 31)</p> <p>The management is required to make judgements and estimates in relation to the issues and exposures arising from a range of matters relating to direct tax, indirect tax, general legal proceedings and other eventualities arising in the regular course of business. The Company is also subject to complexities arising from uncertain tax positions on deductibility of expenses and allowance of certain tax deductions.</p> <p>The key judgement lies in determining the likelihood and magnitude of the possible cash outflows and interpretations of the legal aspects, tax legislations and judgements previously made by authorities. By nature, these are complex and include many variables.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We tested the design, implementation and operating effectiveness of key internal controls around the recognition and measurement of provisions. • We inquired the status in respect of significant provisions with the Company's internal tax and legal team. • We involved our subject matter experts, wherever required, to assess the value of material provisions in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. • We challenged the assumptions and critical judgements made by the Company which impacted their estimate of provision required, considering judgements previously made by the authorities in the relevant jurisdictions or any relevant opinions given by the Company's advisors and assessing whether there was an indication of management bias. • We verified the calculation of provision on a test check basis.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
 - (e) On the basis of written representations received from the directors as at March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2021 from being appointed as a director in terms of section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
- ii. The Company did not have any long-term contracts

including any derivative contracts for which there were any material foreseeable losses;

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **B R Maheswari & Co LLP**

Chartered Accountants

Firm's Registration No. 001035N/N500050

Sudhir Maheshwari

Partner

Membership No.081075

UDIN: 21081075AAAABP9700

New Delhi, May 20, 2021

Annexure “A” to the Independent Auditors’ Report

(Referred to in Paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date)

- 1) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the following which are not held in the name of the Company:

Particulars	Freehold Land	Building Factory
Gross Block as at March 31, 2021 (₹ in Crore)	24.90	18.61
Net Block as at March 31, 2021 (₹ in Crore)	24.90	16.14
- 2) In respect of its inventories:
 - (a) The management has physically verified the inventories at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
 - (b) The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
- 3) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act
- 4) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties cover under section 185 of the Act. In respect of investments made by the Company, the provisions of section 186 of the Act have been complied with.
- 5) In our opinion and according to the information and explanations given to us the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- 6) In our opinion and according to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act for the business activities carried out by the Company. Therefore, reporting under clause 3(vi) of the order is not applicable to the Company.
- 7) (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, GST, Custom Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2021 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, the following disputed statutory dues aggregating to ₹ 6.80 Crore, that have not been deposited on account of matters pending before appropriate authorities, are as under: - (₹ in Crore)

S.No.	Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending
1.	Haryana General Sales Tax Act, 1973.	Purchase Tax	0.20	2001-02	Jt. Commissioner
			0.15	2002-03	Jt. Commissioner
2.	Delhi Value Added Tax Act, 2005	Input Tax	0.04	2005-06	Appellate Tribunal, Delhi
			0.22	2013-14	
3.	Rajasthan Tax on Entry of Goods into Local Area Act, 1999	Entry Tax	0.71	2011-12 to 2016-17	Tax Board, (Ajmer).
4.	Income Tax Act, 1961	Income Tax (*)	5.44(*)	Assessment Years 2006-07, 2008-09, 2009-10, 2012-13, 2013-14, 2016-17 to 2019-20	Assessing Officer & CPC
		TDS	0.04	2008-09 to 2011-12, 2013-14 to 2015-16, 2017-18 to 2019-20	Assessing Officer, Commissioner (A), ITAT
	Total		6.80		

(*) The above demands are majorly on account of Dividend Distribution Tax (DDT) credit not given by Income Tax Department while issuing intimations under section 143(1) of the Income Tax Act, 1961. Company has disputed the same demands as Company has already deposited the DDT on time and has also submitted the proof for payment of same to the Income Tax Department for deleting the said demands.

- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to banks. The Company did not have any outstanding loans and borrowings from government and debenture holders during the year.
- 9) The company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- 10) In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and the details have been disclosed in the financial statements, as required by the applicable Indian accounting standards.
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.
- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him, therefore reporting under clause 3(xv) of the Order are not applicable.
- 16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **BR Maheswari & Co LLP**
Chartered Accountants

Firm's Registration No. 001035N/N500050

Sudhir Maheshwari

Partner

Membership No.081075

UDIN: 21081075AAAABP9700

New Delhi, May 20, 2021

Annexure “B” to the Independent Auditors’ Report

(Referred to in Paragraph 2(f) under the heading “Report on other legal and regulatory requirements” of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Relaxo Footwears Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B R Maheswari & Co LLP**
Chartered Accountants

Firm’s Registration No. 001035N/N500050

Sudhir Maheshwari
Partner

Membership No.081075

UDIN: 21081075AAAABP9700

New Delhi, May 20, 2021

Balance Sheet as at March 31, 2021

(₹ in Crore)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	721.05	750.09
Capital Work-in-Progress	1	112.23	43.81
Intangible Assets	2	33.33	40.98
Intangible Assets under Development	2	5.80	1.79
Right-of-Use Asset	3	183.68	189.94
Financial Assets			
Investments	4	0.20	0.20
Loans	5	15.43	18.49
Other Financial Assets	6	1.89	0.35
Other Non-Current Assets	7	22.30	4.23
		1095.91	1049.88
Current Assets			
Inventories	8	422.14	447.74
Financial Assets			
Investments	4	337.98	-
Trade Receivables	9	181.46	172.08
Cash and Cash Equivalents	10	6.34	2.55
Bank Balances other than Cash and Cash Equivalents	11	1.35	1.54
Loans	5	0.41	0.28
Other Financial Assets	6	0.07	1.87
Current Tax Assets (Net)	12	-	6.16
Other Current Assets	7	130.14	158.98
		1079.89	791.20
Total Assets		2175.80	1841.08
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	24.84	24.82
Other Equity	14	1547.57	1247.58
		1572.41	1272.40
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities		115.23	119.78
Other Financial Liabilities	16	0.17	0.01
Provisions	17	16.10	10.84
Deferred Tax Liabilities (Net)	18	22.80	24.75
		154.30	155.38
Current Liabilities			
Financial Liabilities			
Borrowings	15	-	19.16
Trade Payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer note no. 43)		47.36	27.50
Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		175.44	156.29
Other Financial Liabilities	16	134.55	101.11
Other Current Liabilities	19	57.81	58.59
Provisions	17	27.18	50.65
Current Tax Liabilities (Net)	20	6.75	-
		449.09	413.30
Total Equity and Liabilities		2175.80	1841.08
Significant Accounting Policies	30		

The accompanying notes are an integral part of financial statements.

As per our report of even date

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No. 081075

Delhi, May 20, 2021

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director
DIN :00157872

Sushil Batra
Chief Financial Officer

Mukand Lal Dua
Whole Time Director
DIN :00157898

Vikas Kumar Tak
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2021

(₹ in Crore)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from Operations	21	2359.15	2410.48
Other Income	22	22.77	9.05
Total Income		2381.92	2419.53
EXPENSES			
Cost of Materials Consumed, including Packing Material		863.85	930.78
Purchases of Stock-in-Trade		95.28	162.08
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	23	44.15	(53.54)
Employee Benefits Expense	24	301.39	293.99
Finance Costs	25	17.08	16.87
Depreciation and Amortisation Expense	26	110.02	109.42
Other Expenses	27	558.99	668.22
Total Expenses		1990.76	2127.82
Profit Before Tax		391.16	291.71
Tax Expense	28		
Current Tax		102.03	74.92
Deferred Tax		(2.43)	(9.46)
Tax for Earlier years (Net)		-	0.00
		99.60	65.46
Profit for the year		291.56	226.25
Other Comprehensive Income not to be reclassified to Profit or Loss			
Remeasurement Gains / (Losses) on Defined Benefit Plan	32(b)	1.93	(0.92)
Income Tax effect on above		(0.48)	0.23
		1.45	(0.69)
Total Comprehensive Income for the year		293.01	225.56
(Comprising Profit and Other Comprehensive Income for the year)			
Earnings Per Equity Share of ₹1/-	34		
Basic (₹)		11.74	9.12
Diluted (₹)		11.72	9.10
Significant Accounting Policies	30		

The accompanying notes are an integral part of financial statements.
As per our report of even date

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No. 081075

Delhi, May 20, 2021

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director
DIN :00157872

Sushil Batra
Chief Financial Officer

Mukand Lal Dua
Whole Time Director
DIN :00157898

Vikas Kumar Tak
Company Secretary

Statement of Cash Flows for the year ended March 31, 2021

(₹ in Crore)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from Operating Activities			
Profit Before Tax		391.16	291.71
Adjustments for			
Depreciation and Amortisation Expense	26	110.02	109.42
Finance Costs	25	17.08	16.87
Interest Income on Financial Assets	22	(0.74)	(0.43)
Net Gain on Sale of Current Investments	22	(7.41)	(1.07)
Net Unrealised (Gain) / Loss on Foreign Currency Transactions and Translations		0.70	(0.75)
Gain on Lease Modification, Termination and Concession	22	(11.82)	-
Share Based Payments	24	2.11	2.94
Fair Valuation (Gain) / Loss on Derivative Instruments	22, 27	2.31	(2.76)
Write Down of Inventories to net realisable value related to Raw Materials, Work-in-Progress and Finished Goods		4.89	2.90
Bad debts Written off	27	0.06	0.04
Allowances for Doubtful Trade Receivables (Expected Credit Loss Allowance)	27	0.19	1.90
Net loss on Disposal / Write off of PPE and Intangible Assets	27	0.68	1.10
Operating Profit Before Working Capital Changes		509.23	421.87
Changes in Working Capital			
Adjustments for (Increase) / Decrease in Operating Assets			
Loans to Employees	5	(0.19)	0.08
Security Deposits		3.13	(1.37)
Other Non-Current Assets		(4.44)	(1.17)
Trade Receivables		(11.49)	51.38
Other Current Assets		28.84	(38.33)
Inventories		20.71	(68.21)
Adjustments for Increase / (Decrease) in Operating Liabilities			
Trade Payables		40.18	8.46
Other Financial Liabilities		33.33	7.01
Provisions		(16.28)	21.90
Other Current Liabilities		(0.78)	0.41
Net Cash Flow from / (used in) Working Capital		93.01	(19.84)
Cash Generated from Operations		602.24	402.03
Taxes Paid *		(89.12)	(83.13)
Net Cash Generated from Operating Activities		513.12	318.90
Cash Flow from Investing Activities			
Payment for Purchase of PPE including Capital Work-in-Progress and Intangible Assets		(123.32)	(116.10)
Proceeds from Sale of PPE and Intangible Assets		1.42	0.24
(Purchase) / Redemption of Current Investments (Net)		(330.57)	1.07
Interest Income Received		0.72	0.41
(Purchase) / Maturity of Bank Deposits held as Margin Money (Net)	6, 11	(1.41)	(1.29)
Net Cash Flow (used in) Investing Activities		(453.16)	(115.67)
Cash Flow from Financing Activities			
Proceeds from Issuance of Equity Shares under Employee Stock Option Plan	13	0.02	0.02
Securities Premium received on exercise of Equity Shares issued under Employee Stock Option Plan	14	4.87	3.13
Proceeds from / (Repayment) of Current Borrowings (Net)	15	(19.16)	(67.76)

Statement of Cash Flows for the year ended March 31, 2021 (contd.)

(₹ in Crore)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Repayment of Non-Current Borrowings		-	(23.65)
Payment of Principal Lease Liabilities		(24.75)	(32.61)
Dividend Paid (Including Dividend Distribution Tax)	14	-	(64.32)
Finance Costs		(17.13)	(17.37)
Net Cash Flow (used in) Financing Activities		(56.15)	(202.56)
Net Increase / (Decrease) in Cash and Cash Equivalents		3.81	0.67
Cash and Cash Equivalents at beginning of the year		2.55	1.88
Exchange Fluctuation Gain / (Loss) on Foreign Currency Bank Balances		(0.02)	0.00
Cash and Cash Equivalents at end of the year	10	6.34	2.55
Components of Cash and Cash Equivalents (At end of the year)	10		
Balances with Banks on Current Accounts		5.66	2.21
Cash on Hand		0.68	0.34
		6.34	2.55
Significant Accounting Policies	30		

The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 - "Statement of Cash Flows".

* Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

Changes in liabilities arising from financing activities, including changes arising from cash flows and non cash changes as per IND AS 7 - statement of cash flows are shown below

(₹ in Crore)

Particulars	As at April 1, 2020	Cash Flows (used in)	Non Cash Changes			As at March 31, 2021
			Addition in Assets	(Gain) on Fair Value Changes	Lease Modification, Termination and Concession	
Current Borrowings	19.16	(19.16)	-	-	-	-
Lease Liabilities	147.39	(24.75)	33.34	-	(11.82)	144.16
	166.55	(43.91)	33.34	-	(11.82)	144.16

(₹ in Crore)

Particulars	As at April 1, 2019	Cash Flows (used in)	Non Cash Changes			As at March 31, 2020
			Addition in Assets	(Gain) on Fair Value Changes	Lease Modification, Termination and Concession	
Current Borrowings	112.00	(91.41)	-	(1.43)	-	19.16
Lease Liabilities	-	(32.61)	180.00	-	-	147.39
	112.00	(124.02)	180.00	(1.43)	-	166.55

The accompanying notes are an integral part of financial statements.

As per our report of even date

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No. 081075

Delhi, May 20, 2021

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director
DIN :00157872

Sushil Batra
Chief Financial Officer

Mukand Lal Dua
Whole Time Director
DIN :00157898

Vikas Kumar Tak
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2021

Equity Share Capital [Equity Shares of face value of ₹ 1/- (previous year ₹ 1/-)] (Refer note no. 13)

(₹ in Crore)

Particulars	No. of Shares	Amount
As at April 1, 2019	12,40,50,873	12.40
Addition in Share Capital		
Issued as Bonus Shares	12,40,50,873	12.40
Issued under Employee Stock Option Plan (Refer note no. 33)	1,44,690	0.02
As at March 31, 2020	24,82,46,436	24.82
Addition in Share Capital		
Issued under Employee Stock Option Plan (Refer note no. 33)	1,95,665	0.02
As at March 31, 2021	24,84,42,101	24.84

Other Equity (Refer note no. 14)

(₹ in Crore)

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	Total
	Securities Premium	Share Options Outstanding Account	General Reserve	Retained Earnings		
As at April 1, 2019	193.76	7.60	850.01	39.34	1.96	1092.67
Profit for the year	-	-	-	226.25	-	226.25
Remeasurement Gains / (Losses) on Defined Benefit Plan (Net of Tax)	-	-	-	-	(0.69)	(0.69)
Transfer from Retained Earnings to General Reserve	-	-	150.00	(150.00)	-	-
Transactions with Owners in their capacity as Owners						
Share Based Payments under Employee Stock Option Plan	-	2.94	-	-	-	2.94
Transferred from Share Options Outstanding Account to Securities Premium on issuance of 1,44,690 Equity Shares of face value of ₹ 1/- under Employee Stock Option Plan	2.04	(2.04)	-	-	-	-
Securities Premium received on exercise of 1,44,690 Equity Shares of face value of ₹ 1/- under Employee Stock Option Plan	3.13	-	-	-	-	3.13
Transferred from Share Options Outstanding Account to General Reserve on cancellation of Vested Options under Employee Stock Option Plan	-	(0.21)	0.21	-	-	-
Utilised for issuance of Bonus Shares	(12.40)	-	-	-	-	(12.40)
Final Dividend on Equity Shares for the year ended March 31, 2019	-	-	-	(22.33)	-	(22.33)
Dividend Distribution Tax on Final Dividend for the year ended March 31, 2019	-	-	-	(4.59)	-	(4.59)
Interim Dividend on Equity Shares for the year ended March 31, 2020	-	-	-	(31.03)	-	(31.03)
Dividend Distribution Tax on Interim Dividend for the year ended March 31, 2020	-	-	-	(6.37)	-	(6.37)
As at March 31, 2020	186.53	8.29	1000.22	51.27	1.27	1247.58
Profit for the year	-	-	-	291.56	-	291.56
Remeasurement Gains / (Losses) on Defined Benefit Plan (Net of Tax)	-	-	-	-	1.45	1.45
Transfer from Retained Earnings to General Reserve	-	-	300.00	(300.00)	-	-

Statement of Changes in Equity for the year ended March 31, 2021 (contd.)

