



Quality Par Excellence

ANNUAL REPORT

2009-2010

sparx
GO FOR IT

Add sparx to your life



SM-89
Size: 6-10



SM-88
Size: 6-10



SM-86
Size: 6-10



SS-602
Size: 6-10



Quality Par Excellence

BOARD OF DIRECTORS

Ramesh Kumar Dua	Managing Director
Mukand Lal Dua	Whole Time Director
Nikhil Dua	Whole Time Director
S.K. Sapra	Director
Vivek Kumar	Director
Pankaj Shrimali	Director

COMPANY SECRETARY

Kapil Garg

CHIEF FINANCIAL OFFICER

Sushil Batra

AUDITORS

GUPTA & JHUNJHUNWALA
Chartered Accountants
9, Darya Ganj, Delhi-110 002

BANKERS

State Bank of India
HDFC Bank
Standard Chartered Bank
ING Vysya Bank

SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

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

WORKS

- Plot No. 326, 327 & 328, MIE,
Bahadurgarh, Haryana
- A-1130 & 1130 (A)
RIICO Industrial Area,
Phase -III, Bhiwadi, Rajasthan
- 30/3/2, Rakba Mooja Hasanpur
Tikri Border (Near Sales Tax Office)
Bahadurgarh, Haryana
- 83-92, SIDCUL Industrial Area,
BHEL, Haridwar, Uttaranchal
- 342-343, Footwear Park,
Industrial Estate, Sector-17,
Bahadurgarh, Haryana

CONTENTS

Page No.

Notice	2-9
Financial Highlights	10
Directors' Report	11-15
Management Discussion & Analysis	16
Corporate Governance Report	17-29
Auditors' Report	30-35
Balance Sheet	36
Profit & Loss Account	37
Cash Flow Statement	38
Schedules	39-45
Accounting Policies & Notes on Accounts	46-56
Balance Sheet Abstract	57

Notice

NOTICE

Notice is hereby given that 26th Annual General Meeting of the Members of RELAXO FOOTWEARS LIMITED will be held at Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi- 110 003 on Friday, 24th day of September, 2010 at 10.30 a.m. to transact the following business: -

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2010 and the Profit and Loss Account for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S.K. Sapra, Director who retires by rotation as a Director and being eligible, offers himself for re-appointment.
3. To confirm the payment of interim dividend and declare final dividend on equity shares for the financial year 2009-10.
4. To appoint Statutory Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

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

SPECIAL BUSINESS:-

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

“RESOLVED THAT Mr. Pankaj Shrimali who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 w.e.f 29th May, 2010 and holds office upto the forthcoming Annual General Meeting and in respect of whom, the Company has received a notice, under section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Nikhil Dua, as Whole-time Director, for a period of 3 (three) years with effect from 1st day of October, 2010 and liable to retire by rotation on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

Notice

RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorised to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its sole discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution.”

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

“RESOLVED THAT pursuant to provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 read with Directors' Relatives (Office or Place of Profit) Rules 2003, or any amendment or substitution thereof and subject to approval of Central Government, the approval of the Shareholder be and is hereby accorded to the appointment of Mr. Ritesh Dua (relative of Mr. Ramesh Kumar Dua, Managing Director, Mr. Mukand Lal Dua, Whole-time Director and Mr. Nikhil Dua, Whole-time Director of the Company) to hold and continue to hold office or place of profit under the Company and designated as Executive Vice-President (Finance) with effect from 1st day of October, 2010 for a period of 3 (three) years, in the grade of (Rs.165000-21000-207000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade after necessary approval from the Central Government.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its sole discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution.”

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

“RESOLVED THAT pursuant to provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 read with Directors' Relatives (Office or Place of Profit) Rules 2003, or any amendment or substitution thereof and subject to approval of Central Government, the approval of the Shareholder be and is hereby accorded to the appointment of Mr. Gaurav Dua (relative of Mr. Ramesh Kumar Dua, Managing Director, Mr. Mukand Lal Dua, Whole-time Director and Mr. Nikhil Dua Whole-time Director of the Company) to hold and continue to hold office or place of profit under the Company and designated as Executive Vice-President (Marketing) with effect from 1st day of October, 2010 for a period of 3 (three) years in the grade of (Rs.160000-20500-201000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade after necessary approval from the Central Government.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its sole discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution.”

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

“RESOLVED THAT pursuant to provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 read with Directors' Relatives (Office or Place of Profit) Rules 2003, or any amendment or substitution thereof and subject to approval of Central Government, the approval of the Shareholder be and is hereby accorded to the appointment of Mr. Nitin Dua (relative of Mr. Ramesh Kumar Dua, Managing Director, Mr. Mukand Lal Dua, Whole-time Director and Mr. Nikhil Dua, Whole-time Director of the Company) to hold and

Notice

continue to hold office or place of profit under the Company and designated as Executive Vice-President (Retail) with effect from 1st day of October, 2010 for a period of 3 (three) years, in the grade of (Rs.155000-20000-195000) and such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade after necessary approvals from the Central Government.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its sole discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution.”

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

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

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to sign and execute such documents/writings or other papers as may be necessary and to do all such acts, deeds, matters and things as it may, in its sole discretion, deem necessary, proper, desirable, expedient or incidental for the purpose and to settle any question, difficulty or doubt that may arise in giving effect to this resolution.”

By Order of the Board of Directors
For Relaxo Footwears Limited

Place : Delhi
Date : May 29, 2010

Kapil Garg
Company Secretary

Notice

NOTES:-

- I. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS, BEFORE THE COMMENCEMENT OF THE MEETING.**
- II. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.
- III. Corporate Members intending to send their authorized representative to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- IV.
 - a) The Register of Members and Share Transfer Book of the Company shall remain closed from Monday, 20.09.2010 to Friday, 24.09.2010 (both days inclusive).
 - b) Dividend on Equity Share of the Company, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after Friday, 24th day of September, 2010
 - c) Members may please note that the dividend warrants/drafts are payable at par at the designated branches of the bank for an initial period of 3 months only. Thereafter, the dividend warrant or revalidation is payable at all branches of the bank. The members are therefore advised to encash dividend warrants/drafts within initial validity period.
- V. Members/proxies are requested to bring their Attendance Slip duly filled in and signed for attending the meeting. Members who hold share in Dematerialised Form are requested to write their Client ID and DP ID and those who hold share in physical form are requested to write their Folio Number in Attendance Slip for attending the meeting.
- VI. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting, except on Sundays and other Holidays.
- VII. Members desiring any information on the Accounts are requested to write to the Company at its Registered Office, 316-319, Allied House, Inderlok Chowk, Old Rohtak Road, Delhi-110 035, giving at least 7 days notice prior to the date of Annual General Meeting to enable the Management to collect and keep the information ready.
- VIII. In order to avoid the incidence of fraudulent encashment of dividend warrants, the Members holding shares in physical form are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to the Company or Karvy to enable them to incorporate the same in dividend warrant.

Members holding shares in electronic form may please note that the Bank Account details and 9-digit MICR Code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through National Electronic Clearing Service (NECS), or for printing on dividend warrants wherever applicable. Therefore, members are requested to update their Bank Account particulars, change of address and other details with their respective Depository Participants.
- IX. Members are hereby informed that dividends which remain unclaimed / unencashed over a period of 7 Years have to be transferred by the Company to Investor Education & Protection Fund (IEPF)

Notice

constituted by the Central Government under section 250A and 205C of the Companies Act, 1956. Further, under the Companies Act, 1956 no claim shall lie for the unclaimed dividend from IEPF by the Shareholders.