Other Equity (Refer note no. 14) (contd.)

(₹ in Crore)

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	Total
	Securities Premium	Share Options Outstanding Account	General Reserve	Retained Earnings		
Transactions with Owners in their capacity as Owners						
Share Based Payments under Employee Stock Option Plan	-	2.11	-	-	-	2.11
Transferred from Share Options Outstanding Account to Securities Premium on issuance of 1,95,665 Equity Shares of face value of ₹ 1/- under Employee Stock Option Plan	3.05	(3.05)	-	-	-	-
Securities Premium received on exercise of 1,95,665 Equity Shares of face value of ₹ 1/- under Employee Stock Option Plan	4.87	-	-	-	-	4.87
Transferred from Share Options Outstanding Account to General Reserve on cancellation of Vested Options under Employee Stock Option Plan	-	(0.01)	0.01	-	-	-
As at March 31, 2021	194.45	7.34	1300.23	42.83	2.72	1547.57
Significant Accounting Policies						

The accompanying notes are an integral part of financial statements.
As per our report of even date

For and on behalf of the Board of Directors

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/N500050

Ramesh Kumar Dua
Managing Director
DIN : 00157872

Mukand Lal Dua
Whole Time Director
DIN : 00157898

Sudhir Maheshwari
Partner
Membership No. 081075

Sushil Batra
Chief Financial Officer

Vikas Kumar Tak
Company Secretary

Delhi, May 20, 2021

Notes forming part of Financial Statements

Note No. 1: Property, Plant and Equipment & Capital Work-in-Progress

(₹ in Crore)

Particulars	Gross Carrying Amount			Depreciation			Net Carrying Amount	
	As at April 1, 2020	Additions	Deletions/ Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation	Deletions/ Adjustments	As at March 31, 2021
Property, Plant and Equipment (PPE)								
Freehold Land	162.82	0.48	-	163.30	-	-	-	163.30
Buildings	305.53	-	-	305.53	33.46	11.10	44.56	260.97
Leasehold Improvements	16.45	0.63	0.73	16.35	7.05	2.11	8.85	7.50
Plant and Machinery	281.01	9.69	0.59	290.11	68.65	21.07	89.43	200.68
Moulds	73.00	16.15	0.05	89.10	43.88	15.21	59.04	30.06
Computers	14.60	1.06	0.29	15.37	8.03	2.57	10.34	5.03
Motor Vehicles-Other	10.49	3.02	3.85	9.66	4.78	1.36	3.41	6.25
Motor Vehicles-Transport	3.58	0.24	0.03	3.79	1.66	0.44	2.08	1.71
Furniture and Fixtures	21.01	1.99	0.38	22.62	6.99	2.18	8.85	13.77
Electrical Fittings	27.97	0.54	0.01	28.50	9.99	2.67	12.65	15.85
Office Equipments	11.08	0.75	0.36	11.47	6.33	1.54	7.57	3.90
Wooden Structure	2.42	0.13	0.38	2.17	1.57	0.40	1.67	0.50
Wind Power Generation Plant	17.32	-	-	17.32	4.80	0.99	5.79	11.53
	947.28	34.68	6.67	975.29	197.19	61.64	254.24	721.05
Capital Work-in-Progress								
	43.81	71.82	3.40	112.23	-	-	-	112.23
	43.81	71.82	3.40	112.23	-	-	-	112.23

Borrowing cost capitalised Nil (previous year ₹ 0.33 crore).

For capital commitments, refer note no. 31.

The company has taken loans from banks which carry charge over certain assets. (Refer note no. 15 & note no. 38).

Capital work-in-progress includes factory buildings under construction.

Notes forming part of Financial Statements

Note No. 1: Property, Plant and Equipment & Capital Work-in-Progress (contd.)

(₹ in Crore)

Particulars	Gross Carrying Amount			Depreciation			Net Carrying Amount	
	As at April 1, 2019	Additions	Deletions/Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation	Deletions/Adjustments	As at March 31, 2020
Property, Plant and Equipment (PPE)								
Freehold Land	162.82	-	-	162.82	-	-	-	162.82
Buildings	305.12	0.41	-	305.53	22.37	11.09	-	272.07
Leasehold Improvements	15.04	2.26	0.85	16.45	5.26	2.09	0.30	9.40
Plant and Machinery	254.12	30.07	3.18	281.01	48.76	20.15	0.26	212.36
Moulds	53.24	20.41	0.65	73.00	30.41	13.56	0.09	29.12
Computers	12.04	2.95	0.39	14.60	5.84	2.55	0.36	6.57
Motor Vehicles-Other	10.51	0.15	0.17	10.49	3.48	1.41	0.11	5.71
Motor Vehicles-Transport	3.19	0.41	0.02	3.58	1.21	0.47	0.02	1.92
Furniture and Fixtures	17.51	3.57	0.07	21.01	4.93	2.11	0.05	14.02
Electrical Fittings	25.76	2.27	0.06	27.97	7.23	2.79	0.03	17.98
Office Equipments	10.31	1.03	0.26	11.08	4.82	1.70	0.19	4.75
Wooden Structure	1.90	0.60	0.08	2.42	1.14	0.50	0.07	0.85
Wind Power Generation Plant	17.32	-	-	17.32	3.60	1.20	-	12.52
	888.88	64.13	5.73	947.28	139.05	59.62	1.48	750.09
Capital Work-in-Progress	10.17	43.49	9.85	43.81	-	-	-	43.81
	10.17	43.49	9.85	43.81	-	-	-	43.81

Notes forming part of Financial Statements

Note No. 2: Intangible Assets & Intangible Assets under Development

(₹ in Crore)

Particulars	Gross Carrying Amount			Amortisation			Net Carrying Amount	
	As at April 1, 2020	Additions	Deletions/ Adjustments	As at March 31, 2021	As at April 1, 2020	Amortisation	Deletions/ Adjustments	As at March 31, 2021
Intangible Assets								
Computer Software and Licenses	13.46	0.94	0.23	14.17	8.31	2.05	0.21	10.15
Intellectual Property Rights	62.75	0.21	-	62.96	26.92	6.73	-	33.65
	76.21	1.15	0.23	77.13	35.23	8.78	0.21	43.80
Intangible Assets under Development								
	1.79	4.58	0.57	5.80	-	-	-	5.80
	1.79	4.58	0.57	5.80	-	-	-	5.80

Intangible assets under development includes cost related to SAP HANA and intellectual property rights under implementation / registration.

Note No. 2: Intangible Assets & Intangible Assets under Development (contd.)

(₹ in Crore)

Particulars	Gross Carrying Amount			Amortisation			Net Carrying Amount	
	As at April 1, 2019	Additions	Deletions/ Adjustments	As at March 31, 2020	As at April 1, 2019	Amortisation	Deletions/ Adjustments	As at March 31, 2020
Intangible Assets								
Computer Software and Licenses	11.43	2.03	-	13.46	6.17	2.14	-	8.31
Intellectual Property Rights	62.61	0.14	-	62.75	20.18	6.74	-	26.92
	74.04	2.17	-	76.21	26.35	8.88	-	35.23
Intangible Assets under Development								
	1.23	0.84	0.28	1.79	-	-	-	1.79
	1.23	0.84	0.28	1.79	-	-	-	1.79

Notes forming part of Financial Statements

Note No. 3: Right-of-Use Asset

(₹ in Crore)

Particulars	Gross Carrying Amount			Depreciation			Net Carrying Amount	
	As at April 1, 2020	Additions	Deletions/ Adjustments	As at March 31, 2021	As at April 1, 2020	Depreciation	Deletions/ Adjustments	As at March 31, 2021
Leasehold Land	52.44	-	-	52.44	2.14	0.55	-	49.75
Buildings	177.81	50.42	38.26	189.97	38.17	39.05	21.18	133.93
	230.25	50.42	38.26	242.41	40.31	39.60	21.18	183.68

Note No. 3: Right-of-Use Asset (contd.)

(₹ in Crore)

Particulars	Gross Carrying Amount			Depreciation			Net Carrying Amount	
	As at April 1, 2019	Additions	Deletions/ Adjustments	As at March 31, 2020	As at April 1, 2019	Depreciation	Deletions/ Adjustments	As at March 31, 2020
Leasehold Land	52.44	-	-	52.44	1.58	0.56	-	50.30
Buildings	-	185.78	7.97	177.81	-	40.36	2.19	139.64
	52.44	185.78	7.97	230.25	1.58	40.92	2.19	189.94

Notes forming part of Financial Statements

Note No. 4: Investments

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current		
Investment in Unquoted Equity Instruments, carried at Fair Value through Other Comprehensive Income (FVTOCI)		
40 (previous year - 40) Equity Shares of face value of ₹ 50000/- Fully Paid up of Bahadurgarh Footwear Development Services Private Limited	0.20	0.20
Aggregate Carrying Amount of Unquoted Investments	0.20	0.20
Current		
Investment in Units of Quoted Mutual Funds, carried at Fair Value through Profit or Loss (FVTPL)		
1,33,548.70 (previous year Nil) Units of Mutual Funds of face value of ₹ 1000/- of SBI Magnum Ultra Short Duration Fund Regular Growth	62.47	-
19,23,93,750.81 (previous year Nil) Units of Mutual Funds of face value of ₹ 10/- of HDFC Ultra Short Term Fund - Regular Growth	227.92	-
1,41,09,505.49 (previous year Nil) Units of Mutual Funds of face value of ₹ 10/- of Kotak Savings Fund - Growth (Regular Plan)	47.59	-
	337.98	-
Aggregate Carrying Amount of Quoted Investments	337.98	-
Aggregate Market Value of Quoted Investments	337.98	-

Note No. 5: Loans

Unsecured, considered good unless otherwise stated

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current		
Loans to Employees	0.09	0.03
Security Deposits *	15.34	18.46
	15.43	18.49
Current		
Loans to Employees	0.41	0.28
	0.41	0.28

* Security deposits are recoverable upon termination of agreement unless otherwise agreed.

Note No. 6: Other Financial Assets

Unsecured, considered good unless otherwise stated

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current		
Balances with Banks held as Margin Money *	1.89	0.35
	1.89	0.35
Current		
Interest accrued on Bank Deposits	0.07	0.05
Derivative Instruments measured at Fair Value through Profit or Loss		
Foreign Exchange Forward Contracts	-	1.82
	0.07	1.87

* Represents margin money against various bank guarantees, letters of credit and other commitments issued by banks on behalf of the company.

Notes forming part of Financial Statements

Note No. 7: Other Assets

Unsecured, considered good unless otherwise stated

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current		
Capital Advances	14.50	0.87
Prepaid Expenses	0.59	2.22
Balances / Deposits with Statutory or Government Authorities	7.21	1.14
	22.30	4.23
Current		
Advance for Supply of Goods and rendering of Services	8.85	9.11
Prepaid Expenses	9.34	9.33
Insurance Claims Receivable	-	0.15
Export Incentives Receivable	2.31	2.75
Duty Credit Scripts	0.00	1.68
Input Tax Balances	82.58	114.38
GST Refundable	27.06	21.58
	130.14	158.98

Note No. 8: Inventories

Valued at lower of cost and net realisable value

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials including Packing Material	115.27	98.77
Work-in-Progress	77.90	61.05
Finished Goods	172.78	213.58
Stock-in-Trade *	42.27	62.47
Stores and Spares including Fuel	13.92	11.87
	422.14	447.74

Inventories are hypothecated by way of first pari passu charge against working capital facilities. (Refer note no. 15).

Write down of inventories to net realisable value related to raw materials, work-in-progress and finished goods amounted to ₹ 4.89 crores (previous year ₹ 2.90 crores). These were recognised as expense during the year .

* In respect of goods acquired for trading.

Note No. 9: Trade Receivables

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Trade Receivables, Unsecured		
Considered Good	181.46	172.08
Considered Doubtful (Credit Impaired)	5.01	4.88
	186.47	176.96
Allowances for Doubtful Trade Receivables (Expected Credit Loss Allowance) (Refer note no. 27 & 36)	5.01	4.88
	181.46	172.08

Notes forming part of Financial Statements

Note No. 10: Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks on Current Accounts	5.66	2.21
Cash on Hand	0.68	0.34
	6.34	2.55

There are no repatriation restrictions with regard to cash and cash equivalents.

Note No.11: Bank Balances other than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Bank held as Margin Money *	1.10	1.23
Earmarked Balances - Unpaid Dividends (Refer note no. 16)	0.25	0.31
	1.35	1.54

* Represents margin money against various bank guarantees, letters of credit and other commitments issued by banks on behalf of the company.

Note No. 12: Current Tax Assets (Net)

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Income Tax / Tax Deducted at Source (Net of Current Tax Provision)	-	6.16
	-	6.16

Note No. 13: Equity Share Capital

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
51,00,00,000 (previous year - 51,00,00,000) Equity Shares of face value of ₹1/- (previous year ₹1/-)	51.00	51.00
	51.00	51.00
Issued, Subscribed and Fully Paid up		
24,84,42,101 (previous year - 24,82,46,436) Equity Shares of face value of ₹1/- (previous year ₹1/-)	24.84	24.82
	24.84	24.82

Reconciliation of Share Capital [Equity Shares of face value of ₹1/- (previous year ₹1/-)]

(₹ in Crore)

Particulars	No. of Shares	Amount
As at April 1, 2019	12,40,50,873	12.40
Addition in Share Capital		
Issued as Bonus Shares ^	12,40,50,873	12.40
Issued under Employee Stock Option Plan (Refer note no. 33)	1,44,690	0.02
As at March 31, 2020	24,82,46,436	24.82
Addition in Share Capital		
Issued under Employee Stock Option Plan (Refer note no. 33)	1,95,665	0.02
As at March 31, 2021	24,84,42,101	24.84

Notes forming part of Financial Statements

Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of equity shares having a face value of INR 1/- (previous year INR 1/-). Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Equity Shares reserved for issue under Employee Stock Option Plan

For details of shares reserved under Employee Stock Option Plan refer note no. 33.

The equity shares of the company are listed at BSE Limited and National Stock Exchange of India Limited. The annual listing fee has been paid for the year.