The details in respect of unclaimed dividend when due for transfer to the said fund are given below:

Financial Year	Date of Declaration	Date of Transfer to Unpaid Dividend A/C	Last Date of Claim	Due Date of Transfer to IEPF	Amount of Dividend as on 31.03.2010 (Rs.)
2002-03	26.09.03	01.11.03	31.10.10	30.11.10	53157
2003-04	24.09.04	30.10.04	29.10.11	28.11.11	313
2004-05	22.09.05	28.10.05	27.10.12	26.11.12	1315
2005-06	21.09.06	27.10.06	26.10.13	25.11.13	19052
2006-07	24.09.07	30.10.07	29.10.14	28.11.14	61065
2007-08	26.09.08	01.11.08	31.10.15	30.11.15	50343
2008-09	25.09.09	31.10.09	30.10.16	29.11.16	58993
2009-10 (Interim)	31.10.09	06.12.09	05.12.16	04.01.17	68008

By Order of the Board of Directors
For Relaxo Footwears Limited

Place : Delhi
Date : May 29, 2010

Kapil Garg
Company Secretary

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

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

Item No. 5

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

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

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

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

Notice

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

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

Item No 6.

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

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

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

2. **Remuneration :**

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

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

Notwithstanding anything contained here in above, where in any financial year during the currency of tenure of Mr. Nikhil Dua as Whole Time Director, if the Company has no profits or its profits are inadequate, he shall be paid a monthly remuneration inclusive of salary, dearness allowance, perquisites or any other allowance as may be allowed as per the provisions and schedule XIII of the Companies Act, 1956 from time to time.

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

- Contribution to provident fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Gratuity payable at a rate not exceeding half month's salary for each completed year of service, and
- Encashment of leave at the end of tenure.
- Other perquisites also include use of Company's car with driver, Group Personal Accident coverage and reimbursement of entertainment and all other expenses incurred by him for the business of the Company as per Company Rules, as applicable to all the employees of the Company from time to time.

Notice

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

No sitting fees for attending the meetings of the Board of Directors/ Committees thereof shall be paid to Mr. Nikhil Dua till the time he is functioning as Whole-time Director.

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

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

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

Item No 7,8 & 9

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

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

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

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

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

Notice

The Board recommends the Resolutions as set out at Item no. 7, 8 & 9 of the Notice for your approval.

Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua and Mr. Nikhil Dua, being relative of Mr. Ritesh Dua, Mr. Gaurav Dua and Mr. Nitin Dua are deemed to be considered or interested in the passing of above mentioned resolutions.

None of the other Directors of the Company is, in any way, concerned or interested in the passing of above mentioned resolutions.

Item No.10

Mr. Rahul Dua was appointed as Finance Executive with effect from 1st July, 2010 for a period of 2(two) years in the grade of Rs. (15000-5000-20000). As per the provisions of Section 314(1) of the Companies Act, 1956 if the monthly remuneration payable to relative of director is Rs. 10000/- or more, the approval of the shareholders is required.

The Board recommends the Resolutions as set out at Item no. 10 of the Notice for your approval.

Mr. Ramesh Kumar Dua, Mr. Mukand Lal Dua and Mr. Nikhil Dua, being relative of Mr. Rahul Dua are deemed to be considered or interested in the passing of abovementioned resolution.

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

INFORMATION AS REQUIRED TO BE GIVEN PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

1. Mr. Pankaj Shrimali is a fellow member of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India, Institute of Cost and Works Accountants of India. He has over 25 years of experience in area of Finance, Accounts, Secretarial, Corporate Management, Legal & Corporate consultancy services, Strategic Management, Investment Banking for reputed corporate houses etc. He is also member of Audit Committee and Remuneration Committee of the Company. He is also Director in International Amusement Limited, Network Limited and Kritikal Solutions Private Limited. He holds 2200 Equity Shares of the Company.
2. Mr. Nikhil Dua is a graduate and has done course from International School of Modern Shoe- making (Czech Republic). He has an experience of 15 years in the shoe division of the Company. He has rich knowledge with regard to product mix and market development in respect of footwear industry. Mr. Nikhil Dua holds 1694500 Equity Shares of the Company. He is the member of Audit Committee of the Company.
3. Mr. S.K. Sapra, is a practicing Chartered Accountant. He is having more than 50 years of experience in Finance, Accounts and Management. He is member of Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievance and Share Transfer Committee of Company. He holds 100 Equity Shares as Joint Shareholder.

By Order of the Board of Directors
For Relaxo Footwears Limited

Place: Delhi
Date : May 29, 2010

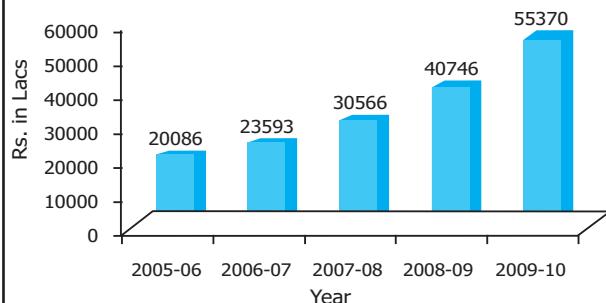
KAPIL GARG
Company Secretary

FINANCIAL HIGHLIGHTS

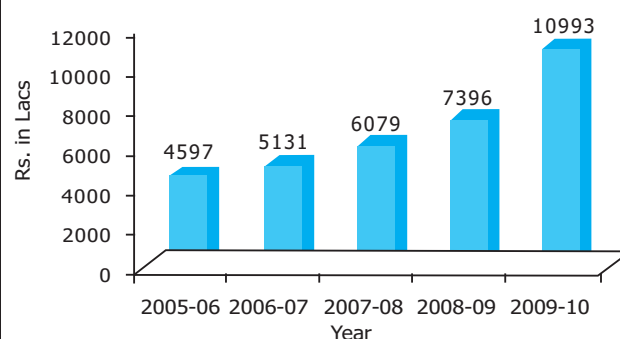
(Rs. in Lacs)

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06
No of Pairs sold (in Lacs)	842.97	684.50	639.00	519.75	505.38
Sales	55369.99	40746.35	30566.22	23593.48	20085.85
Total Income	55781.93	41004.86	30731.73	23687.62	20183.40
EBIDTA	8029.27	4371.82	3300.73	2372.20	1568.28
Interest	1105.69	926.78	692.47	469.48	377.43
Depreciation	1545.70	1047.01	934.43	830.17	733.32
Tax	1608.66	974.80	621.42	460.60	131.68
Net Profit	3769.22	1423.23	1052.41	611.95	325.85
Equity Share Capital	600.06	600.06	600.06	600.06	600.06
Net Worth	10992.69	7396.46	6078.54	5131.44	4596.66
Gross Fixed Assets	29222.05	21271.40	15368.74	12776.85	10241.93
Net Fixed Assets	22841.06	15907.69	11026.34	9352.36	7601.26
Total Assets	27525.64	19187.68	14010.08	12030.08	9713.90
Growth in Sales(%)	35.89	33.31	29.55	17.46	(6.78)
EBIDTA to Sales (%)	14.50	10.73	10.80	10.05	7.81
EPS in Rs.	31.41	11.86	8.77	5.10	2.72
Book Value per share (in Rs.)	91.60	61.63	50.64	42.76	38.30
ROCE(%)	33.79	23.73	19.67	15.87	8.31

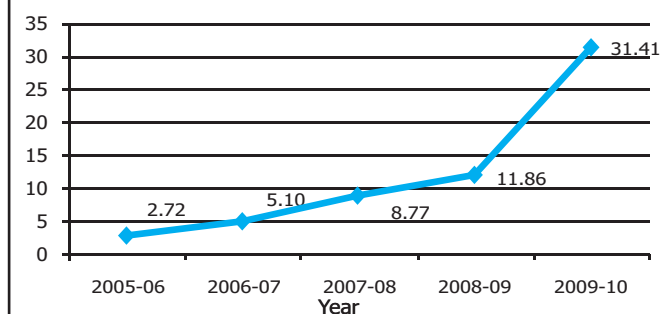
Turnover



Net Worth



EPS in Rs.



Directors' Report

Dear Members,

The Board of Directors of your Company take pleasure in presenting its report on the working of the Company for the Financial Year 2009-10.