Details of Shareholders holding more than 5% Shares in the Company

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Ramesh Kumar Dua	5,78,17,744	23.27%	5,78,17,744	23.29%
Mukand Lal Dua	5,01,41,920	20.18%	5,01,41,920	20.20%
VLS Securities Limited	1,62,49,000	6.54%	1,62,89,000	6.56%

Aggregate number of Equity Shares issued as Bonus during the period of five years immediately preceding the reporting date

^ Board of Directors at their meeting held on June 28, 2019 allotted 12,40,50,873 fully paid up bonus shares in the ratio of 1:1.(i.e.one bonus share of ₹ 1/- to every shareholder holding one equity share of ₹ 1/-).

Note No. 14: Other Equity

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Reserves and Surplus		
Securities Premium	194.45	186.53
Share Options Outstanding Account	7.34	8.29
General Reserve	1300.23	1000.22
Retained Earnings	42.83	51.27
Other items of Other Comprehensive Income		
Remeasurement Gains / (Losses) on Defined Benefit Plan	2.72	1.27
	1547.57	1247.58

Notes forming part of Financial Statements

Movement in Other Equity

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Securities Premium		
Opening Balance	186.53	193.76
Transferred from Share Options Outstanding Account on issuance of Equity Shares under Employee Stock Option Plan	3.05	2.04
Securities Premium received on exercise of Equity Shares under Employee Stock Option Plan	4.87	3.13
Utilised for issuance of Bonus Shares	-	(12.40)
Closing Balance	194.45	186.53
Share Options Outstanding Account		
Opening Balance	8.29	7.60
Share Based Payments under Employee Stock Option Plan (Refer note no. 24)	2.11	2.94
Transferred to Securities Premium on issuance of Equity Shares under Employee Stock Option Plan	(3.05)	(2.04)
Transferred to General Reserve on cancellation of Vested Options under Employee Stock Option Plan	(0.01)	(0.21)
Closing Balance	7.34	8.29
General Reserve		
Opening Balance	1000.22	850.01
Transferred from Retained Earnings	300.00	150.00
Transferred from Share Options Outstanding Account on cancellation of Vested Options under Employee Stock Option Plan	0.01	0.21
Closing Balance	1300.23	1000.22
Retained Earnings		
Opening Balance	51.27	39.34
Profit for the year	291.56	226.25
Dividends		
Final Dividend on Equity Shares for the year ended March 31, 2019 (₹ 1.80 per share pre-bonus)	-	(22.33)
Dividend Distribution Tax on Final Dividend for the year ended March 31, 2019	-	(4.59)
Interim Dividend on Equity Shares for the year ended March 31, 2020 (₹ 1.25 per share)	-	(31.03)
Dividend Distribution Tax on Interim Dividend for the year ended March 31, 2020	-	(6.37)
Transferred to General Reserve	(300.00)	(150.00)
Closing Balance	42.83	51.27
Other items of Other Comprehensive Income		
Opening Balance	1.27	1.96
Remeasurement Gains / (Losses) on Defined Benefit Plan (Net of Tax)	1.45	(0.69)
Closing Balance	2.72	1.27
	1547.57	1247.58

Notes forming part of Financial Statements

Nature and Purpose of Reserves

Securities Premium - Securities Premium represents the amount received in excess of par value of equity shares of the company. The same, inter alia, may be utilised by the company to issue fully paid-up bonus shares to its members and buying back the shares in accordance with provisions of the Companies Act, 2013.

Share Options Outstanding Account - The Share Options Outstanding Account is used to record the fair value of equity-settled, share-based payment transactions with employees. The amount recorded in Share Options Outstanding Account is transferred to Securities Premium upon issuance of Equity Shares and transferred to General Reserve on cancellation of vested options. Refer note no. 33 for further details of this plan.

General Reserve - General Reserve represents the amount transferred from statement of profit and loss pursuant to statutory requirements. The same is a free reserve and available for distribution.

Retained Earnings - Retained Earnings represents the undistributed profits of the company accumulated as on balance sheet date.

Remeasurements of Net Defined Benefit Liability / Asset in Other Comprehensive Income - Remeasurement comprises of the actuarial gains and losses on the defined benefit obligation, the difference between the actual total return on assets and the interest income on plan assets calculated based on the discount rate used to determine the defined benefit obligation, as well as any changes in the effect of the asset ceiling excluding the amount included in net interest. These are subsequently not to be reclassified to profit or loss.

Note No. 15: Borrowings

(₹ in Crore)

Particulars	Maturity Date	Interest Rate	As at March 31, 2021	As at March 31, 2020
Current				
Secured Working Capital facilities from Banks *				
Loans Repayable on Demand	On Demand	4.50% - 10.10%	-	19.16
			-	19.16

* Secured by way of first pari passu charge on entire current assets, movable fixed assets including plant & machinery and personal guarantee of Managing Director and Whole Time Director. (Refer note no. 38).

Note No. 16: Other Financial Liabilities

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current		
Retention Money	0.17	0.01
	0.17	0.01
Current		
Retention Money	1.92	2.13
Lease Liabilities	28.93	27.61
Interest accrued on Borrowings from Banks	-	0.05
Security Deposit		
Customers *	26.20	10.28
Others **	0.58	0.55
Unpaid Dividends ^ (Refer note no. 11)	0.25	0.31
Employee Benefits Payable	37.94	31.56
Director's Commission Payable (Refer note no. 39)	36.89	25.89
Payable for Capital Goods	1.35	2.73
Derivative Instruments measured at Fair Value through Profit or Loss		
Foreign Exchange Forward Contracts	0.49	-
	134.55	101.11

* Deposit from customers are interest bearing and repayable on termination of agreement.

** Amount received from vendors as non interest bearing security towards performance of contract terms.

^ Unpaid dividends shall be transferred to Investor Education and Protection Fund as and when due.

Notes forming part of Financial Statements

Note No. 17: Provisions

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current		
Compensated Absences	10.67	10.84
CSR (Refer note no. 27 & 41)	5.43	-
	16.10	10.84
Current		
Compensated Absences	3.73	3.69
Gratuity [Refer note no. 32(b)]	2.43	1.38
Rebates and Discounts Payable	21.02	45.58
	27.18	50.65

Movement in Provision for Compensated Absences

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balance	14.53	11.86
Created during the year	1.16	4.48
Utilised during the year	1.29	1.81
Closing Balance	14.40	14.53

Movement in Provision for CSR

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balance	-	-
Created during the year	5.43	-
Utilised during the year	-	-
Closing Balance	5.43	-

Movement in Provision for Rebates and Discounts

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balance	45.58	25.98
Created during the year	20.69	45.48
Utilised during the year	45.25	25.88
Closing Balance	21.02	45.58

Note No. 18: Deferred Tax Liabilities (Net)

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liabilities (Net)	22.80	24.75
	22.80	24.75

Notes forming part of Financial Statements

Movement in Deferred Tax Assets / (Liabilities)

(₹ in Crore)

Particulars	As at April 1, 2020	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2021
Deferred Tax Assets / (Liabilities) arising on account of				
Investments	-	(0.82)	-	(0.82)
Expenses Allowable on Payment Basis	16.22	0.23	(0.48)	15.97
Lease Liabilities	37.09	(0.81)	-	36.28
Allowances for Doubtful Trade Receivables & Write down of Inventories	1.96	1.26	-	3.22
Derivative Instruments	(0.46)	0.58	-	0.12
Accumulated Depreciation and Amortisation	(79.56)	1.99	-	(77.57)
	(24.75)	2.43	(0.48)	(22.80)

Movement in Deferred Tax Assets / (Liabilities)

(₹ in Crore)

Particulars	As at April 1, 2019	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2020
Deferred Tax Assets / (Liabilities) arising on account of				
Borrowings	0.50	(0.50)	-	-
Expenses Allowable on Payment Basis	21.14	(5.15)	0.23	16.22
Lease Liabilities	-	37.09	-	37.09
Allowances for Doubtful Trade Receivables & Write down of Inventories	1.04	0.92	-	1.96
Derivative Instruments	0.33	(0.79)	-	(0.46)
Accumulated Depreciation and Amortisation	(57.45)	(22.11)	-	(79.56)
	(34.44)	9.46	0.23	(24.75)

Note No. 19: Other Current Liabilities

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customers *	3.16	3.82
Statutory Dues		
Entry Tax (Refer note no. 31)	46.80	46.80
Others ^	7.85	7.97
	57.81	58.59

* It is expected that the entire transaction price allocated to the outstanding contracts at end of the year will be recognised as revenue during next year. Revenue recognised during the year includes the entire transaction price allocated to outstanding contracts at beginning of the year.

^ Includes statutory dues on account of TDS, PF, ESI and GST etc.

Note No. 20: Current Tax Liabilities (Net)

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax (Net of Advance Tax and Tax Deducted at Source)	5.61	-
Interest on Income Tax	1.14	-
	6.75	-

Notes forming part of Financial Statements

Note No. 21: Revenue from Operations

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Contracts with Customers		
Manufactured and Traded		
Footwear (Refer note no. 44 & 46)	2333.90	2383.00
Wind Power	3.62	4.01
Others *	8.06	5.92
	2345.58	2392.93
Other Operating Revenue		
Scrap Sale	9.99	11.69
Export Incentives	2.92	4.93
Other Operating Income ^	0.66	0.93
	13.57	17.55
	2359.15	2410.48

* Includes accessories, raw material etc.

^ Includes franchisee fees etc.

Note No. 22: Other Income

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income on Financial Assets measured at Amortised Cost	0.74	0.43
Other Non Operating Income		
Net Gain on Sale of Current Investments measured at FVTPL	7.41	1.07
Net Gain on Foreign Currency Transactions and Translations	2.40	4.62
Net Gain on Fair Valuation of Derivative Instruments measured at FVTPL	-	2.76
Gain on Lease Modification, Termination and Concession (Refer note no. 45)	11.82	-
Miscellaneous Income	0.40	0.17
	22.77	9.05

Note No. 23: Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of year		
Finished Goods	172.78	213.58
Stock-in-Trade *	42.27	62.47
Work-in-Progress	77.90	61.05
	292.95	337.10
Inventories at the beginning of year		
Finished Goods	213.58	151.67
Stock-in-Trade *	62.47	73.38
Work-in-Progress	61.05	58.51
	337.10	283.56
Net (Increase) / Decrease		
Finished Goods	40.80	(61.91)
Stock-in-Trade *	20.20	10.91
Work-in-Progress	(16.85)	(2.54)
	44.15	(53.54)

* In respect of goods acquired for trading.

Notes forming part of Financial Statements

Note No. 24: Employee Benefits Expense

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries ,Wages and Other Benefits	264.75	253.88
Contribution to Provident and Other Funds [Refer note no. 32(a)]	18.57	18.88
Gratuity Expenses [Refer note no. 32(b)]	5.95	5.53
Share Based Payments (Refer note no. 14)	2.11	2.94
Staff Welfare Expenses	10.01	12.76
	301.39	293.99

Note No. 25: Finance Costs

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on		
Borrowings measured at Amortised Cost (Refer note no. 15) *	0.77	3.48
Security Deposits	1.34	0.60
Lease Liabilities	13.33	12.62
Income Tax	1.14	-
Others	0.30	0.08
Other Borrowing Costs		
Processing Fees	0.20	0.09
	17.08	16.87

*Borrowing cost capitalised Nil (previous year ₹ 0.33 crore)

Note No. 26: Depreciation and Amortisation Expense

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on Property, Plant and Equipment (Refer note no. 1)	61.64	59.62
Amortisation of Intangible Assets (Refer note no. 2)	8.78	8.88
Depreciation on Right-of-Use Asset (Refer note no. 3)	39.60	40.92
	110.02	109.42

Note No. 27: Other Expenses

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Advertisement and Sales Promotion Expenses	69.57	90.80
Freight and Forwarding Charges	102.62	102.12
Power and Fuel	73.47	76.47
Consumables	6.61	7.98
Processing Charges	183.23	234.30
Handling Charges	19.15	25.75
Repair and Maintenance		
Plant and Equipment	14.29	14.26
Computer Equipment & Software	9.18	8.73
Others	6.88	5.05

Notes forming part of Financial Statements

Note No. 27: Other Expenses (contd.)

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Insurance	5.27	5.08
Rates and Taxes	0.80	1.33
Printing and Stationery	1.72	1.80
Travelling and Conveyance	11.13	22.17
Communication Expenses	2.41	3.57
Legal and Professional Fees (Refer note no. 42)	19.80	40.01
Security Expenses	11.14	10.77
Allowances for Doubtful Trade Receivables (Expected Credit Loss Allowance) (Refer note no. 9 & 36)	0.19	1.90
Bad debts Written off	0.06	0.04
Net loss on Disposal / Write off of PPE and Intangible Assets	0.68	1.10
Net Loss on Fair Valuation of Derivative Instruments measured at FVTPL	2.31	-
CSR (Refer note no. 17, 39 & 41)	5.43	4.66
Contribution to Political Parties	-	0.14
Festival Expenses	2.84	3.36
Bank Charges	1.61	2.47
Miscellaneous Expenses	8.60	4.36
	558.99	668.22

Note No. 28: Tax Expense

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Tax	102.03	74.92
Deferred Tax	(2.43)	(9.46)
Tax for Earlier years (Net)	-	0.00
	99.60	65.46

Reconciliation of Tax Expense and the Accounting Profit multiplied by Tax rate

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit Before Tax	391.16	291.71
Tax @ 25.168% (previous year @ 25.168%)	98.45	73.42
Items giving rise to difference in tax		
Deduction on Account of appointment of new employees	(2.28)	(1.81)
Temporary Differences on account of PPE, Right-of-Use Asset and Intangible Assets	11.87	8.42
Impact of change in Tax Rate on opening balance of Deferred Tax Liabilities	-	(9.63)
Others	(8.44)	(4.94)
Tax for Earlier years (Net)	-	0.00
Tax Expense	99.60	65.46

Notes forming part of Financial Statements

Note 29: Company Information

Relaxo Footwears Limited ('the Company') is a Public Limited Company incorporated in India with its registered office at Aggarwal City Square, Plot No.10, Manglam Place, District Centre, Sector 3, Rohini, Delhi-110085. Its shares are listed at BSE Limited and National Stock Exchange of India Ltd. For details regarding Company's principal shareholders refer note no. 13. The Company is a market leader in the Footwear Industry. The Company has 'state of the art' manufacturing facilities at Bahadurgarh (Haryana), Bhiwadi (Rajasthan) and Haridwar (Uttarakhand).

The financial statements for the year ended March 31, 2021 are authorised for issue by the Board of Directors at their meeting held on May 20, 2021.

Note 30: Significant Accounting Policies

a. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto along with other provisions of the Act and relevant guidelines issued by the Securities and Exchange Board of India (SEBI).

b. Basis of Preparation of Financial Statements

The financial statements have been prepared on going concern basis and on accrual method of accounting. Historical cost is used in preparation of financial statements except following assets and liabilities which have been measured at fair value.

- Certain financial assets and liabilities, including derivative financial instruments
- Defined benefit plan
- Employee share based payment

Classification of Current or Non-Current Assets and Liabilities

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements".

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Assets

An asset is classified as current when it satisfies any of the following criteria

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Figures have been rounded off to the nearest crore of rupees upto two decimal places, unless otherwise stated. The figure 0.00 wherever stated represents amount less than ₹ 50,000.

c. Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with Ind AS requires the Company's management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities recognised in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant, however actual results may differ from these estimates.

The following are the critical judgements, estimations & assumptions that have been made by the management in the process of applying the Company's accounting policies.

Significant Accounting Policies

- Management uses judgement in deciding whether individual item or group of items are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission, misstatement or obscuring the information could individually or collectively influence the economic decision that users make on the basis of the financial statements.
- Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed.
- Defined benefit obligations are measured at fair value for financial reporting purposes. Fair value determined by actuary is based on actuarial assumptions. Management judgement is required to determine such actuarial assumptions. Such assumptions are reviewed annually using the best information available with the management.
- When the fair value of financial assets and financial liabilities recorded in these financial statements cannot be measured based on quoted price in active markets, their fair value is measured using valuation techniques. The inputs to these valuation techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility etc.
- The Company makes allowances for doubtful trade receivables (Expected Credit Loss Allowance) based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.
- The determination of depreciation and amortisation charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation/amortisation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.
- Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.
- Management judgement is required for estimating

the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

- The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 "Leases". Identification of a lease requires significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.
- The contracts with customers include transfer of promised goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as rebates and discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

d. Property, Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and impairment loss, if any. Freehold land is disclosed at cost less impairment, if any. The cost comprises its purchase price, other non-refundable taxes, duties and any directly attributable costs of bringing the asset to its working condition for its intended use.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

The Company identifies and determines cost of each component of the asset separately, if the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

The present value of the expected cost for decommissioning of an asset, if any, after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The cost of self-constructed assets includes the cost of materials, direct labour, borrowing costs and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Advances given towards acquisition / construction of property, plant and equipment

Significant Accounting Policies

outstanding at each reporting date are disclosed as capital advances under other non-current assets. Other indirect expenses incurred related to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expense and disclosed under capital work-in-progress.

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

e. Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and impairment loss, if any. The cost comprises its purchase price, other non-refundable taxes, duties and any directly attributable costs of bringing the asset to its working condition for its intended use.

Intangible assets under development are shown separately at cost incurred in bringing the asset to its present condition.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

Revenue expenditure pertaining to research is charged to the statement of profit and loss. Development costs of products are also charged to the statement of profit and loss unless a product's commercial feasibility has been established, in which case such expenditure is capitalised.

Intangible asset initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

f. Leases

The Company as a lessee

The Company assesses whether the contract is or contains a lease, if the contract involves:

- (a) The use of an identified asset,
- (b) The right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) The right to direct the use of the identified asset.

Lease Liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used.

Payment of Principal lease liabilities have been classified within financing activities.

Right-of-use Assets

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for

- Lease payments made at or before commencement of the lease
- Initial direct costs incurred and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any.

Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Right-of-use asset is tested for impairment whenever there is any indication that their carrying amount may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the Right-of-use Assets. Any gain or loss on modification is recognised in the Statement of Profit and Loss.

g. Inventories

Raw Materials including packing material, stores and spares are valued at lower of cost and net realisable value. The cost of purchase consists of the purchase price including non-refundable taxes, duties, freight inward and other costs incurred in bringing the inventories to their present location and condition. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Significant Accounting Policies

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on moving weighted average basis.

Work-in-Progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour costs and a proportion of manufacturing overheads based on normal operating capacity.

Stock-in-Trade is valued at moving weighted average basis and comprises all costs of purchase, non-refundable taxes, duties and all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h. Impairment of Non-Financial Assets

The carrying amount of assets are reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

A previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised as income immediately.

i. Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial Assets

Initial Recognition and Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets. These include trade receivables, cash & cash equivalents, bank balances other than cash & cash equivalents and other financial assets.

Classification and Subsequent Measurement

Financial assets are subsequently measured at amortised cost or fair value through other comprehensive income or fair value through profit or loss depending on its business model for managing those financial assets and the asset contractual cash flow characteristics.

Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The company has made an irrevocable election to present subsequent changes in the fair value of equity investment not held for trading in other comprehensive income.

Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss. Dividend and interest income on financial assets at fair value through profit or loss is recognised as dividend and interest income respectively and included in 'other income'.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity and does not retain control of the asset.

Significant Accounting Policies

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial assets. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 "Financial Instruments" for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities include borrowings, lease liability and trade payables etc.

All financial liabilities are recognised initially at fair value and in the case of borrowings and trade payables, net of directly attributable transaction costs.

Classification and Subsequent Measurement

The financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'financial liabilities at amortised cost'.

Financial liabilities at Fair Value through Profit or Loss

Financial liabilities are classified at fair value through profit or loss when the financial liability is held for trading or are designated upon initial recognition as fair value through profit or loss. It includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. All changes in the fair value of such liability are recognised in the statement of profit and loss.

Financial liabilities at Amortised Cost

Other financial liabilities (including borrowings and trade payables etc.) are subsequently measured at amortised cost using effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Any gain or loss arising on derecognition is included in the statement of profit and loss when the liability is derecognised.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right

to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Effective Interest Method (EIR)

Financial assets and liabilities are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Derivative Financial Instruments

The Company enters into contracts that are effective as hedges from an economic perspective, but they do not qualify for hedge accounting. The Company uses derivative financial instruments, such as forward contracts, currency and interest rate swaps to hedge its foreign currency and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss.

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liabilities and an equity instrument.

Equity Instruments

An Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs related to issue of equity instruments is reduced from equity. Dividend paid on equity instruments is directly reduced from equity.

j. Foreign Currency Transactions and Translations

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (INR) which is also the Company's functional and presentation currency.

Significant Accounting Policies

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate between the functional & foreign currency prevailing at the date of transaction.

Monetary current assets and liabilities at the reporting date are translated at the rate prevailing on reporting date. The difference thereon and also the exchange difference on settlement of foreign currency transactions during the year is recognised as income or expense in statement of profit and loss.

Non-monetary items are carried at historical cost and reported using the exchange rate at the date of transaction.

k. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

l. Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

Where the government grant / subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Government grant and subsidy receivable against an expense are deducted from such expense.

Where the grant / subsidy relates to an asset, government grant and subsidy receivable against an asset are deducted from the carrying value of such asset.

m. Income Taxes

Income tax expense represents the sum of current and deferred tax (including MAT). Tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such case the tax expense is also recognised directly in equity or in other comprehensive income. Any subsequent change in income tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is measured on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet approach.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax asset and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) paid in terms of section 115 JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and the same is reviewed at each reporting date.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

n. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs.

Significant Accounting Policies

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. Contingent assets are not recognised in financial statements since this may result in the recognition of income that will never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

o. Revenue from Contracts with Customers

The Company derives revenues primarily from the following major sources.

- Sale of footwear and related products
- Sale of generated wind power

The Company recognises revenue from sale of footwear and related products at a point in time when control of the goods is transferred to the customer.

The transaction price is the amount of consideration which the Company expects to be entitled in exchange for transferring promised goods to a customer.

The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

The Company recognises revenue from sale of generated wind power at a point in time on the basis of net power delivered as per power purchase agreement signed with the Discom(s).

Revenue is disclosed net of goods and services tax (GST), rebates, discounts, returns and claims as applicable.

p. Other Operating Revenue

Other operating revenue include revenue arising from a Company's operating activities, i.e., either its principal or ancillary revenue-generating activities, but which is not revenue arising from sale of products or rendering of services.

The other operating revenue of the company includes revenue from scrap sales, export incentives, franchisee fees etc.

q. Other Income

Dividend income is recognised when the right to receive the payment is established. Interest is recognised using the effective interest rate (EIR) method. Difference between the sale price and carrying value of investment is recognised in statement of profit and loss as profit or loss on sale / redemption.

r. Employee Benefits

All employee benefits like salaries, wages etc. payable wholly within twelve months of rendering the service are classified as short-term employee benefits. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Contribution towards provident fund and employee state insurance is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution plans as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. Such contributions are charged to the statement of profit and loss for the period of service rendered by the employees.

The Company has a defined benefit gratuity plan and pays annual contribution to Life Insurance Corporation of India (LIC) through a Trust, namely Relaxo Footwears Limited Employees Group Gratuity Scheme. Company's liability is determined using the projected unit credit method at the end of each year.

Remeasurement comprises of the actuarial gains and losses on the defined benefit obligation, the difference between the actual total return on assets and the interest income on plan assets calculated based on the discount rate used to determine the defined benefit obligation, as well as any changes in the effect of the asset ceiling excluding the amount included in net interest are recognised in the period in which they occur, directly in other comprehensive income.

Compensated absences which are expected to be availed or encashed within twelve months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating leaves as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Significant Accounting Policies

Compensated absences which are expected to be availed or encashed beyond twelve months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the projected unit credit method) at the end of each year.

Actuarial gains/losses on compensated absences are immediately taken to the statement of profit and loss.

s. Employee Share Based Payment

Employees of the Company receive part remuneration in the form of share-based payments in consideration of the services rendered. The Company recognises compensation expense relating to share based payments in accordance with Ind AS 102 "Share based Payment". Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of profit and loss on a proportionate basis over the vesting period of options which is the requisite service period, with a corresponding increase in equity.

t. Borrowing Costs

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings and charged to statement of profit and loss on the basis of effective interest rate (EIR).

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing cost that are attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are expensed in the period in which they occur.

u. Depreciation and Amortisation

Depreciation is provided pro-rata to the period of use on Straight Line Method (SLM) based on the estimated useful lives of the assets, which have been determined as per Schedule II of Companies Act, 2013.

Intellectual Property Rights are amortised over their useful life. Computer software and licenses are amortised over the period of five years on straight line basis.

The residual values, useful lives and methods of depreciation

of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Lease hold improvements are depreciated on straight line basis over shorter of the asset's useful life and their initial agreement period.

v. Earnings Per Share

Basic earnings per share is computed by dividing the profit after tax for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events i.e. bonus issue, share splits and further issue of share capital.

Diluted earnings per share is computed by dividing the profit after tax for the year attributable to equity shareholders by the weighted-average number of equity shares outstanding during the year and adjusted for the effects of all dilutive potential equity shares.

w. Dividend Payments

Final dividend is recognised, when it is approved by the shareholders and the distribution is no longer at the discretion of the Company. However, Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

x. Recent Accounting Pronouncements

On 24th July, 2020 the Ministry of Corporate Affairs (MCA) vide notification dated 24th July, 2020, notifying the following amendments to Ind AS.

• Amendment to Ind AS 116 "Leases" on COVID-19 related rent concessions

The amendment provides a practical expedient which permits a lessee not to assess whether a COVID-19 related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification. The Company has applied practical expedient as per amendment to Ind AS 116 "Leases" on COVID-19 related rent concessions and recognised gain of ₹ 10.24 crores in other income refer note no. 22.

• Amendment to Ind AS 1 "Presentation of Financial Statements" and Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" on definition of term 'material'

The intention of amendment is not to change the underlying 'materiality' concept rather it provides broader

Significant Accounting Policies

guidance and makes it easy to understand the meaning of term 'material'. As per amendment, Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

This amendment does not have material impact on the Company.

- **Amendments to other Ind AS**

There is no material impact on the financial statements due to amendments to Ind AS 103 "Business Combinations", Ind AS 10 "Events after the Reporting

Period", Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", Ind AS 107 "Financial Instruments Disclosures" and Ind AS 109 – "Financial Instruments".

- **Amendments to Schedule III of the Companies Act, 2013**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes forming part of Financial Statements

Note No. 31 : Contingent Liabilities and Commitments

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent Liabilities *		
Claims against the Company not acknowledged as debt in respect of		
Sales Tax Matters related to Purchase tax, Input tax and Entry tax	1.32	1.41
Income Tax Matters related to Dividend Distribution tax ,TDS and Transfer Pricing	5.48	4.41
	6.80	5.82
Others		
Interest on Entry tax, Haryana**	62.51	54.08
Additional demand for Industrial Plot at Bahadurgarh***	18.73	18.73
	81.24	72.81
Commitments		
Capital Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advance)	50.45	53.38
Others		
Export Obligation under Export Promotion Capital Goods (EPCG) scheme against duty saved of ₹ 19.11 crores (previous year ₹ 18.54 crores)	103.45	111.24

*Cash outflows related to disputed tax matters are determinable only on outcome of the pending cases at various forums/authorities. The potential undiscounted amount of total payments for taxes that the Company may be required to make if there was an adverse decision related to these disputed demands of regulators are as stated above.

** In the state of Haryana, tax on entry of goods from outside the state was levied. This position has been challenged by the Company in the respective forums, on the grounds that the specific entry tax is ultra vires to the constitution. The Hon'ble Supreme Court of India upheld the constitutional validity of entry tax levied by few states. However, Supreme Court did not conclude certain aspects such as present levies in each state is discriminatory in nature or not, leaving them open to be decided by regular benches of the Courts but directed petitioner to file fresh appeal in the High Court. The Company filed appeal in the Punjab & Haryana High Court and matter is pending since May 31, 2017. The principal liability for entry tax in the state of Haryana has been disclosed in note no.19.

*** The Company along with other plot allottees had received a demand notice in June, 2019 from the Haryana State Industrial & Infrastructure Development Corporation ('the HSIIDC') against the industrial plots allotted to them in the year 2010 seeking payment of enhanced cost at the rate of ₹ 9,249/- per square meter and interest thereon for the plot allotted at Sector 4-B, Bahadurgarh, Haryana, on account of enhancement of compensation awarded by the Courts to the ex-landowners. The Company disputed the demand raised by the HSIIDC. The Company along with other plot allottees filed a writ petition in the High Court of Punjab & Haryana ('the High Court') and challenged the demand notice and consequent show cause notices issued by the HSIIDC. The High Court disposed of the writ petition on February 24, 2020 vide an order and directed the HSIIDC to decide upon all the objections raised by the plot allottees including the Company within a period of five months. The High Court while disposing off the petition also asked the petitioner allottees including the Company to pay ₹ 2,500/- per square meter within a period of one month from the date of its order dated February 24, 2020 as part payment of the demand raised by HSIIDC. The High Court has further directed that before the expiry of the said period of five months, HSIIDC shall not insist on payment of an amount more than INR 2500/- per square meter. The Company had filed a review petition before the High Court in June, 2020 against the direction contained in order dated February 24, 2020 to pay ₹ 2,500/- per square meter to HSIIDC. The review petition was dismissed on November 18, 2020, however, the Supreme Court of India by its order dated January 12, 2021 in a special leave petition filed by the Company and other petitioners has stayed the High Court of Punjab & Haryana's direction asking the plot allottees to pay ₹ 2,500/- per square meter to HSIIDC. Further, the objections of the plot allottees against the enhanced cost at the rate of ₹ 9,249/- per square meter are yet to be decided by the HSIIDC. Pending legal dispute, the matter has been disclosed as contingent liability.

The lawsuits in respect of certain intellectual property rights and other laws / matter are pending in courts / forums. The proceedings are going on before appropriate authorities and the ultimate outcome of the matter cannot presently be determined. In the opinion of management the amount involved is not material.

Notes forming part of Financial Statements

Note No. 32 : Disclosure on Employee Benefits

Disclosure is hereby given in pursuant to Ind AS19 "Employee Benefits".

(a) Defined Contribution Plan

During the year, the Company has recognised the following amounts in the statement of profit and loss. (Refer note no.24)

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employer's Contribution to Provident Fund	14.27	14.30
Employer's Contribution to ESIC Scheme	2.73	3.16
Employer's Contribution to Other Funds	1.57	1.42
	18.57	18.88

(b) Defined Benefit Plan - Gratuity (Funded) : The Company pays annual contribution to Life Insurance Corporation of India (LIC) through a Trust, namely Relaxo Footwears Limited Employees Group Gratuity Scheme. Under the gratuity plan, every employee who has completed atleast five years of service, gets gratuity at the time of separation or retirement, whichever is earlier @ 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method.