1. FINANCIAL RESULTS

	(Rs. in Lacs)	
	<u>2009-10</u>	<u>2008-09</u>
Particulars :		
Sales & Other Income	55781.93	41004.86
Total Expenditure	48857.13	37519.50
Profit before Depreciation & Tax	6924.80	3485.36
Depreciation	1545.70	1047.01
Profit before Tax & Extra Ordinary items	5379.10	2438.35
Extra Ordinary Items	1.22	40.32
Profit before Tax	5377.88	2398.03
Payment / Provision for Tax	1608.66	974.80
Profit after Tax	3769.22	1423.23
Balance brought forward from previous year	1293.36	725.44
Prior Period Adjustment	7.16	-
Amount available for Appropriation	5069.74	2148.67
Appropriation :		
Final Dividend	120.01	90.01
Tax on Final Dividend	19.93	15.30
Interim Dividend	60.01	-
Tax on Interim Dividend	10.20	-
Transfer to General Reserve	4000.00	750.00
Balance carried to Balance Sheet	859.59	1293.36
TOTAL	5069.74	2148.67
Basic and Diluted Earning Per Share	31.41	11.86

2. DIVIDEND

Your Directors have paid interim Dividend of 10% on equity shares of the Company for the financial year 2009-10. Further, your Directors recommend a dividend of 20% on the equity shares of the Company for the year under review.

3. RESERVES

The reserves at the beginning of the financial year 2009-10 were Rs.6796.40 Lacs and the reserves at the end of the financial year 2009-10 are 10392.63 Lacs.

4. AUDITORS

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

Directors' Report

5. AUDITORS' REPORT

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

6. DIRECTORS

The Board deeply condoles the sad demise of Mr. G.C. Rastogi, Independent Director of the Company and prays for peace to departed divine soul. The Board takes on record his valuable contribution made to the Company during his tenure of office.

Mr. S.K. Sapra, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Pankaj Shrimali was appointed as an Additional Director at the meeting of the Board of Directors held on 29th May, 2010 in order to maintain combination of Executive Director and Non Executive Independent Director as per clause 49 of Listing Agreement. He holds office of Directorship upto the date of the ensuing Annual General Meeting. The Company has received notice under section 257 from a member proposing his appointment as Director liable to retire by rotation.

The Board decided to re-appoint Mr. Nikhil Dua, Whole-time Director on revised terms and conditions as approved by Remuneration Committee.

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

7. CORPORATE GOVERNANCE

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

8. FIXED DEPOSITS

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

9. DIRECTORS' RESPONSIBILITY STATEMENT

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

1. That the applicable Accounting Standards have been followed in the preparation of the Annual Accounts for the financial year 2009-10, and that there have been no material departures there from;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2010 and of the profit of the Company for the year and review.

Directors' Report

3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the Annual Accounts on a going concern basis.

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

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

I. RESEARCH AND DEVELOPMENT

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

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

b) Benefits derived as a result of R & D

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

c) Expenditure on R & D

- Expenses of Rs. 5.56 Lacs have been incurred for R & D.

II. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

a) Efforts made towards technology

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

b) Benefits derived as a result of the above efforts

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

Directors' Report

- c) Technology imported during last five years NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

- b) Total Foreign Currency used and earned

Used	Rs.3142.66 Lacs
Earned	Rs. 1058.21 Lacs

11. RENEWABLE ENERGY AND CONSERVATION OF ENERGY

The world is seriously concerned with the matter of global warming and consequential impact of the global economy and the environment. It was felt necessary for your Company to undertake initiatives to support the global movement combating the adverse impact. As aware corporate, your Company has set up 6 MW Wind Turbine Generators during financial year 2009-10. One of the greatest advantages of Wind Energy is that it is ample and renewable. The other advantages of Wind Energy is that it is widely distributed, cheap, and also reduces toxic gas emissions in the environment.

12. INFORMATION TECHNOLOGY

SAP has been implemented in your Company covering all manufacturing units of the Company in order to run your enterprise in accordance with strategy and plans, accessing the right information in real time. Among other benefits, SAP will improve operational efficiency and productivity within and beyond your Company.

13. INCREASE IN PRODUCTION CAPACITY

The Company increased production capacity by 15000 pairs per day in existing plants and 10000 pair per day by putting up a new Plant at Bahadurgarh, Haryana during the financial year 2009-10.

14. INCREASE IN RETAIL OUTLETS

The heightened awareness of products among consumers is a "golden mantra" of Sales. The Company has so far opened 100 retail outlets covering NCR, Punjab, Haryana, Uttaranchal and Gujarat. This is part of our endeavor to create many more one-stop shops displaying our entire range of footwear. The roll-out of these retail outlets is directly influencing consumer demand and turnover of the Company.

15. FOREIGN EXCHANGE RISK MANAGEMENT

The Company has policy to hedge the payment of foreign currency in order to reduce risk of volatile international market of foreign exchange.

16. INSURANCE

All properties, including building, plant, machineries, furniture, fixture and stocks of the Company have been properly insured against all kind of risks.

Directors' Report

17. HUMAN RESOURCES MANAGEMENT & INDUSTRIAL RELATIONS

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

18. ENVIRONMENT AND SAFETY

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

19. CEO AND CFO CERTIFICATION

Pursuant to the requirement of Clause 49 of the Listing Agreement, the CEO and CFO certification is attached with the Annual Report. The Managing Director & CEO and the Chief Financial Officer also provide quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

20. QUALITY MANAGEMENT

Your Company has been certified for ISO 9001:2000 by British Standards Institute (B.S.I.). This certification enables an organization to improve product quality and enhance productivity. This assessment signifies your Company's capability to manage and control manufacturing process for efficient production and supply of quality products to its customers in domestic as well as in international market.

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

The Statement of Particulars pursuant to section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2002, forms part of this report. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Reports and Accounts are being sent to all shareholders excluding the above statement. The statement is available for inspection at the Registered Office during working hours upto the date of the Annual General Meeting or write to the Company Secretary for a copy.

22. APPRECIATION

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

For and on behalf of the Board of Directors

Place : Delhi
Date : May 29, 2010

RAMESH KUMAR DUA
Managing Director

MUKAND LAL DUA
Whole Time Director

Management Discussion and Analysis

INDUSTRY SCENARIO & FUTURE CHALLENGES

The Indian Footwear Industry is a labour intensive industry and major volumes come from unorganized sector. During the year, Industry came out from pressure of high prices of Natural rubber and EVA . Organized industry will be able to sustain & grow further in the changed scenario.

With intact India's growth story, overall purchasing power of Indian consumer is increasing and more & more customers are going for branded items. If this trend continues, the organized footwear sector will substitute unorganized sector in long run and that will further add to overall development of people engaged in the industry.

FINANCIAL PERFORMANCE

During the year under review, the Company achieved turnover of Rs.55369.99 lacs with profit after tax of Rs. 3769.22 lacs. i.e an increase of 35.89.% in turnover and 164.36% in profit after tax from previous year. Turnover of Company has increased due to increase in production capacity, to cater un-tapped market through existing as well as appointment of new distributors, increase in No. of Retail Outlets and enhancement in value and recognition of SPARX/FLITE BRANDS through media advertisement.

EXPORT

The Company has been giving due emphasis upon the tapping of overseas markets. The Company has put all efforts in exploring the new markets in Asia and Europe. It is expected that the turnover from export will be substantially increased in forthcoming years.

INTERNAL AUDIT AND INTERNAL CONTROL

The Company maintains Internal Control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized recorded. Comprehensive Internal Audit is also carried out by independent Internal Auditors to ensure compliance and identify weakness in the system. Findings of the Internal Auditors are regularly reviewed by the Audit Committee. The implementation of ERP-SAP strengthened our Internal Control Systems and processes.