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Reconciliation of Opening and Closing balance of Defined Benefit Obligation		
Present Value of Defined Benefit Obligation at the beginning of year	35.67	28.45
Current Service Cost	5.86	5.47
Interest Cost	2.21	2.13
Benefits Paid	(2.49)	(1.36)
Remeasurement (Gains)/Losses		
Actuarial (Gains)/Losses arising from changes in Demographic Assumptions	-	(1.38)
Actuarial (Gains)/Losses arising from changes in Financial Assumptions	(0.24)	2.63
Actuarial (Gains)/Losses arising from experience Adjustments	(1.76)	(0.27)
Present Value of Defined Benefit Obligation at the end of year	39.25	35.67
Reconciliation of Opening and Closing balance of the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of year	34.29	27.62
Interest Income	2.12	2.07
Remeasurement Gains/(Losses)		
Return on Plan Assets Gains/(Losses) (Excluding amounts included in net interest cost)	(0.07)	0.06
Contribution by the Company	2.97	5.90
Benefits Paid	(2.49)	(1.36)
Fair Value of Plan Assets at the end of year	36.82	34.29
Major Category of Plan Assets as percentage to total Plan Assets		
Asset Invested in Insurance Scheme with LIC (%)	100	100
Amount Recognised in Balance Sheet as Liability (Refer note no.17)		
Present Value of Defined Benefit Obligation at the end of year	39.25	35.67
Fair Value of Plan Assets at the end of year	36.82	34.29
	2.43	1.38

Notes forming part of Financial Statements

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Expenses Recognised in Statement of Profit and Loss (Refer note no.24)		
Current Service Cost	5.86	5.47
Net Interest Cost	0.09	0.06
	5.95	5.53
Remeasurements of the Net Defined Benefit Liability (Asset) Recognised in Other Comprehensive Income		
Actuarial (Gains)/Losses arising from changes in Demographic Assumptions	-	(1.38)
Actuarial (Gains)/Losses arising from changes in Financial Assumptions	(0.24)	2.63
Actuarial (Gains)/Losses arising from experience Adjustments	(1.76)	(0.27)
Return on Plan Assets (Gains)/Losses (Excluding amounts included in net Interest Cost)	0.07	(0.06)
	(1.93)	0.92
Expected Contribution to the Relaxo Footwears Limited Employees Group Gratuity Scheme in next year	4.93	6.80
Actuarial Assumptions		
Discount Rate (per annum %)	6.30	6.20
Withdrawal Rate (All Ages) (per annum %)	15	15
Retirement Age		
For Employees of Group A (In years)	60	60
For Employees of Group B (in years)	70	70
Rate of Escalation in Salary (per annum %)	10	10
Method of Computation	Projected Unit Credit Method	
Demographic Assumption: Mortality Rates	IALM (2012-2014)	

Quantitative Sensitivity Analysis for Significant Assumptions is as shown below

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Present Value of Defined Benefit Obligation at the end of year	39.25	35.67
Change in Discount Rate		
Increase by 1%	(2.05)	(2.06)
Decrease by 1%	2.82	2.31
Change in Salary Escalation		
Increase by 1%	2.70	2.21
Decrease by 1%	(1.99)	(2.00)

Figures in bracket denotes reduction in defined benefit obligation.

Changes in defined benefit obligation due to 1% increase / decrease in mortality rate is negligible.

The above sensitivity analysis have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in significant assumptions occurring at the end of the reporting period if all other assumptions remain constant.

Notes forming part of Financial Statements

Maturity Profile of Defined Benefit Obligation

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Weighted Average Duration of the Defined Benefit Obligation (In years)	7	9
Expected Payment in future years		
Within next 12 months	4.93	4.50
Between 1 and 5 years	15.25	13.67
More than 5 years	19.07	17.50
	39.25	35.67

The estimates of escalation in salary takes into account inflation, seniority, promotion and other relevant factors.

Risk Exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, Company is exposed to various risks as follows.

Investment Risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bonds yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.

Interest Risk (Discount Rate Risk) - A decrease in the bond interest rate (discount rate) will increase the plan liability.

Mortality Risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. For this report, Indian assured lives mortality (2012-14) ultimate table has been used. A change in mortality rate will have a bearing on the plan's liability.

Salary Risk - The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Note No. 33 : Disclosure on Employee Share Based Payment

Disclosure is hereby given in pursuant to Ind AS 102 "Share Based Payment".

RFL Employee Stock Option Plan 2014 (hereinafter referred to as the "ESOP 2014" / "The Plan"), was approved by the shareholders through postal ballot on August 5, 2014. The plan entitles the permanent employees, existing and future, including the Whole-Time Director (but excluding the Independent Directors and Promoter Directors) of the Company to exercise the option granted for purchase of equity shares in the Company at the exercise price i.e. the market price of the equity shares as on date of grant, subject to compliance with vesting conditions.

Particulars	Details
Name of the Plan	RFL Employee Stock Option Plan 2014
Method used to account for the Employee Share Based Payment Plan	Fair Value
Stock Options approved (No. of Shares)	31,79,940
Persons Entitled	Whole-Time Director and Employees
Options Grant Date during the year	Jun 6,2020 Aug 1, 2020 Oct 31, 2020
Vesting Period	1 - 4 years from grant date
Exercise Period	Maximum 4 years from the date of vesting of options
Lock-in-Period	No lock-in-period after exercise

Notes forming part of Financial Statements

Details of options granted during the year

Particulars	Options granted		
	Jun 6, 2020	Aug 1, 2020	Oct 31, 2020
Vesting Schedule (%)	100% at first year		
Exercise Period (In years)	4		
Exercise Price (In ₹)	755.45	595.20	660.40
Market price on the date of grant (In ₹)	755.45	595.20	660.40

The Details of activity under the scheme are summarized below

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	No. of Options	WAEP (₹)	No. of Options	WAEP (₹)
Outstanding at the beginning of the year	7,35,550	263.79	4,69,430	490.48
Adjusted for Bonus Issue (Refer note no. 13)	-	-	4,61,830	248.17
Granted during the year	26,700	729.83	58,100	450.92
Forfeited during the year	57,590	276.06	1,09,120	279.82
Exercised during the year (Refer note no. 13)	1,95,665	250.31	1,44,690	217.53
Outstanding at end of the year	5,08,995	292.03	7,35,550	263.79
Exercisable at end of the year	45,055	272.30	41,040	255.44

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2021 is 4.25 years. (previous year 4.90 years)

The weighted average exercise price (WAEP) for stock options outstanding as at March 31, 2021 is ₹ 272.30 per option. (previous year ₹ 263.79 per option)

The weighted average fair value of stock options granted during the year ended on March 31, 2021 is ₹ 186.64 per option. (previous year ₹ 143.31 per option)

The Black Scholes valuation model has been used for computing weighted average fair value of stock options granted during the year considering the following inputs.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Stock Price (₹)	729.83	450.92
Volatility (%)	29.44	29.24
Risk Free Rate (%)	4.77	6.23
Exercise Price (₹)	729.83	450.92
Time to Maturity (Years)	3.00	3.83
Dividend Yield (%)	0.29	0.19

Notes forming part of Financial Statements

Note No. 34 : Disclosure on Earnings Per Share (EPS)

Disclosure is hereby given in pursuant to Ind AS 33 "Earnings Per Share".

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the Year (₹ in Crore)	291.56	226.25
Weighted average number of Equity Shares used in calculating Basic EPS	24,83,27,918	24,81,61,441
Dilutive impact for Employee Stock Options (No. of Equity Shares)	3,72,009	4,18,835
Weighted average number of Equity Shares used in calculating Diluted EPS	24,86,99,927	24,85,80,276
Earnings Per Equity Share of ₹ 1/-		
Basic (₹)	11.74	9.12
Diluted (₹)	11.72	9.10

Note No. 35 : Foreign Currency Exposure

The details of foreign currency (FCY) exposure are given below.

(Amount in Crore)

Nature of Foreign Currency Exposure	UoM	As at March 31, 2021		As at March 31, 2020	
		FCY	INR	FCY	INR
Unhedged Foreign Currency Exposure					
Import Payables	USD	0.08	5.67	0.07	5.31
Import Payables	AED	0.01	0.14	0.01	0.28
Import Payables	EURO	0.00	0.14	0.00	0.01
Import Payables	GBP	-	-	0.00	0.07
Export Receivables	USD	0.40	29.22	0.46	34.89
Bank Balance	AED	0.02	0.41	0.01	0.28
Cash on Hand (Dubai office)	AED	0.00	0.00	0.00	0.00
Employee Benefits Payable	AED	0.00	0.03	0.00	0.10
Employee Security Deposit	AED	0.00	0.09	0.00	0.09
Hedged Foreign Currency Exposure					
Number of Buy Forward Contracts	Nos	65		63	
Import Payables	USD	0.44	32.26	0.37	27.68
Import Orders	USD	1.25	91.89	0.56	42.01

Note No. 36 : Financial Risk Management

Financial risk management is an ongoing process within the Company. The Company has a robust risk management framework to identify, monitor, mitigate and minimise risks arising from financial instruments.

The Company's principal financial liabilities other than derivative instruments comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations.

The Company's principal financial assets include cash and cash equivalents, trade receivables and security deposits that are derived directly from its operations.

The Company hold investments carried at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Notes forming part of Financial Statements

The Company is exposed to credit risk , liquidity risk and market risk that are summarised as under.

Nature	Exposure arising from	Measurement	Management
Credit Risk	Cash and Cash Equivalents, Trade Receivables, and other Financial Assets.	Credit ratings and Ageing analysis.	a. Trade receivables are reviewed and assessed for impairment losses at every reporting period. b. Fixing of credit limits for customers. c. Dealing with high credit rating banks.
Liquidity Risk	Borrowings, Trade Payables and other Financial Liabilities.	Maturity analysis.	a. Preparing and monitoring forecasts of cash flows as well as maintaining sufficient cash and cash equivalents. b. Availability of committed credit lines and borrowing facilities.
Market Risk			
Foreign Exchange Risk	Financial assets and liabilities denominated in other than functional currency.	Sensitivity analysis.	Risk coverage through forward exchange contracts / currency swaps.
Interest Rate Risk	Term Loan and Working Capital Facilities from Bank.	Sensitivity analysis.	a. Foreign currency interest rate swaps. b. Periodical review of interest rate linked to market.
Price Risk	Investment in Securities	Sensitivity analysis.	Portfolio diversification.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily, trade receivables and from its financing activities, including cash and cash equivalents, mutual funds and derivative instruments .

Management of Credit Risk

Concentration of credit risk with respect to trade receivables are limited, due to the customer base being large across all regions . All trade receivables are reviewed and assessed at every reporting period. The Company has adopted a policy of only dealing with creditworthy counterparties, therefore the Company does not expect any material risk on this account.

Historical experience of collecting receivables of the Company is supported by low level of past defaults and hence the credit risk is perceived to be low.

Credit risk arising from other balances with banks,including cash and cash equivalents, mutual funds and derivative instruments is limited because the counterparties are banks / mutual funds with high credit ratings.

The Company maintains exposure in cash and cash equivalents and derivative instruments with financial institutions as per details given below. The Company has set counter-party limits based on multiple factors including financial position, credit rating, etc.

(₹ in Crore)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Financial Assets for which Allowances are measured using 12 Months Expected Credit Loss			
Non Current Assets			
Investments	4	0.20	0.20
Loans	5	15.43	18.49
Other Financial Assets	6	1.89	0.35

Notes forming part of Financial Statements

(₹ in Crore)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Current Assets			
Investments	4	337.98	-
Cash and Cash Equivalents	10	6.34	2.55
Bank Balances other than Cash and Cash Equivalents	11	1.35	1.54
Loans	5	0.41	0.28
Other Financial Assets	6	0.07	1.87
		363.67	25.28
Financial Assets for which Allowances are measured using life time Expected Credit Loss			
Current Assets			
Trade Receivables	9	181.46	172.08

The following table summarises the ageing analysis of trade receivables:

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Up to 30 days past due	146.94	98.53
31 to 90 days past due	26.93	50.55
91 to 180 days past due	4.30	9.13
181 to 365 days past due	3.05	12.61
More than 365 days past due	0.24	1.26
	181.46	172.08

The following table summarises the movement in loss allowance for doubtful trade receivables measured using the life time expected credit loss model.

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balance	4.88	2.98
Addition during the year (Refer note no. 27)	0.19	1.90
Reversal during the year	(0.06)	-
Closing Balance (Refer note no. 9)	5.01	4.88

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's main source of liquidity is cash and cash equivalents and the cash flows that are generated from operations. The Company's approach to manage liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast with actual cash flows and matching the maturity profiles of the financial assets and liabilities.

Notes forming part of Financial Statements

The table below provides the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. (₹ in Crore)

Particulars	Note No.	As at March 31, 2021				As at March 31, 2020			
		Carrying Amount	Within 1 year	Between 1 and 5 years	More than 5 years	Carrying Amount	Within 1 year	Between 1 and 5 years	More than 5 years
Non-Current Liabilities									
Financial Liabilities									
Lease Liabilities		115.23	-	86.39	28.84	119.78	-	82.96	36.82
Other Financial Liabilities	16	0.17	-	0.17	-	0.01	-	0.01	-
Current Liabilities									
Financial Liabilities									
Borrowings	15	-	-	-	-	19.16	19.16	-	-
Trade Payables									
Micro Enterprises and Small Enterprises		47.36	47.36	-	-	27.50	27.50	-	-
Other than Micro Enterprises and Small Enterprises		175.44	175.44	-	-	156.29	156.29	-	-
Other Financial Liabilities	16	134.55	134.55	-	-	101.11	101.11	-	-
		472.75	357.35	86.56	28.84	423.85	304.06	82.97	36.82

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises of foreign exchange risk, interest rate risk and other price risk, such as equity price risk and commodity price risk. Financial instruments affected by market risk includes Indian rupee loan, foreign currency loan, trade payables etc.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities i.e. import of materials, capital items and export of finished goods. (When revenue or expense is denominated in a foreign currency).

Exposure to Foreign Exchange Risk

The Company uses forward exchange contracts to mitigate foreign exchange related risk exposures. The Company's exposure to unhedged foreign currency risk as at March 31, 2021 and March 31, 2020 has been disclosed in note no. 35.

Foreign Exchange Risk Sensitivity

The following table demonstrate the sensitivity analysis on profit before tax due to change in USD exchange rate, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is given below. (₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Impact on Profit Before Tax due to change in USD rate*		
Increase by 2%	0.47	0.59
Decrease by 2%	(0.47)	(0.59)

* Figures in bracket denotes reduction in profit

The Company's unhedged foreign currency exposure denominated in GBP, Euro and AED are insignificant, hence sensitivity analysis has not been disclosed.

Notes forming part of Financial Statements

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings.

Exposure to Interest Rate Risk

As at March 31, 2021, the exposure to interest rate risk due to variable interest rate borrowings amounted to Nil. (previous year ₹ 19.16 crores).

Interest Rate Risk Sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in interest rate with all other variables held constant. The impact on the Company's profit before tax due to changes in the interest rates on variable rate portion of loans and borrowings is given below. (₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Impact on Profit Before Tax due to change in Interest Rate*		
Increase by 0.50%	(0.11)	(0.23)
Decrease by 0.50%	0.11	0.23

* Figures in bracket denotes reduction in profit

Price Risk

Equity Price Risk

The Company's unquoted equity instruments are susceptible to market price risk arising from uncertainties about future value of the investment. The investment in unquoted equity instruments is not significant.

Commodity Price Risk

The key raw materials used in the manufacturing of footwear are natural / synthetic rubber, EVA, PU etc. Price volatility of these commodities depend mainly on demand – supply, fluctuation in the price of crude oil and its derivatives. To mitigate price risk and availability issues, the Company is taking several pro-active initiatives like continuously monitoring the price trend of key materials in global / domestic markets by subscribing to various commodity reports, development of new vendors and alternate material for better price competitiveness and quality sustainability / improvement etc.

Note No. 37 : Capital Management

Capital includes equity share capital and other equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an optimal capital structure and maximise the shareholder's value. The Company has complied with those covenants throughout the reporting period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions to meet requirements of the financial covenants. To maintain or adjust the capital structure, the Company may review the dividend payment to shareholders, return capital to shareholders or issue new shares.

Debt to Equity Ratio

(₹ in Crore)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Equity Share Capital	13	24.84	24.82
Other Equity	14	1547.57	1247.58
		1572.41	1272.40
Non Current- Borrowings		-	-
Debt to Equity Ratio		-	-

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021.

Notes forming part of Financial Statements

Note No. 38: Collaterals

The Company has hypothecated/mortgaged its current assets, specific property, plant and equipment as collateral against its borrowings. (Refer note no.15)

Note No. 39 : Related Party Transactions

Disclosure is hereby given in pursuant to Ind AS 24 "Related Party Disclosures".

i) Names of related parties with whom transactions have taken place during the year and their relationship

(a) Individuals having control and significant influence over the Company and Key Management Personnel (KMP)

Ramesh Kumar Dua, Managing Director

Mukand Lal Dua, Whole Time Director

(b) Key Management Personnel (KMP)

Nikhil Dua, Whole Time Director

Deval Ganguly, Whole Time Director

(c) Entities where individuals and Key Management Personnel (KMP) as defined in Note No. 39 (i) (a) and 39 (i) (b) above exercise significant influence

Patel Oil Mills

Ramesh Kumar Dua (H.U.F)

Mukand Lal Dua (H.U.F)

Mool Chand Dua (H.U.F)

Relaxo Foundation

Shri Mool Chand Dua Memorial Society

(d) Relatives of individuals and Key Management Personnel (KMP) as defined in Note No. 39 (i) (a) and 39 (i) (b)

Lalita Dua, wife of Managing Director

Gaurav Dua, son of Managing Director

Rahul Dua, son of Managing Director

Sakshi Dua, daughter of Managing Director

Usha Dua, wife of Whole Time Director

Ritesh Dua, son of Whole Time Director

Nitin Dua, son of Whole Time Director

(e) Independent Directors (KMP) and their relatives

Pankaj Shrimali

Vivek Kumar

Deepa Verma

Rajeev Rupendra Bhadauria

Madhuri Shrimali, wife of Pankaj Shrimali

(f) Post Employment Benefit Plan Trust

Relaxo Footwears Limited Employees Group Gratuity Scheme

Notes forming part of Financial Statements

ii) Related Party Transactions

(₹ in Crore)

Particulars	Individuals having control and significant influence over the Company and Key Management Personnel (KMP)	KMP	Entities where individuals and Key Management Personnel (KMP) exercise Significant Influence	Relatives of Individuals and KMP	Independent Directors (KMP) and their Relatives	Post Employment Benefit Plan Trust	Total
Transactions during the year							
Sale of goods	-	-	0.22	-	-	-	0.22
	-	-	(0.01)	-	-	-	(0.01)
Lease Rent	0.96	0.68	0.84	2.28	-	-	4.76
	(1.12)	(0.74)	(0.92)	(2.72)	-	-	(5.50)
Final / Interim Dividend	-	-	-	-	-	-	-
	(23.21)	(2.01)	(0.11)	(12.55)	(0.00)	-	(37.88)
Short-Term Employee Benefits (Salary)	3.60	2.54	-	4.35	-	-	10.49
	(3.60)	(2.16)	-	(4.01)	-	-	(9.77)
Post-Employment Benefits (Provident Fund and Gratuity)	0.44	0.15	-	0.37	-	-	0.96
	(0.44)	(0.17)	-	(0.38)	-	-	(0.99)
Long-Term Employee Benefits (Compensated Absences)	-	0.01	-	-	-	-	0.01
	-	(0.03)	-	-	-	-	(0.03)
Director's Commission (Refer note no.16)	36.80	-	-	-	0.10	-	36.90
	(25.80)	-	-	-	(0.10)	-	(25.90)
Sitting Fee	-	-	-	-	0.14	-	0.14
	-	-	-	-	(0.14)	-	(0.14)
CSR (Refer note no.27 and 41)	-	-	-	-	-	-	-
	-	-	(4.66)	-	-	-	(4.66)
Share Based Payments	-	0.08	-	-	-	-	0.08
	-	(0.13)	-	-	-	-	(0.13)
Contribution to Post Employment Benefit Plan Trust (Gratuity)	-	-	-	-	-	2.97	2.97
	-	-	-	-	-	(5.90)	(5.90)
Issue of Shares under "RFL Employee Stock Option Plan 2014" (In Number)	-	6,500	-	-	-	-	6,500
	-	-	-	-	-	-	-
Issue of Bonus Shares (No. of Shares)	-	-	-	-	-	-	-
	(5,49,79,832)	(46,74,093)	(2,52,000)	(2,81,93,784)	(19,956)	-	(8,81,19,665)
Guarantees and Collaterals taken*	260.00	-	-	-	-	-	260.00
	(260.05)	-	-	-	-	-	(260.05)

Previous year figures are given in brackets

* Off Balance Sheet item

Notes forming part of Financial Statements

Note No. 40 : Fair Value Measurements

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The following methods, assumptions and valuation techniques were used to estimate the fair values.

- The fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, trade payables, borrowings and other financial assets and liabilities are considered same as their carrying amount due to their short term nature.
- Financial assets and liabilities with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty.
- The Management assessed that fair values of above financial assets and liabilities approximate their carrying value due to amortised cost being calculated based on the effective interest rates.
- The fair value of cross currency interest rate swaps is determined as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward exchange contracts and currency swaps is determined using forward exchange rates at the balance sheet date.

Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value or amortised cost for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed as per Ind AS 113 "Fair Value Measurement"

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The below table provides comparison by class of carrying amount and fair value of the Company's financial instruments along with fair value hierarchy. (₹ in Crore)

Particulars	Note No.	As at March 31, 2021			As at March 31, 2020		
		Carrying Amount	Fair Value	Fair Value Hierarchy	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial Assets carried at Amortised Cost							
Non-Current Assets							
Loans	5						
Loans to Employees		0.09	0.09	Level 3	0.03	0.03	Level 3
Security Deposits		15.34	15.34	Level 3	18.46	18.46	Level 3
Other Financial Assets	6						
Balances with Banks held as Margin Money		1.89	1.89	Level 2	0.35	0.35	Level 2
Current Assets							
Trade Receivables	9	181.46	181.46	Level 3	172.08	172.08	Level 3
Cash and Cash Equivalents	10	6.34	6.34	Level 1	2.55	2.55	Level 1
Bank Balances other than Cash and Cash Equivalents	11	1.35	1.35	Level 2	1.54	1.54	Level 2
Loans	5						
Loans to Employees		0.41	0.41	Level 3	0.28	0.28	Level 3
Other Financial Assets	6						
Interest accrued on Bank Deposits		0.07	0.07	Level 2	0.05	0.05	Level 2
		206.95	206.95		195.34	195.34	

Notes forming part of Financial Statements

(₹ in Crore)

Particulars	Note No.	As at March 31, 2021			As at March 31, 2020		
		Carrying Amount	Fair Value	Fair Value Hierarchy	Carrying Amount	Fair Value	Fair Value Hierarchy
Financial Assets carried at Fair Value through Profit or Loss							
Current Assets							
Investments	4						
Mutual Funds - Quoted		337.98	337.98	Level 1	-	-	
Other Financial Assets	6						
Foreign Exchange Forward Contracts		-	-		1.82	1.82	Level 2
		337.98	337.98		1.82	1.82	
Financial Assets carried at Fair Value through Other Comprehensive Income							
Non-Current Assets							
Investments *	4						
Unquoted Equity Instruments		0.20	0.20	Level 3	0.20	0.20	Level 3
Financial Liabilities carried at Amortised Cost							
Non-Current Liabilities							
Lease Liabilities		115.23	115.23	Level 3	119.78	119.78	Level 3
Other Financial Liabilities	16						
Retention Money		0.17	0.17	Level 3	0.01	0.01	Level 3
Current Liabilities							
Borrowings	15	-	-		19.16	19.16	Level 2
Trade Payables							
Micro Enterprises and Small Enterprises		47.36	47.36	Level 3	27.50	27.50	Level 3
Other than Micro Enterprises and Small Enterprises		175.44	175.44	Level 3	156.29	156.29	Level 3
Other Financial Liabilities	16						
Retention Money		1.92	1.92	Level 3	2.13	2.13	Level 3
Lease Liabilities		28.93	28.93	Level 3	27.61	27.61	Level 3
Interest accrued on Borrowings from Banks		-	-		0.05	0.05	Level 2
Security Deposits							
Customers		26.20	26.20	Level 3	10.28	10.28	Level 3
Others		0.58	0.58	Level 3	0.55	0.55	Level 3
Unpaid Dividends		0.25	0.25	Level 2	0.31	0.31	Level 2
Employee Benefits Payable		37.94	37.94	Level 3	31.56	31.56	Level 3
Director's Commission Payable		36.89	36.89	Level 3	25.89	25.89	Level 3
Payable for Capital Goods		1.35	1.35	Level 3	2.73	2.73	Level 3
		472.26	472.26		423.85	423.85	
Financial Liabilities carried at Fair Value through Profit or Loss							
Current Liabilities							
Other Financial Liabilities	16						
Foreign Exchange Forward Contracts		0.49	0.49	Level 2	-	-	

* The sensitivity analysis of inputs used in fair valuation of investment carried at fair value through other comprehensive income, is not significant, hence no disclosure is made.

Notes forming part of Financial Statements

Note No. 41 : Corporate Social Responsibility (CSR)

Company implements its CSR activities through a registered society, namely Relaxo Foundation whose vision is to ensure sustained human development of the most deprived communities primarily under two thematic areas viz. 'Education & Skill Development' and 'Health & Hygiene'.

Company has formed a CSR committee under section 135 of the Companies Act 2013 for implementation of CSR policy.

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amount required to be spent by the Company in accordance with Section 135 of Companies Act, 2013	5.43	4.66
Amount spent during the year (on purpose other than construction/acquisition of assets controlled by the Company) (Refer note no. 27 and 39)	-	4.66
Amount allocated for CSR projects as per Company's CSR policy approved by the Board in accordance with Section 135 of the Companies Act, 2013 (Refer note no. 17 and 27)	5.43	-

Note No. 42 : Payments to Auditor*

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As Auditor		
Statutory Audit Fees	0.17	0.17
In Other Capacity		
Limited Review and Other Services	0.13	0.08
Tax Audit	0.03	0.03
	0.33	0.28

* Included in legal and professional fees (Refer note no. 27)

Note No. 43 : The Micro, Small and Medium Enterprises Development Act, 2006

Disclosure is hereby given in pursuant to requirement of section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year.		
Principal Amount	47.36	27.50
Interest Due	0.02	0.00
The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	0.19	0.01
The amount of interest accrued and remaining unpaid at the end of accounting year.	0.22	0.01
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	0.01	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes forming part of Financial Statements

Note No. 44: Segment Reporting

Operating Segment

Based on guiding principles given in Ind AS 108 on "Operating Segments", the Company's business activity falls within a single operating segment namely, "Footwear and Related Products", hence, the disclosure requirements relating to "Operating Segments" of Ind AS 108 are not applicable.

Entity-wide Disclosure under Ind AS 108 "Operating Segments"

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Geographical Area wise Revenue (Footwear) *		
Within India	2244.23	2291.43
Outside India	89.67	91.57
	2333.90	2383.00

* Refer note no. 21.

There is no customer having revenue amounting to 10% or more of Company's total revenue.

Note No. 45: Disclosure as per Ind AS 116 "Leases"

The movement in lease liabilities is given below.

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balance	147.39	-
Addition during the year	33.34	180.00
Gain on Lease Modification, Termination and Concession	11.82	-
Payment of Principal Lease Liabilities	24.75	32.61
Closing Balance	144.16	147.39

Maturity profile of lease liabilities is given in note no. 36.

The Company has applied practical expedient as per amendment to Ind AS 116 "Leases" on COVID-19 related rent concessions and recognised gain of ₹ 10.24 crores in other income. (Refer note no. 22)

Note No. 46: Disclosure as per Ind AS 115 "Revenue from Contracts with Customers"

Reconciliation of revenue (footwear) as per contract price and as recognised in statement of profit and loss:

(₹ in Crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per Contract Price	2444.26	2529.25
Less: Rebates and Discounts	110.36	146.25
Revenue as per Statement of Profit and Loss *	2333.90	2383.00

* Refer note no. 21.

Note No. 47: Events Occurring after the Balance Sheet Date

The Board of Directors at its meeting held on May 20, 2021 have recommended final dividend at the rate of ₹ 2.50 per share of face value of ₹ 1/- for the approval of shareholders aggregating to ₹ 62.11 crores for the year ended March 31, 2021.

Notes forming part of Financial Statements

Note No. 48: Impact of Global Health Pandemic COVID -19

The Company has done assessment of recoverability and carrying values of its assets comprising of receivables, inventories, plant and equipment, intangible assets and on the basis of assessment, the Company expects to recover the carrying amount of these assets. The Company will continue to closely monitor any material changes to future economic conditions due to uncertainties linked to COVID -19.