RISK MANAGEMENT

Your Company has set up a risk management committee of senior executives to lay down procedure to mitigate various business risk

For and on behalf of the Board of Directors

Place : Delhi
Date : May 29, 2010

RAMESH KUMAR DUA
Managing Director

MUKAND LAL DUA
Whole Time Director

Corporate Governance

1. PHILOSOPHY OF THE COMPANY ON CORPORATE GOVERNANCE

Corporate Governance has occupied pivotal position at Relaxo Footwears Limited since inception. The business has, since then, been conducted in the most transparent and ethical manner. All the necessary steps have been taken, 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 Behaviour". The Company's Policies and Practices are aimed at efficient conduct of business and in sincerely and effectively meeting its obligations towards its stakeholders through an effective and professional Board of Directors, complete and timely dissemination of information through timely disclosures and maximization of shareholders' wealth.

2. BOARD OF DIRECTORS

In terms of clause 49 of the Listing Agreement, the Board should have an optimum combination of Executive and Non-Executive Directors and at least 50% of the Board should comprise of Non-Executive Directors. Further, at least one-third of the Board should comprise of Independent Directors, if the Chairman is Non-Executive and at least half of the Board should be of independent Directors in case of an Executive Chairman.

Composition of the Board of Directors

The composition of the present Board of Directors of the Company is in line with Clause 49 of the Listing Agreement. It has One Managing Director, Two Whole-Time Directors and Three Non-Executive Independent Directors. Mr. Pankaj Shrimali has been appointed as Independent and Non Executive Director w.e.f 29.05.2010.

Category	Name of Directors
Promoter and Executive Directors	Mr. Ramesh Kumar Dua, Managing Director Mr. Mukand Lal Dua, Whole Time Director Mr. Nikhil Dua, Whole Time Director
Independent and Non-Executive Directors	Mr. S.K. Sapra Mr. Vivek Kumar Lt G.C Rastogi (up to 15.01.2010) Mr. Pankaj Shrimali

Details of Board Meeting

During the Financial year 2009-10 the Board of Directors met four times.

The maximum gap between any two meeting was less than 4 months as given below:

Date of Meetings	No. of Directors Present	Total Strength of the Board
28.05.2009	6	6
30.07.2009	6	6
31.10.2009	5	6
30.01.2010	4	5

Attendance records of Directors at Board Meeting and at Annual General Meeting (AGM) during the Financial Year - 2009-10

Name of Director	No of Board meetings attended	Attendance in AGM held on 25.09.2009	Number of other Companies in which Directorship held
Mr. Ramesh Kumar Dua	4	Present	2
Mr. Mukand Lal Dua	3	Present	2
Mr. Nikhil Dua	3	Present	-
Lt. G.C. Rastogi	3	Present	-
Mr. S.K. Sapra	4	Present	-
Mr. Vivek Kumar	4	Absent	1

Corporate Governance

3. COMMITTEES OF THE BOARD OF DIRECTORS AS ON 31.03.2010 :

- I. Audit Committee
- II. Remuneration Committee
- III. Shareholders' / Investors' Grievance and Share Transfer Committee

I. AUDIT COMMITTEE

The Company constituted the Audit Committee in line with the requirements of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement.

TERMS OF REFERENCES

- a) Overseeing Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Reviewing with the Management, the annual financial statements before submission to the Board for approval.
- c) Discussion and review of periodic audit reports.
- d) Discussion with External Auditors about the scope of audit including the observations of the Auditors.
- e) Approving internal audit plans and internal control function and reviewing the efficacy of the functions.

The Audit Committee is empowered, pursuant to the term 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 experience and expertise, which is considered necessary.

COMPOSITION AND ATTENDANCE

The Audit Committee comprised three Directors namely Lt. G.C. Rastogi (up to 15.01.2010) Independent Director, Mr. S.K. Sapra, Independent Director and Mr. Nikhil Dua, Executive Director. Mr. Pankaj Shrimali, Non Executive cum Independent Director has been appointed Chairman of the Committee w.e.f. 29.05.2010. The details of the meetings and the attendance of members of the Committee in the meetings held during the year 2009-10 are given below: -

Name of Members	No. of Meetings held	No. of Meetings attended
Lt. G.C. Rastogi	4	3
Mr. S.K. Sapra	4	4
Mr. Nikhil Dua	4	3

Members of the Audit Committee have requisite Financial and Management expertise. The Company Secretary of the Company acts as the Secretary of the Committee.

II. SHAREHOLDERS'/INVESTORS' GRIEVANCE AND SHARE TRANSFER COMMITTEE

The Company has constituted Shareholders'/Investors' Grievance and Share Transfer Committee to specifically look into the redressal of Shareholders and Investors complaints.

Corporate Governance

TERMS OF REFERENCES

The Committee supervises the mechanism for redressal of investors' grievance and ensures cordial investor relations. The Committee performs the following function :

- Transfer / transmission of shares.
- Split-up / sub-division and consolidation of shares.
- Issue of new and duplicate share certificates.
- Registration of Power of Attorneys, Probates, Letter of transmission or other documents.
- To open / close bank account(s) of the Company for remittance of dividend and issue instructions to bank from time to time in this regard.
- To look into the redressal of shareholders' complaints and enquiries.
- Any allied matters out of and incidental to these functions.

COMPOSITION AND ATTENDANCE

The Committee comprised three Members namely Lt. G.C. Rastogi, Independent Director, Mr. Ramesh Kumar Dua, Managing Director and Mr. Mukand Lal Dua, Whole Time Director. Mr. S.K. Sapra, Non Executive Independent Director has been appointed Chairman of Committee w.e.f. 29.05.2010.

During the Financial Year 2009-10 four meetings of the Committee were held and the attendance of members at the meeting is given below -

Name of Members	No. of Meetings held	No. of Meetings attended
Lt G.C. Rastogi (up to 15.01.2010)	4	-
Mr. Ramesh Kumar Dua	4	4
Mr. Mukand Lal Dua	4	4

All complaints, suggestions and grievances are promptly dealt with and resolved within 15 days unless there is a dispute and / or other legal constraint.

Mr. Kapil Garg, Company Secretary is the Compliance Officer of the Company.

III. REMUNERATION COMMITTEE

The Company constituted the "Remuneration Committee" to recommend the Board of Directors, the compensation and remuneration of Directors and Senior Managerial Personnel.

TERMS OF REFERENCES

The remuneration policy of the Company is directed towards rewarding performance, based on periodic review of performance and achievements and is primarily based on the following criteria:

- Performance of the Company, its divisions and units.
- Track record, potential, personal attitude & performance of individual manager and external competitive environment.

The remuneration policy of the Company is in line with the Industry's practice. Objective of the remuneration Committee is to motivate employees to excel in their performance, recognize their contribution and retain talent in the organization.

COMPOSITION AND ATTENDANCE

The Committee comprised three Non-executive cum Independent Directors namely Lt. G.C Rastogi (up to 15.01.2010) Mr. S.K. Sapra and Mr. Vivek Kumar. Mr. Pankaj Shrimali, Non Executive cum Independent Director has been appointed Chairman of the Committee w.e.f 29.05.2010. During financial year 2009-10, no meeting

Corporate Governance

was held of Committee.

4. DETAILS OF REMUNERATION TO DIRECTORS FOR THE FINANCIAL YEAR 2009-10

- i) **Executive Directors** - The Managing Director and the Whole Time Directors are paid remuneration as per the terms approved by the Board of Directors of the Company and confirmed by the Shareholders of the Company and subject to such other statutory approvals as may be necessary. Details of remuneration paid to the Executive Directors for the financial year 2009-2010 is as follows :

(Amount in Rs.)

Name of Directors	Designation	Salary	Commission	Total
Mr. Ramesh Kumar Dua	Managing Director	4200000	24561829	28761829
Mr. Mukand Lal Dua	Whole-Time Director	4200000	24561829	28761829
Mr. Nikhil Dua	Whole-Time Director	2487367	-	2487367

Mr. Ramesh Kumar Dua, Managing Director and Mr. Mukand Lal Dua, Whole-time Director of the Company were appointed with effect from 01.04.2009 for a period of five years. Mr. Nikhil Dua, Whole-time Director was appointed with effect from 01.10.2008 for a period of three years. However, no one is entitled for any kind of severance fees from the Company.