As per our report of even date

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/N500050

Sudhir Maheshwari
Partner
Membership No. 081075

Delhi, May 20, 2021

For and on behalf of the Board of Directors

Ramesh Kumar Dua
Managing Director
DIN :00157872

Sushil Batra
Chief Financial Officer

Mukand Lal Dua
Whole Time Director
DIN :00157898

Vikas Kumar Tak
Company Secretary



AWARDS & ACCOLADES





RELAXO

Bahamas



*Keep Chillin'
Keep Flippin'*



BHG-154



RELAXO

RELAXO FOOTWEARS LIMITED




Registered Office: Aggarwal City Square, Plot No. 10, Manglam Place, District Centre, Sector-3, Rohini, Delhi-110085 (India)

Phone: 91-11-46800600, 46800700 Fax: 91-11-46800692

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CIN No: L74899DL1984PLC019097

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RELAXO

RELAXO FOOTWEARS LIMITED

Corporate Identity No. L74899DL1984PLC019097

Registered Office : Aggarwal City Square Plot No. 10 Manglam Place, District Centre, Sector-3, Rohini, Delhi -110085, India

Tel. No.: +91-11-46800600, Fax No.: 91-11-46800692, E-mail: rfl@relaxofootwear.com, Website: www.relaxofootwear.com

NOTICE

NOTICE is hereby given that the 37th Annual General Meeting ("AGM") of the Members of Relaxo Footwears Limited ("the Company") to be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") on Thursday, the 26th day of August, 2021 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021, comprising of the Balance Sheet as at March 31, 2021 and the statement of Profit and Loss Account for the Financial Year ended on that date including Statement of cash flows for the year ended as at March 31, 2021, together with the Reports of Board of Directors and Auditors thereon.
2. To declare the final dividend @ 250 % equivalent to ₹ 2.50/- per equity share of the Face Value of ₹ 1/- each for the Financial Year 2020-21.
3. To consider appointment of a Director in place of Mr. Ramesh Kumar Dua, Managing Director (DIN: 00157872) who retires by rotation and being eligible, offers himself for reappointment.
4. To consider appointment of a Director in place of Mr. Mukand Lal Dua, Whole Time Director (DIN: 00157898) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

5. RE-APPOINTMENT OF MR. DEVAL GANGULY (DIN: 00152585) AS A WHOLE TIME DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 152, 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], and pursuant to the recommendation

of Nomination and Remuneration Committee and Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Deval Ganguly (DIN – 00152585), as a Whole time Director of the Company, liable to retire by rotation, for a period of 3 (three) years with effect from November 5, 2021 till November 4, 2024 on a monthly remuneration and such other allowances, perquisites, benefits, amenities as applicable to the Company's Executives in the similar grade and 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/or remuneration subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in the absence or inadequacy of the profits in any year, Mr. Deval Ganguly shall be entitled to receive and be paid a minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated in the Explanatory Statement hereto, subject to the ceiling as specified under Schedule V and any other provisions of Companies Act, 2013 (including any statutory modifications and re-enactments thereof).

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper, expedient to give effect to this resolution.

6. APPROVAL FOR AMENDMENTS IN RFL EMPLOYEE STOCK OPTION PLAN, 2014

To consider and, if thought fit, to pass the following resolution as Special Resolution:

RESOLVED THAT pursuant to Section 62 of Companies Act, 2013 and other applicable provisions, of Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, the SEBI Regulations, including any rules, circular, guidelines thereto and including any statutory modification(s), amendments or re-enactment(s) thereof for the time being in force and further subject to any other

laws and regulations, as may be applicable, the Articles of Association of the Company, applicable permissions, sanctions and approvals as may be required in this regard, consent of the Members of the Company be and is hereby accorded to amend the RFL Employee Stock Option Plan, 2014, ("RFL ESOP 2014") for administrative convenience.

RESOLVED FURTHER THAT Board be and is hereby authorised to do all such acts, deeds and things as in its absolute discretion they may think necessary, expedient

or desirable to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments as may be required in this regard.

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

Vikas Kumar Tak
Company Secretary

Delhi, May 20, 2021

NOTES:-

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (the "Act") with respect to special business set out in the Notice is annexed.
2. Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Secretarial Standard 2 issued by Institute of Company Secretaries of India ("ICSI") details of Director retiring by rotation / seeking re-appointment at the ensuing meeting are provided in the "**Annexure - I**" to the Notice. Directors seeking reappointment have furnished requisite declarations under section 164(2) and other applicable provisions of the Act, including rules framed there under and the Listing Regulations.
3. In view of continuing COVID - 19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 read with Circular No. 02/2021 dated January 13, 2021, and Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 read with SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 have permitted companies to hold their AGM through VC/OAVM without physical presence of Members for the calendar year 2021 and prescribed the procedures and manner of conducting the AGM through VC/ OAVM.
4. In compliance with applicable provisions of the Act read with aforesaid MCA circulars, the 37th AGM of the Company being conducted through VC/OAVM herein after called as "e-AGM". Hence, Members can attend and participate in the AGM through VC/OAVM only.
5. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) read with Clarification/ Guidance on applicability of Secretarial Standards - 1 and 2 and amendments thereof dated April 15, 2020 and December 31, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
6. Company has appointed KFin Technologies Private Limited, Registrar & Share Transfer Agent ("RTA") of the Company, (earlier known as Karvy Fintech Private Limited) ("KFin" or "KFintech") to provide facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting at the e-AGM through Insta Poll during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No. 17 below.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Act and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. August 26, 2021. Members seeking to inspect such documents can send an email to cs@relaxofootwear.com. The Register of Members and Share Transfer Books will remain closed from August 20, 2021 to August 25, 2021 (both days inclusive) in connection with AGM and for the purpose of Dividend.
8. Final Dividend @ 250% i.e. ₹2.50/- per equity share for the year ended March 31, 2021 as recommended by the Board if declared at AGM will be payable to those Members whose name appears on the Company's Register of Members at the close of business hours on August 19, 2021. The Final Dividend will be paid on or before September 24, 2021 to the eligible shareholders. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and/ or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the RTA by sending email to the Registrar's email address at einward.ris@kfintech.com. For details, Members may refer to the Communication on TDS on Dividend Distribution appended to this notice as **Annexure - II**.

9. Pursuant to the circulars issued by MCA on conducting the AGM through VC/OAVM:

- a) Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the meeting venue has been dispensed with.
 - b) Appointment of proxy to attend and cast vote on behalf of the Member is not available for this e-AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
 - c) Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
10. The facility of participation at the AGM through VC/OAVM will be made available for 2,000 Members on first come first served ("FCFS") basis.
11. No restrictions on account of FCFS entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
12. The attendance of the Members (through Members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
13. Remote e-Voting: Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 the Company is providing facility of remote e-voting to its Members through KFin Technologies Private Limited.
14. E-voting system at the e-AGM: Members who could not vote through remote e-voting may avail the e-voting system at the e-AGM i.e. InstaPoll provided by KFin Technologies Private Limited.
15. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the e-AGM has been uploaded on the website of the Company at www.relaxofootwear.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and is also available on the website of e-voting agency KFin Technologies Private Limited at the website address <https://evoting.kfintech.com>.

16. Procedure for obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:

In Compliance with the MCA General Circular No. 20/2020

dated May 5, 2020 read with Circular No. 02/2021 dated January 13, 2021 and SEBI Circular No. SEBI/ HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 read with SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the Financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended March 31, 2021 pursuant to section 136 of the Act and Notice calling the AGM pursuant to section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/ KFinTech or the Depository Participant(s). The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member. Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with KFinTech by following due procedure:

- a) Members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) and in respect of shares held in physical form by clicking at <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> or by writing to the RTA with details of folio number and self-attested copy of PAN card at KFin Technologies Private Limited, Unit: Relaxo Footwears Limited, Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Hyderabad – 500032, India or by sending email to einward.ris@kfintech.com.
- b) After due verification, the Company/KFin will forward your login credentials to your registered email address.
- c) Members are advised to receive the Notice convening the 37th AGM and Annual Report for FY 2020-21 via e-mail, by updating their e-mail ID by accessing the link <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Alternatively, Notice of 37th AGM can be downloaded through <https://evoting.kfintech.com/public/Downloads.aspx>.
- d) Shareholders are also requested to visit the website of the Company www.relaxofootwear.com or the website of the Registrar and Transfer Agent www.kfintech.com for downloading the Annual Report and Notice of the e-AGM.

17. Instructions for the Members for attending the e-AGM through Video Conference:

The Company is providing VC/OAVM facility to its Members for joining/participating at the AGM. Members may join the meeting through Desktops, Laptops, Smartphones, Tablets and iPads. Further, Members will be required to use

Internet with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. The Company will provide VC / OAVM facility to its Members for participating at the e-AGM.

- a) Members will be able to attend the e-AGM through VC / OAVM at <https://emeetings.KFintech.com> by using their e-voting login credentials. Members are requested to follow the procedure given below:
 - i. Launch internet browser (chrome/firefox/safari) by typing the URL: <https://emeetings.KFintech.com>.
 - ii. Enter the login credentials (i.e., User ID and password for e-voting).
 - iii. After logging in, click on "Video Conference" tab, and select the EVEN of the Company
 - iv. Click on the video symbol and accept the meeting etiquettes to join the meeting.
- b) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the e-voting instructions.
- c) Members who would like to express their views or ask questions during the e-AGM may register themselves by logging on to <https://emeetings.Kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during, August 21, 2021 (09:00 a.m. IST) to August 23, 2021 (5:00 p.m. IST). Only those Members who have registered themselves as speaker will be allowed to express their views or ask questions at the e-AGM. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the e-AGM. Members are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question and Answer Session. Due to inherent limitation of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Question and Answer Session. Hence, Members are encouraged to get themselves registered as speaker during that period to ask questions/queries etc. at the e-AGM. The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Members may login through the user id and password provided in the mail received from Kfintech. On successful login, Members may post the questions in the 'Post Your Question' tab.

- d) Members will be allowed to attend the e-AGM through VC/OAVM on first come, first served basis.
- e) The facility for joining the e-AGM shall open 15 minutes before the time scheduled for e-AGM and will continue till the conclusion of the e-AGM. The facility will be available to the Members on first-come-first-served basis. Large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel and Auditors are allowed to attend the AGM without restriction on first-come-first-served basis.
- f) Members who need assistance before or during the e-AGM can contact KFin on evoting@kfintech.com or call on toll free numbers 1-800-3094-001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.
- g) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the e-AGM.
- h) Members attending the e-AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
- i) Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the e-AGM.

18. Instructions for Members for e-Voting during the e-AGM:

- a) Only those Members/ shareholders, who will be present in the e-AGM through Video Conference facility and have not casted their vote through remote e-Voting are eligible to vote through 'InstaPoll' in the e-AGM.
- b) However, Members who have voted through remote e-Voting will be eligible to attend the e-AGM.
- c) The procedure for Instapoll on the day of the e-AGM is same as the instructions mentioned for Remote e-voting.

19. Members holding shares in physical mode:

- a) are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Registrar, if not registered with the Company as mandated by SEBI;
- b) are advised to register the nomination in respect of their shareholding in the Company in Nomination Form (SH-13);
- c) are requested to register / update their e-mail address with the Company / Registrar for receiving all communications from the Company electronically;
- d) are requested to notify the Company / Registrar, of any change in their address or bank mandates immediately. Members holding shares in physical mode are requested to always quote their Folio Number or DP ID and Client ID Numbers in all correspondence with the Company.

20. Members holding shares in electronic mode:

- are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts;
- are advised to contact their respective DPs for registering the nomination;
- are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically;
- are requested to notify respective depository participant of any change in their addresses and particulars of their bank accounts immediately.

21. Non-Resident Indian Members are requested to inform Registrar/ respective DPs, immediately of:

- change in their residential status on return to India for permanent settlement;
 - particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
22. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules, 2019 notified by the Ministry of Corporate Affairs, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the members for seven

consecutive years or more in the name of Investor Education and Protection Fund ("IEPF") Demat Account. Adhering to various requirements set out in the Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded details of such Members whose shares are transferred to IEPF Demat Account on its website at www.relaxofootwear.com. The said information was also filed with MCA which is available on their website at www.iepf.gov.in. The shares transferred to IEPF Demat Account including all benefits accruing on such shares, if any, can be claimed by the Members from IEPF Authority, after following the procedure prescribed under the Rules. Pursuant to the provisions of Sections 124 and 125 of the Act, dividends which remain unclaimed for a period of seven years from the date of transfer to the unpaid dividend account are required to be transferred to IEPF established by the Central Government. The details of unpaid dividend are placed on the website of the Company at www.relaxofootwear.com. During FY21, the Company transferred unclaimed dividend amounts of ₹ 1,35,062.00 from the Final Dividend for the Financial Year 2012 - 2013 to the IEPF. Members who have not encashed their dividend warrants towards the Final Dividend for the financial year 2013-2014 or thereafter are requested to write to the Company's Registrars and Share Transfer Agent.

Please note that no claim shall lie against the Company in respect of the shares so transferred to such IEPF Demat Account and dividend transferred to IEPF Account.

Members are requested to note that the unclaimed dividends will be transferred to IEPF after the below mentioned due dates:

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 Unclaimed Dividend as on March 31, 2021 (₹)
2013-14	18.09.14	24.10.14	23.10.21	22.11.21	1,60,302.00
2014-15	24.09.15	30.10.15	29.10.22	28.11.22	1,86,926.00
2015-16	15.09.16	21.10.16	20.10.23	19.11.23	2,35,116.60
2016-17	21.09.17	27.10.17	26.10.24	25.11.24	3,67,398.00
2017-18	27.09.18	02.11.18	01.11.25	01.12.25	5,16,175.50
2018-19	26.09.19	01.11.19	31.10.26	30.11.26	3,36,421.80
2019-20	27.02.20	03.04.20	02.04.27	01.05.27	7,36,158.75

Members who have not encashed their dividend warrants are requested to send back their warrants for revalidation or lodge their claims to our Registrar and Share Transfer Agent

- Pursuant to Regulation 39 and Schedule V and VI of the Listing Regulations the details of unclaimed shares in its Unclaimed Suspense Account are given in Directors Report.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

- Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant

share certificates to Company or Registrar for doing the needful.

- As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members who still hold share certificates in physical form are advised to dematerialise their shareholding.

23. GENERAL INFORMATION AND INSTRUCTIONS FOR REMOTE E- VOTING:

- a) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations, and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by KFin Technologies Private Limited, on all the resolutions set forth in this Notice.
- b) However, pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- c) Further, the facility for voting through electronic voting system will also be made available at the AGM ("InstaPoll") and Members attending the meeting who have not casted their vote(s) by remote e-voting, will be able to vote at the meeting through InstaPoll. The Company has engaged the services of KFin as the agency to provide e-voting facility at the AGM.
- d) E-voting is optional. The Members of the Company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cut-off date, may cast their vote electronically either through remote e-voting or at the meeting through InstaPoll. The cut-off date for eligibility for remote e-voting is August 19, 2021. A person who is not a Member as on cut-off date should treat this notice for information purpose

only. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date. The Members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting through VC/OAVM but shall not be entitled to cast their vote again. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently or cast the vote again.

- e) The e-voting facility will be available during the following period:
 - Commencement of e-voting: 09:00 Hours (IST) on Monday, August 23, 2021
 - End of e-voting: 17:00 Hours (IST) on Wednesday, August 25, 2021
- f) The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Registrar upon expiry of aforesaid period.
- g) The Board of Directors has appointed Mr. Baldev Singh Kashtwal, Practicing Company Secretaries, (C.P. No. 3169) as the Scrutinizer to scrutinize the remote e-voting and InstaPoll process in a fair and transparent manner.
- h) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFinTech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- i) In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method" for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- j) The procedure and instructions for the remote evoting facility for Individual shareholders holding securities in demat mode are provided as follows:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. User already registered for IDeAS facility: <ol style="list-style-type: none"> I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.

Type of shareholders	Login Method
	<p>2. User not registered for IDEAS e-Services</p> <ol style="list-style-type: none"> I. To register click on link : https://eservices.nsd.com II. Select "Register Online for IDEAS" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in point 1. <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> I. Open URL: https://www.evoting.nsd.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in Point 1. <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	<ol style="list-style-type: none"> I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option.Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

k) The procedure and instructions for remote e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode are provided as follows:

Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFinTech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password mentioned in the email). In case of physical folio, User ID will be EVEN (E-Voting Event Number of Relaxo Footwears Ltd e-AGM), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for login.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters consisting of at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e. e-voting event number for Relaxo Footwears Ltd e-AGM.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id bskashtwal@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_ Even No."
- l) In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
- i. If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 - ✓ Example for NSDL:
MYEPWD <SPACE> IN12345612345678
 - ✓ Example for CDSL:
MYEPWD <SPACE> 1402345612345678
 - ✓ Example for Physical:
MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

- iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFinTech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com .
- m) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to modify it subsequently. The Company shall also provide facility for InstaPoll system at the e-AGM and Members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the e-AGM through InstaPoll. A Member can opt for only single mode of voting i.e. through Remote e-voting or InstaPoll at the e-AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote through InstaPoll shall be treated as invalid.
- n) The Members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting through VC/OAVM but shall not be entitled to cast their vote again.
- o) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date, being August 19, 2021. A person who is not a Member as on the cut-off date should treat this notice for information purpose only.
- p) The results shall be declared on or after the e-AGM. The results along with the Scrutinizer's Report shall be displayed for at least 3 (three) days on the Notice Board of the Company at its Registered Office i.e. Relaxo Footwears Limited, Aggarwal City Square, Plot No.10, Manglam Place, District Centre, Sector-3, Rohini, Delhi-110085. The same shall also be placed on the website of the Company and Kfin's website (<https://www.kfintech.com/>).
- q) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) for shareholders' and 'e-voting user manual for shareholders,' available at the download section of <https://evoting.kfintech.com> and/or contact Mr. Raj Kumar Kale, Manager- Corporate Registry, Unit: Relaxo Footwears Limited of KFin Technologies Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@kfin.com or contact no. 040 - 6716 2222 or call KFin's toll free No. 1-800-3094-001 for any further clarifications. The Members of the Company can also contact Mr. Vikas Kumar Tak, Company Secretary, Relaxo Footwears Limited, Aggarwal City Square, Plot No.10, Manglam Place, District Centre, Sector-3, Rohini, Delhi- 110085, Contact No: 011 - 46800600 and may write an e-mail to cs@relaxofootwear.com.
- r) The Scrutinizer shall after the conclusion of e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company. The Scrutinizer's decision on the validity of the vote shall be final and binding. The Scrutinizer shall submit his / her report, to the Managing Director or any other person authorised by Board, on the voting in favor or against, if any, within a period of forty- eight hours from the date of conclusion of the meeting. The results declared along with the consolidated Scrutinizer's Report shall be placed on the website of the Company www.relaxofootwear.com. The results shall simultaneously be communicated to the Stock Exchanges.
- s) The recorded transcript of the AGM shall be maintained by the Company and also be made available on the website of the Company www.relaxofootwear.com in the `Investor` Section, at the earliest soon after the conclusion of the Meeting.
24. Since the AGM will be held through VC / OAVM, the Route Map, proxy form and attendance slip are not annexed with this Notice.

“Annexure - I” to the Notice

Information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards 2 issued by Institute of Company Secretaries of India (“ICSI”)

Name of Director(s)	Mr. Ramesh Kumar Dua (DIN:- 00157872) (Item No. 3)	Mr. Mukand Lal Dua (DIN:- 00157898) (Item No. 4)	Mr. Deval Ganguly (DIN: - 00152585) (Item No. 5)
Brief Resume of the Director & Qualification	He has over 45 years of experience in strategy, sales and marketing, production and new product development in footwear industry. He is a Commerce Graduate & Rubber Technologist (LPRI, London)	He has over 48 years of experience in manufacturing excellence in footwear industry providing cut edge impetus to new product development & quality control. He is a Science Graduate.	He has over 40 years of experience in areas of manufacturing, project and plant management in various reputed organisations. He is B.Tech from IIT Kanpur.
Age	67 years	72 years	62 years
Experience and nature of his Expertise in Specific functional areas	Experience in strategy, management, sales and marketing, production and new product development in Footwear Industry.	Experience in new product development and quality control in Footwear Industry.	Experience in areas of manufacturing, project and plant management.
Disclosure of relationship between Directors inter-se/ relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Related to Mr. Mukand Lal Dua, Whole Time Director	Related to Mr. Ramesh Kumar Dua, Managing Director & Mr. Nikhil Dua, Whole Time Director	None
Date of First Appointment on the Board	September 13, 1984	September 13, 1984	November 5, 2012
Name of entities in which persons hold Directorship of the Board	Confederation of Indian Footwear Industries	Nil	Nil
Name of Listed entities in which persons also holds Directorship of the Board and the memberships of Committees of the Board	Nil	Nil	Nil
Shareholding in the Company including shareholding as a beneficial owner	5,78,57,744 equity shares including beneficial shareholding of 40,000 shares	5,06,05,920 equity shares including beneficial shareholding of 464,000 shares	Nil
Terms and conditions of re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	Re-appointment pursuant to Section 152 of the Companies Act, 2013. Please refer Corporate Governance Report section for past remuneration.	Re-appointment pursuant to Section 152 of the Companies Act, 2013. Please refer Corporate Governance Report section for past remuneration.	Re-appointment pursuant to Section 149, 152, 196, 197 and 203 read with Schedule V of the Companies Act, 2013. Please refer to explanatory statement for remuneration sought and Corporate Governance Report section for past remuneration.
Number of meetings of the Board attended during the Year (01.04.2020 to 31.03.2021)	Please refer Corporate Governance Report Section of the Annual Report	Please refer Corporate Governance Report Section of the Annual Report	Please refer Corporate Governance Report Section of the Annual Report
Chairman / member of Committees of other Boards	Nil	Nil	Nil
Chairman / member of Committee of Relaxo Footwears Limited	Chairman in CSR Committee and Risk Management Committee and Member in Stakeholder Relationship Committee.	Member in CSR and Stakeholder Relationship Committee.	Member in Risk Management Committee

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 5

Mr. Deval Ganguly was re-appointed as Whole Time Director of the Company by way of a special resolution passed by the Members at the 34th Annual General Meeting of the Company held on September 27, 2018 for a period of 3 (three) years from November 5, 2018 to November 4, 2021.

Mr. Deval Ganguly, is a B. Tech from IIT Kanpur, holds 40 years of experience in areas of manufacturing, project and plant management in various reputed organisations. He joined the Company in 2011 as President, Manufacturing and was elevated to Board w.e.f. November 5, 2012. He has been instrumental for various initiatives in the manufacturing plants which has not only increased the efficiency but also been able to rationalize the cost of manufacturing.

In view of his contribution in the manufacturing, project and plant management of the Company and the background and experience of Mr. Deval Ganguly the Board of Directors at its meeting held on May 20, 2021, based on the recommendation of Nomination and Remuneration Committee and subject to the approval of shareholders at the ensuing AGM has re-appointed Mr. Deval Ganguly as Whole Time Director of the Company for 3 (three) years on the terms and conditions given below :-

- 1. Term:** 3 (Three) years commencing from November 5, 2021 to November 4, 2024.
- 2. Nature of Duties:** Mr. Deval Ganguly shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and/or the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
- 3. Basic Salary:** In the range of ₹ 3.25 Lacs to ₹ 5.00 Lacs per month (with such annual/special increments within the aforesaid range as may be decided by the Board or any Committee thereof, in the absolute discretion from time to time).
- 4. House Rent Allowance:** 50% of Basic Salary.
- 5. Performance Incentive:** As may be determined by the Nomination and Remuneration Committee from time to time.
- 6. Special Allowance:** In the range of ₹ 2.50 Lacs to ₹ 5.00 Lacs per month (as may be determined by the Board or

Nomination and Remuneration Committee thereof in each year).

7. Transport Allowance: ₹1,600/- per month
8. Education Allowance: ₹ 200/- per month
9. Medical Allowance: ₹1,500/- per month

Other benefits: Leave Travel Concession & ESOP in accordance with the Rules of the Company.

Explanation

Perquisites shall be evaluated as per Income Tax Rules whenever applicable and in the absence of any such rule, perquisite shall be evaluated at actual cost to the Company.

In addition to the remuneration as detailed herein above Mr. Deval Ganguly shall also be eligible for the following perquisites:

- a) Contribution to Retirement funds, 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.
- d) Perquisites include use of Company's Car with driver, Club Membership Fee subject to maximum two clubs, Medical Insurance, Group Personal Accidental coverage as applicable to all employees of the Company from time to time and reimbursement of entertainment and all other expenses incurred by him for business of Company as per the Company Rules.

No Sitting fee for attending the meetings of Board of Directors / Committee thereof shall be paid to Mr. Deval Ganguly till the time he is functioning as a Whole Time Director.

Overall Remuneration

The total remuneration payable to Mr. Deval Ganguly (DIN - 00152585) by way of salary perquisites, allowances, benefits and amenities as approved by the Board shall not exceed the limits laid down in Section 197, 198 and other relevant provisions of Companies Act, 2013 or any statutory modifications or re-enactments thereof and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Minimum Remuneration

In the absence of or inadequacy of profits in any year, Mr. Deval Ganguly shall be entitled to receive and be paid the above remuneration as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits in that year, subject however to the ceiling specified under Schedule V of the Companies Act, 2013 (including any statutory modifications and re-enactment thereof).

None of the Directors or Key Managerial Personnel of the Company and their relatives other than Mr. Deval Ganguly is in any way, concerned or interested financially or otherwise in the Resolution set out at Item No. 5 of the accompanying Notice.

The Board recommends the resolution as item no. 5 for approval of Members as special resolution.

Item No. 6

The Company had instituted the Employee Stock Option Plan 2014 (the "Scheme") which was approved by the shareholders of the Company on August 5, 2014, through postal ballot. The objective of the Scheme is to provide an incentive to

attract and retain the key employees by way of rewarding their performance and motivate them to contribute to the corporate growth and profitability. The Plan provides for issue and allotment of not exceeding 900090 Equity Shares to the eligible employees of the Company and subsequent to the Bonus Issue in July 2015 and June 2019, the number of options available increased to 31,79,940.

In order to give flexibility to the retiring employees of the Company for exercising ESOP, the Scheme requires necessary amendments and variations for administrative convenience and complies with the applicable provisions of the Companies Act, 2013, read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the "SEBI (SBEB) Regulations") and related circulars. As per SEBI (SBEB) Regulations, the necessary amendments and variations to the ESOP Scheme need to be approved by the shareholders of the Company by way of a special resolution and accordingly the same is being placed before the shareholders for their approval. The amended Scheme shall be applicable from the date of passing of this resolution.

DETAILS OF VARIATIONS IN THE SCHEME

The details of the variations in the Scheme are as under:

Existing Provision

Clause no.	Existing clause/ sub-clause		
	Separations	Unvested options	Vested options
7.2(b) (2)	Retirement / Early retirement as approved by the Company	All the unvested options as on the date of such retirement shall be cancelled.	All the vested options upto the date of such retirement may be exercised within 3 months from the last working day of the option grantee in the company.

Amendment in ESOP scheme

Clause no.	Revised clause/ sub-clause		
	Separations	Unvested options	Vested options
7.2(b) (2)	Retirement / Early retirement as approved by the Company	All the unvested options as on the date of such retirement shall be cancelled.	All the vested options upto the date of such retirement may be exercised upto the first exercise window after the date of Retirement from the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested financially or otherwise except to the extent of shares that may be offered to them under ESOP 2014 in the Resolution set out at Item No. 6 of the accompanying Notice.

The Board recommends the resolution as item no. 6 for approval of Members as special resolution for amendment in the existing scheme as it is in the interest of the Company.

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

Vikas Kumar Tak
Company Secretary

Delhi, May 20, 2021

“Annexure - II” to the Notice

TDS ON DIVIDEND:

1. Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of Members with effect from 1st April, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) from dividend paid to Members at the prescribed rates. Members are requested to update their Permanent Account Number (“PAN”) with the Company/KFintech (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
2. For Resident Shareholders, tax shall be deducted at source under Section 194 of the Income-tax Act, 1961 @ 10% on the amount of Dividend declared and paid by the Company during the Financial Year (“FY”) 2021-22 provided PAN is furnished by the Shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income-tax Act, 1961.
3. However, no Tax shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received during FY 2021-22 does not exceed ₹ 5,000. Please note that this includes the future dividends, if any, which may be declared by the Board in the FY 2021-22.
4. Separately, in cases where the Shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), no tax at source shall be deducted provided that the eligibility conditions are being met. Needless to say, PAN is mandatory. Members are requested to note that in case their PAN is not linked with Aadhar, tax will be deducted at a higher rate of 20%.
5. Section 206AB introduced by the Finance Act, 2021 effective 1st July, 2021, provides for deduction of higher rate of tax in case a person:
 - a) Had not filed Income Tax returns (ITR) for the last two preceding previous years where the time limit to file the return of income prescribed u/s 139 (1) of the Income-tax Act, 1961 has expired; and
 - b) Had aggregate TDS credit of ₹ 50,000 or more in each of these two preceding years.Accordingly, in case both the above conditions are not fulfilled, tax would be deducted at a higher rate.
6. For Non-Resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income-tax Act, 1961 at the applicable rates in force. As per the relevant provisions of Section 195 of the said Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. In case of Foreign Portfolio Investors/Foreign Institutional Investors, the withholding tax shall be as per the rate specified in 196D of the Act plus applicable surcharge and cess on the amount of Dividend payable to them.
7. However, as per Section 90 read with Section 195 of the Income-tax Act, the Non-Resident Shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the Non-Resident Shareholder will have to provide the following on or before August 19, 2021:
 - a) Self-attested true copy of Tax Residency Certificate (“TRC”) obtained from the tax authorities of the country of which the shareholder is resident for the Financial Year 2021-22;
 - b) Self-declaration in Form 10F;
 - c) Self-attested true copy of the PAN Card if allotted by the Indian Income Tax authorities;
 - d) Self-declaration in the format prescribed by the Company, certifying the following points:
 - i. Shareholders are and will continue to remain a tax resident of the country of their residence during the Financial Year 2021-22;
 - ii. Shareholders are eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - iii. Shareholders have no reason to believe that their claim for the benefits of the DTAA is impaired in any manner;
 - iv. Shareholder does not have a taxable presence or a Permanent Establishment (“PE”) in India during the Financial Year 2021-22. In any case, the amounts paid/ payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise;
 - v. Shareholder is the ultimate beneficial owner of shares held in the Company and dividend receivable from the Company; and
 - vi. Non-Resident Shareholder is satisfying the Principle Purpose Test as per the respective tax treaty effective 1st April, 2020 (if applicable).Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts.
8. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident Shareholder.
9. Members may submit the aforementioned documents on the link: <https://ris.kfintech.com/form15/>. For further

information, Members are requested to refer email communication sent to them in this regard.

10. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from the Shareholders, there would still be an option available with the Shareholders to file the return of income and claim an appropriate refund, if eligible.
11. The Company shall arrange to email the soft copy of TDS certificate to the Shareholders at the registered email ID in due course, post payment of the said Dividend.
12. An email communication informing the Shareholders regarding this change in the Incometax Act, 1961 as well as the relevant procedure to be adopted by them to avail the applicable tax rate is being sent by the Company at the registered email IDs of the Shareholders.
13. No communication on the tax determination or deduction shall be entertained post August 19, 2021.
14. The Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/National Electronic Fund Transfer (NEFT)/ Real Time Gross Settlement (RTGS)/Direct Credit, etc.