- ii) **Non-Executive Directors** - The sitting fees paid to Non-Executive Directors for financial year 2009-10 was Rs. 26,000/- to Lt G.C. Rastogi, Rs. 36,000/- to Mr. S.K. Sapra and Rs. 27,500/- to Mr. Vivek Kumar for attending the meetings.

5. VENUE AND TIME OF ANNUAL GENERAL MEETINGS

Year	Venue	No. of Special Resolution	Day and Date	Time
2008-09	Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi- 110003	-	Friday, 25 th September, 2009	10.30 A.M.
2007-08	-do-	4	Friday, 26 th September, 2008	10.30 A.M.
2006-07	-do-	4	Monday, 24 st September, 2007	10.30 A.M.

6. RESOLUTIONS THROUGH POSTAL BALLOT

The following Special Resolutions were passed on by the Company's member through postal ballot:-

Resolutions:- (1) Special Resolution Under Section 17 of the Companies Act, 1956 for alteration of the Object Clause of the Memorandum of Association of the Company by inserting sub clauses with regard to business of power generation and imparting education. (2) Special Resolution Under Section 149 (2A) of the Companies Act, 1956 with respect to commencement of business/activities pertaining to power generation.

Person who conducted the postal ballot exercise: The Board of Directors appointed Mr. Baldev Singh

Corporate Governance

Kashtwal, Practising Company Secretary, as the Scrutinizer to conduct postal ballot voting process. Mr. Baldev Singh Kashtwal conducted the process and submitted his report to the Managing Director.

a) Procedure followed :

- I. The Postal Ballot Notice accompanying documents were dispatched to shareholders under certificates of posting.
- II. A calendar of events along with Board Resolution was submitted to the Registrar of Companies, NCT of Delhi & Haryana.

b) Details of voting pattern: After scrutinizing all the ballot forms received, the Scrutinizer reported that the out of total voting strength, the shareholders representing 99.98% for Special Resolution No. 1 and 99.98% for Special Resolution No. 2 voted in favor of aforesaid Resolutions, based on which the results were declared and resolutions were carried with overwhelming majority.

7. DISCLOSURES

A. Related Party Transactions

There were no materially significant related party transactions with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. All related party transactions have been reported and form part of the Notes to Accounts of the Balance Sheet.

B. Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards while preparing the Financial Statements.

C. Non-Compliance by the Company

There has not been any non-compliance by the Company and no penalties or strictures imposed on the Company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during last three years.

D. Compliance of clause 49 of Listing Agreement

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.

E. Non-mandatory requirement

The Company at present has adopted the non-mandatory requirement with regard to constitution of Remuneration Committee, which has been constituted to determine the remuneration package of Whole-time Directors and Senior Managerial Personnel.

8. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL

A qualified practicing Company Secretary carried out quarterly Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (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 the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Corporate Governance

9. CODE OF CONDUCT

The Company has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is available on the web-site of the Company www.relaxofootwear.com. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer is given below -

All the Board Members and Senior Management Personnel have affirmed compliance with the provisions of the code of conduct of Relaxo Footwears Limited in the Financial Year ended on 31st March, 2010.

Place : Delhi
Date : May 29, 2010

RAMESH KUMAR DUA
CEO & Managing Director

10. MEANS OF COMMUNICATION

The Company ensures timely disclosure of all corporate financial information and information relevant to the Shareholders.

As per the Listing Agreement with Bombay Stock Exchange Limited, Quarterly, Half-yearly, Nine-months and Annual financial statements of the Company are generally published in Financial Express / Economic Times (in English Language) and in Jansatta / Navbharat Times (in Hindi Language).

The financial results of the Company for the Quarter, Half-yearly, Nine months and Whole year are posted on the website of the Company i.e. www.relaxofootwear.com with:-

Full Version of the Annual Report including the Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report, Cash Flow Statements and Quarterly Financial Statement.
Shareholding Pattern.

11. GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting

Date	: 24.09.2010
Time	: 10:30 a.m.
Venue	: Sri Sathya Sai International Centre, Lodhi Road, Institutional Area, Pragati Vihar, New Delhi - 110003

2. Financial Year

For the financial year ended on 31st March, 2011, results will be announced on (tentative) :

Last week of July, 2010	: First Quarter ended on 30 th June, 2010
Last week of October, 2010	: Half year ended on 30 th September, 2010
Last week of January, 2011	: Third Quarter ended on 31 st December, 2010
Last week of May, 2011	: Fourth Quarter and year ended on 31 st March, 2011

Corporate Governance

3. **Book Closure Date** : From 20.09.2010 to 24.09.2010
(Inclusive of both days)
4. **Dividend Payment Date** : For the year 2009-10, an Interim dividend of 10% of equity shares was declared on 31.10.2009 and paid on 04.11.2009
- Final Dividend date : October, 2010
(Subject to the approval of the Shareholders)
5. **Registered Office** : 316-319, Allied House, Inderlok Chowk,
Old Rohtak Road, Delhi - 110035
Tel. : 23658431, 23658773
Fax : 91-11-23658431, 23658773
6. **Listing on Stock Exchange** : **Stock Exchange**
Bombay Stock Exchange Limited
Phirozee Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001
Stock Code of Bombay Stock Exchange Limited - 530517
(The annual listing fee has been paid to BSE up to year 2010-11)
7. **Market Price Data** :
Table showing monthly price movement during the Financial Year 2009-10

Month & Year	High (Rs.)	Low (Rs.)	Close (Rs.)	Market Capital (Rs. in Lacs)
April, 2009	32.90	26.40	31.00	3720.37
May, 2009	41.80	29.75	41.80	5016.51
June, 2009	54.35	43.85	47.85	5742.57
July, 2009	59.10	45.00	59.10	7092.71
August, 2009	81.90	62.00	79.65	9558.96
September, 2009	120.65	77.00	120.65	14479.45
October, 2009	167.70	123.00	138.35	16603.66
November, 2009	220.35	140.00	187.45	22496.25
December, 2009	198.80	166.65	192.00	23042.30
January, 2010	204.95	166.10	178.75	21452.14
February, 2010	214.35	178.10	190.25	22832.28
March, 2010	250.00	191.10	223.70	26846.68

8. **Registrar and Transfer Agents** : Securities Exchange Board of India (SEBI), has made it mandatory that all the work related to share transfer registry, both in Physical and Electronic form, to be handled either wholly 'in house' by companies or wholly by a SEBI registered external Registrar and Transfer Agent. The

Corporate Governance

Company has appointed M/s. Karvy Computershare Private Limited as the Registrar and Transfer Agent of the Company. Detail of the Registrar and Transfer Agent of the Company is given below-

M/S KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy House, 46, Avenue 4,
Street No. 1, Banjara Hills,
Hyderabad - 500034
E-mail : mahender@karvy.com

9. Share Transfer System

All the Communication regarding share transfers and share certificate should be addressed to Registrar and Transfer Agent. The Company has delegated the responsibility of approving transfer and transmission of shares and other related matters. All transfers are completed within statutory time limit from the date of receipt, provided documents meet the stipulated requirement of statutory provisions in all respects.

10. Distribution of Shareholding as on 31st March, 2010

I) Shareholding pattern in form of size :

No. of Equity Share held	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
1-500	2096	88.44	259623	2.16
501-1000	125	5.27	101187	0.84
1001-2000	52	2.19	76585	0.64
2001-3000	24	1.02	60914	0.51
3001-4000	7	0.29	25776	0.21
4001-5000	8	0.34	36620	0.31
5001-10000	27	1.14	196214	1.63
10001 and above	31	1.31	11244281	93.70
TOTAL	2370	100.00	12001200	100.00

II) Shareholding pattern in form of Ownership Category :

Category	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
Promoters	12	0.51	9000900	75.00
Bodies Corporate	96	4.05	1974824	16.46
Resident Individual	2172	91.65	982208	8.19
HUF	46	1.94	12326	0.10
Clearing Members	26	1.09	11291	0.09
Non-Resident Indian	18	0.76	19651	0.16
TOTAL	2370	100	12001200	100

Corporate Governance

11. Dematerialization of Share

The shares of the Company are under the Compulsory Demat Scheme. For the purpose of dematerialization of the shares, the Company has entered into the agreement with two depositories -

1. National Securities Depository Limited (NSDL)
2. Central Depository Service (India) Limited (CDSL)

The detail of shares of the Company in demat and physical form is given below:-

Particulars	No. of Shares	Percentage of Paid-up Capital	No. of Shareholders
1. National Securities Depository Limited	11589048	96.57%	1292
2. Central Depository Services (India) Limited	221340	1.84%	548
SHARES IN DEMAT FORM	11810388	98.41%	1840
SHARES IN PHYSICAL FORM	190812	1.59%	530
TOTAL	12001200	100	2370

12. Investor Correspondence

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

Compliance Officer : Kapil Garg, Company Secretary
 Relaxo Footwears Limited,
 316-319, Allied House, Inderlok Chowk,
 Old Rohtak Road, Delhi - 110035
E-mail: kapilgarg@relaxofootwear.com

13. Management Discussion & Analysis Report

The Management Discussion & Analysis Report is attached to the Annual Report

14. Corporate Identity Number (CIN): **L74899DL1984PLC019097**

Corporate Governance

15. Per Share Data :

Particulars	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Net Earning (Rs. Lacs)	3769.22	1423.23	1052.41	611.95	328.85	372.31	540.37
Cash Earning (Rs. Lacs)	6924.80	3485.36	2608.26	1902.72	1190.85	1161.12	1015.04
E.P.S. (in Rs.)	31.41	11.86	8.77	5.10	2.72	3.10	4.50
C.E.P.S. (in Rs.)	57.70	29.04	21.74	15.86	9.92	9.67	8.46
Dividend (Including Interim Dividend per share (in Rs.))	1.50	0.75	0.75	0.75	0.75	0.75	0.75
Dividend pay out (%)	4.78	6.32	8.55	14.70	27.57	24.19	16.66
Book value per share (in Rs.)	91.60	61.63	50.64	42.76	38.30	36.15	33.80
Face value per share (in Rs.)	5.00	5.00	5.00	5.00	5.00	5.00	5.00

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

17. Transfer of unclaimed amount to Investor Education and Protection Fund (IEPF):

Pursuant to the provisions of Section 205A of the Companies Act, 1956, the dividend declared by the Company which remains unclaimed for a period of seven years shall be transferred by the Company to Investors Education and Protection Fund established by the Central Government under section 205C of the Companies Act, 1956 read with the Investors Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

During the year under review the Company has deposited a sum of Rs. 189495/- to the Investor Education and Protection Fund in respect of unpaid dividend of year ending on 31.03.2002.

18. Other useful information for shareholders:

- Equity Shares of the Company are under compulsory demat trading. Considering the advantage of scripless trading, Shareholders are advised to consider dematerialisation of their shareholding so as to avoid inconvenience in future.
- 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.
- 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.

Corporate Governance

- 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 share 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.
- vi) Section 109A of the Companies Act, 1956 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

Place : Delhi
Date : May 29, 2010

RAMESH KUMAR DUA
Managing Director

MUKAND LAL DUA
Whole Time Director

CEO/CFO Certification

To

The Board of Directors
Relaxo Footwears Limited

SUB: CEO/CFO Certification

We Ramesh Kumar Dua, Chief Executive Officer and 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, 2010.
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.

RAMESH KUMAR DUA
Chief Executive Officer and
Managing Director

SUSHIL BATRA
Chief Financial Officer

Place: Delhi
Date: May 29, 2010

Auditor's Certificate On Corporate Governance

TO THE MEMBERS OF
RELAXO FOOTWEARS LIMITED

We have examined the compliance of conditions of Corporate Governance of RELAXO FOOTWEARS LIMITED, for the year ended on 31st March, 2010, as stipulated in Clause 49 of the listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by Shareholders'/Investors' Grievance and Share Transfer Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or the effectiveness with which the Management has conducted the affairs of the Company.

For GUPTA & JHUNJHUNWALA
Chartered Accountants
(Registration No. 003849N)

Place: Delhi
Dated: May, 29, 2010

C.A. MUKESH DUA
Partner
M.NO. 085323

Auditors' Report

TO THE MEMBERS OF RELAXO FOOTWEARS LIMITED

We have audited the attached Balance Sheet of **RELAXO FOOTWEARS LIMITED** as at 31st March, 2010 and also the Profit and Loss account for the year ended on that date annexed thereto and Cash Flow Statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, We enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the annexure referred to in paragraph 2 above, we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 such books ;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
 - d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (l) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the significant accounting policies and other notes thereon and forming part of the accounts given in schedule 15 give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view, in conformity with the accounting principles generally accepted in India ;
 - i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;

Auditors' Report

- ii) In so far as it relates to the Profit and Loss Account of the profit of the Company for the year ended on that date; and
- iii) In so far as it relates to the Cash Flow Statement of the cash flow of the Company for the year ended on that date.

For GUPTA & JHUNJHUNWALA
Chartered Accountants
(Registration No. 003849N)

CA. MUKESH DUA
Partner
M.No. 085323

Place : Delhi
Dated : May 29, 2010

Auditors' Report

ANNEXURE TO THE AUDITORS' REPORT OF RELAXO FOOTWEARS LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2010 (REFERRED TO IN PARAGRAPH 2 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) As explained to us, the fixed assets have been physically verified by the Management at all locations at reasonable intervals. No material discrepancies between book records and the physical inventories have been noticed on such verification.
 - c) In our opinion, the Company has not disposed off any substantial / major part of fixed assets during the year and going concern status of the Company is not affected.
- 2) In respect of its inventories :
 - a) As explained to us, inventories were physically verified by the management at reasonable intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.
- 3) In respect of loans, secured or unsecured, granted or taken by the Company, to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 :
 - a) The Company has taken unsecured loan from a party. In respect of said loan, the maximum amount outstanding at any time during the year is Rs.553.67 lacs and the year end balance is Rs.525.30 lacs.
 - b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions are not prima facie, prejudicial to the interest of the Company.
 - c) The Company has not granted any loan, to a Company, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - d) The Company is regular in paying the principal amounts as stipulated and have been regular in payment of interest in respect of loans referred to in 'a' above.
 - e) There is no overdue amount of loans taken as referred to in (a) above.

Auditors' Report

- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control.
- 5) In respect of contracts or arrangements that need to be entered in the register maintained charged in pursuance of section 301 of the Companies Act, 1956:
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements that need to be entered into the register have been so entered.
 - b) According to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rs. five lacs have been entered into during the year at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit within the meaning of Section 58A and Section 58AA of the Companies Act, 1956.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) On the basis of records produced we are of the opinion that prima facie cost records and accounts prescribed by the Central Government under section 209 (1) of the Companies Act, 1956 in respect of products of the Company covered under the rules under said section have been maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 9) In respect of statutory dues :-
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Educational Protection Fund, and Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months from the date of becoming payable.
 - b) The disputed statutory dues aggregating to Rs.48.33 lacs, that have not been deposited on account of matters pending before appropriate authorities are as under :

Auditors' Report

S.No.	Name of the Statute	Name of the Dues	Forum where dispute is pending	Amount (Rs. in lacs)
1	Haryana General Sales Tax Act, 1973	Purchase Tax for the A.Y. 2001-02	Jt. Excise & Taxation Commissioner	19.92
		2002-03	Jt. Excise & Taxation Commissioner	14.73
2	Punjab Value Added Tax Act , 2005	VAT 2008-09	Deputy Excise & Taxation Commissioner	2.19
3	Delhi Value Added Tax Act , 2005	Input Tax 2005-06	Appellate Tribunal, Delhi	3.45
4	U.P. Sales Tax Act	Sales Tax 2006-07	Asstt. Commissioner of Commercial Tax, Ghaziabad, UP	0.72
5	Rajasthan Entry Tax	Entry Tax 2007-08	High Court, Jaipur	2.51
		Entry Tax 2008-09	High Court , Jaipur	4.81
			Total	48.33

- 10) The Company has no accumulated losses at the end of financial year and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11) Based on the audit procedures and on the basis of information and explanation given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to any financial institution and banks.
- 12) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 (as amended) is not applicable to the Company.
- 14) The Company is not dealing or trading in share, securities, debentures and other investments; therefore requirement of maintenance of proper records of such transaction and contracts does not arise.
- 15) According to information and explanation given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) In our opinion the term loan has been utilized for the purposes for which the same was raised.
- 17) According to the cash flow statement and other records examined by us and according to the information and explanations given to us, on an overall basis, funds raised on short term basis have been used during the year for long term investment.
- 18) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

Auditors' Report

- 19) The Company has not issued debentures and therefore the question of securities or charge to be created in respect of debenture does not arise.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year that causes the financial statements to be materially misstated.

For GUPTA & JHUNJHUNWALA
Chartered Accountants
(Registration No. 003849N)

CA. MUKESH DUA
Partner
M.No. 085323

Place : Delhi
Dated : May 29, 2010

Balance Sheet as at 31st March, 2010

(Rs. in Lacs)

Particulars	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	600.06	600.06
Reserves & Surplus	2	10392.63	6796.40
LOAN FUNDS	3		
Secured Loans		11204.01	7589.74
Unsecured Loans		3485.51	3248.35
DEFERRED TAX LIABILITY (NET)		1843.43	953.13
Total		<u>27525.64</u>	<u>19187.68</u>
APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		28553.51	19410.21
Less : Depreciation		<u>6380.99</u>	<u>5363.71</u>
NET BLOCK		<u>22172.52</u>	<u>14046.50</u>
Capital work-in-progress		<u>668.54</u>	<u>1861.19</u>
		<u>22841.06</u>	<u>15907.69</u>
INVESTMENTS	5	6.11	6.11
CURRENT ASSETS, LOANS & ADVANCES	6		
Inventories		6716.40	3980.78
Sundry Debtors		2085.56	1972.98
Cash & Bank Balances		103.93	273.24
Other Current Assets		0.64	0.54
Loans & Advances		<u>2714.34</u>	<u>1530.94</u>
		<u>11620.87</u>	<u>7758.48</u>
LESS: CURRENT LIABILITIES & PROVISIONS	7		
Liabilities		6482.44	4041.79
Provisions		<u>459.96</u>	<u>442.81</u>
		<u>6942.40</u>	<u>4484.60</u>
NET CURRENT ASSETS		<u>4678.47</u>	<u>3273.88</u>
Total		<u>27525.64</u>	<u>19187.68</u>
Significant Accounting Policies and Notes on Accounts	15		

Schedules referred to above and Accounting Policies & Notes form an integral part of Balance Sheet.

As per our report of even date
FOR GUPTA & JHUNJHUNWALA
Chartered Accountants

CA. MUKESH DUA
Partner
M.NO. 085323

RAMESH KUMAR DUA
Managing Director

Place : Delhi
Dated : May 29, 2010

SUSHIL BATRA
Chief Financial Officer

KAPIL GARG
Company Secretary

MUKAND LAL DUA
Whole Time Director

Profit and Loss Account for the year ended 31st March, 2010

(Rs. in Lacs)

Particulars	Schedule	2009-10	2008-09
INCOME			
Gross Sales	8	55391.92	40746.35
Less : Excise Duty		21.93	-
Net Sales		55369.99	40746.35
Increase / (Decrease) in Stock	9	1277.50	472.83
Other Income	10	411.94	258.51
Total		57059.43	41477.69
EXPENDITURE			
Material & Manufacturing Expenses	11	33302.30	27049.50
Personnel Expenses	12	5536.86	3619.29
Administrative, Selling & Other Expenses	13	8740.10	5412.71
Finance Charges	14	2555.37	1910.83
Total		50134.63	37992.33
Profit Before Depreciation		6924.80	3485.36
Depreciation		1545.70	1047.01
Profit Before Tax and Extra Ordinary Items		5379.10	2438.35
Add/(Less) : Extra Ordinary Items		(1.22)	(40.32)
Profit Before Tax		5377.88	2398.03
MAT Credit		(217.92)	-
Less : Provisions for taxation			
- Current Tax		936.13	774.19
- Fringe Benefit Tax		-	34.11
- Deferred Tax		890.30	169.90
- For Earlier Years		0.15	(3.40)
Profit After Tax		3769.22	1423.23
Balance brought forward from previous year		1293.36	725.44
Add/(Less) Prior period adjustments (Net)		7.16	-
Amount available for appropriation		5069.74	2148.67
APPROPRIATIONS			
Transfer to General Reserve		4000.00	750.00
Proposed Final Dividend on Equity Shares		120.01	90.01
Tax on Proposed Final Dividend		19.93	15.30
Interim Dividend on Equity Shares		60.01	-
Tax on Interim Dividend		10.20	-
Surplus carried to Balance Sheet		859.59	1293.36
Total		5069.74	2148.67
Basic & Diluted Earning Per Share Rs. 5/- each (Rs.)		31.41	11.86
Significant Accounting Policies and Notes on Accounts	15		

Schedules referred to above and Accounting Policies & Notes form an integral part of Balance Sheet.

As per our report of even date

FOR GUPTA & JHUNJHUNWALA

Chartered Accountants

CA. MUKESH DUA

Partner

M.NO. 085323

RAMESH KUMAR DUA

Managing Director

Place : Delhi

Dated : May 29, 2010

SUSHIL BATRA

Chief Financial Officer

KAPIL GARG

Company Secretary

MUKAND LAL DUA

Whole Time Director

Cash Flow Statement for the year ended 31st March 2010

		(Rs. in Lacs)	
S. No.	Particulars	2009-10	2008-09
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	PROFIT BEFORE TAX AND EXTRA-ORDINARY ITEMS	5,379.10	2438.35
	<u>ADJUSTMENTS FOR</u>		
	Depreciation	1545.70	1047.01
	Financial Expenses	2555.37	1910.83
	Interest received	(3.55)	(11.42)
	Prior Period adjustment	7.16	-
	Capital Subsidy	30.00	-
	(Profit)/Loss on sale of Assets	2.82	1.61
	Operating Profit before extra-ordinary items	9516.60	5386.38
	Extraordinary Items	(1.22)	(40.32)
	Operating Profit before working capital changes	9515.38	5346.06
	<u>ADJUSTMENTS FOR</u>		
	Investments	-	-
	Trade and Other receivables	(112.58)	(410.25)
	Inventories	(2735.62)	(300.20)
	Other Current Assets	(1183.50)	(838.86)
	Income Tax	(801.88)	(764.82)
	Trade Payables	1025.91	685.21
	Other Current Liabilities	1477.96	388.40
	Net cash flow from operating activities	7185.67	4105.54
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	(9248.42)	(5936.18)
	Fixed Assets sold / discarded	766.54	6.21
	Interest received	3.55	11.42
	Net Cash used in investing activities	(8478.33)	(5918.55)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from borrowings (Net of repayments)	3851.43	3689.78
	Dividend paid	(174.84)	(105.16)
	Financial Expenses	(2555.37)	(1910.83)
	Net cash from Financing activities	1121.22	1673.79
	Net increase in cash & cash equivalents	(171.44)	(139.22)
	Cash & cash equivalents at the -beginning of the year	270.30	409.52
	Cash & cash equivalents at the -end of the year	98.86	270.30

As per our report of even date

FOR GUPTA & JHUNJHUNWALA
Chartered Accountants

CA. MUKESH DUA
M.NO. 85323
Partner

RAMESH KUMAR DUA
Managing Director

Place : Delhi
Dated : May 29, 2010

SUSHIL BATRA
Chief Financial Officer

KAPIL GARG
Company Secretary

MUKAND LAL DUA
Whole Time Director

Schedules Forming Part of Accounts

SCHEDULE - 1

SHARE CAPITAL

(Rs. in Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
AUTHORISED		
2,00,00,000 Equity Shares of Rs. 5/- each	<u>1000.00</u>	<u>1000.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
1,20,01,200 Equity Shares of Rs. 5/- each fully Paid. (Of the above 1,02,28,600 Equity Shares are allotted as fully paid-up by way of Bonus Shares issued by capitalisation of General Reserve and Share Premium Account)	<u>600.06</u>	<u>600.06</u>
Total	<u>600.06</u>	<u>600.06</u>

SCHEDULE - 2

RESERVES AND SURPLUS

(A) CAPITAL RESERVE

As per Last Balance Sheet
Add: Addition during the year

15.36

15.36

30.00

-

45.36

15.36

(B) SHARE PREMIUM ACCOUNT

As per Last Balance Sheet

73.94

73.94

(C) GENERAL RESERVE

As per Last Balance Sheet
Add : Transfer from Profit and Loss Account

5413.74

4663.74

4000.00

750.00

9413.74

5413.74

(D) PROFIT & LOSS ACCOUNT

Amount Transferred from Profit and Loss Account

859.59

1293.36

Total (A+B+C+D)

10392.63

6796.40

Schedules Forming Part of Accounts

SCHEDULE - 3

LOAN FUNDS

(Rs. in Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
(A) SECURED LOANS		
(I) TERM LOANS FROM BANK	7005.04	4451.36
- Interest Accrued and Due on Loans	42.29	40.63
	7047.33	4491.99
(II) WORKING CAPITAL LOANS FROM BANK	4156.68	3097.75
Total (A)	11204.01	7589.74
(B) UNSECURED LOANS		
Long Terms		
- From Directors	658.62	652.42
- From Others	2588.98	2368.55
- Security Deposits from Distributors	237.91	227.38
Total (B)	3485.51	3248.35
Total (A+B)	14689.52	10838.09
Term Loan includes repayable within one year	2100.94	1200.00

Term loans are secured by first charge on existing and proposed fixed assets of the Company. Working capital loans are secured by first charge on current assets, inventories and book-debts of the Company. These loans are further secured by way of collateral security of equitable mortgage of commercial, residential land and buildings in the name of Managing Director and Whole Time Directors and their relatives. These loans are also secured by personal guarantees of Managing Director and Whole Time Directors and their relatives.

Schedules Forming Part of Accounts

SCHEDULE-4 FIXED ASSETS

(Rs. in Lacs)

SL. NO.	ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2009	Additions	Deletions/ Adjustments	Total As at 31.03.2010	As at 01.04.2009	For the Year	Deletions/ Adjustments	Total As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
A	TANGIBLE ASSETS										
1	LAND - FREE HOLD	739.68	-	-	739.68	-	-	-	-	739.68	739.68
	- LEASE HOLD	512.61	48.00	-	560.61	-	2.40	-	2.40	558.21	512.61
2	BUILDING	5067.96	1969.50	387.47	6649.99	428.65	196.93	91.41	534.17	6115.82	4639.31
3	PLANT & MACHINERY	8630.57	3314.40	741.08	11203.89	3110.84	649.90	361.54	3399.20	7804.69	5519.73
4	MOULDS	2096.25	541.44	31.37	2606.32	1190.63	357.04	24.10	1523.57	1082.75	905.62
5	COMPUTER	290.74	122.72	6.75	406.71	191.46	55.83	5.59	241.70	165.01	99.28
6	MOTORVEHICLE-OTHERS	371.63	78.77	17.16	433.24	102.55	37.27	7.32	132.50	300.74	269.08
7	MOTORVEHICLE - TRANSPORT	164.42	25.92	2.29	188.05	59.58	20.23	1.23	78.58	109.47	104.84
8	FURNITURE & FIXTURE	362.69	201.32	13.51	550.50	50.80	27.36	4.85	73.31	477.19	311.89
9	ELECTRIC FITTINGS	718.71	409.27	85.07	1042.91	130.91	41.26	29.09	143.08	899.83	587.80
10	OFFICE EQUIPMENT	305.69	113.68	13.07	406.30	39.70	15.84	3.28	52.26	354.04	265.99
11	WOODEN STRUCTURE	43.61	3.05	-	46.66	38.54	7.02	-	45.56	1.10	5.07
12	WIND MILL	-	3523.93	-	3523.93	-	108.96	-	108.96	3414.97	-
	TOTAL (A)	19,304.56	10352.00	1297.77	28358.79	5343.66	1520.04	528.41	6335.29	22023.50	13960.90
B	INTANGIBLE ASSETS										
1	COMPUTER SOFTWARE	98.12	78.53	-	176.65	13.27	24.36	-	37.63	139.02	84.85
2	TECHNICAL KNOW-HOW	7.53	-	-	7.53	6.78	0.75	-	7.53	-	0.75
3	TRADE MARKS	-	10.54	-	10.54	-	0.54	-	0.54	10.00	-
	TOTAL (B)	105.65	89.07	-	194.72	20.05	25.65	-	45.70	149.02	85.60
	TOTAL(A+B)	19410.21	10441.07	1297.77	28553.51	5363.71	1545.70	528.41	6380.99	22172.52	14046.50
	PREVIOUS YEAR	-	6104.02	33.52	19410.21	-	1047.01	25.70	5363.71	14046.50	-

Schedules Forming Part of Accounts

SCHEDULE - 5 INVESTMENTS

(Rs. in Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
LONG TERM		
GOVERNMENT SECURITIES (UNQUOTED) (AT COST)		
6 Years National Saving Certificates (Pledged with sales tax authorities)	0.10	0.10
IN EQUITY SHARES (UNQUOTED) (TRADE) (AT COST)	6.01	6.01
6,040 equity Shares of Rs.100/- each fully paid of Relaxo Rubber Pvt. Ltd. an associate company. (Includes 30 bonus shares)		
Total	<u>6.11</u>	<u>6.11</u>

SCHEDULE - 6 CURRENT ASSETS, LOANS AND ADVANCES

A. CURRENT ASSETS

I Inventories (At lower of cost or net realizable value)		
Stock in Trade*	3195.00	2430.11
Stock in Process	849.98	333.81
Raw Material *	2516.48	1140.97
Packing Material & Fuel	154.94	75.89
Total (I)	<u>6716.40</u>	<u>3980.78</u>
II SUNDRY DEBTORS (Unsecured)		
Debts outstanding for a period exceeding six months		
- Considered good	8.74	1.23
- Considered doubtful	64.14	71.69
Other Debts**		
- Considered good	2076.82	1971.75
	<u>2149.70</u>	<u>2044.67</u>
Less: provision for doubtful debts	64.14	71.69
Total (II)	<u>2085.56</u>	<u>1972.98</u>
III CASH & BANK BALANCES		
a) Cash in hand	41.72	14.86
b) Balances with Scheduled Banks		
- In Current Accounts	38.75	254.71
- In Fixed Deposits	23.46	3.67
(Includes Margin Money on Letters of Credits & Bank Guarantees)		
Total (III)	<u>103.93</u>	<u>273.24</u>
IV OTHER CURRENT ASSETS		
Interest accrued on deposits and advances	0.64	0.54
Total A (I+II+III+IV)	<u>8906.53</u>	<u>6227.54</u>

Schedules Forming Part of Accounts

SCHEDULE - 6 (Contd.)

(Rs. in Lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
B. <u>LOANS & ADVANCES</u>		
(Unsecured- considered good)		
Advances recoverable in cash or in kind or for value to be received	1715.87	889.30
Advances to suppliers***	269.21	235.14
Loans	16.53	9.96
Security Deposits	494.81	396.54
MAT Credit	217.92	-
Total (B)	2714.34	1530.94
Total (A+B)	11620.87	7758.48

* Includes goods-in-transit of Rs. 9.44 lacs in Stock in trade & Rs. 544.07 lacs in Raw Material (Previous year Rs.15.89 lacs in Stock in trade & Rs. 151.13 lacs in Raw Material)

** Includes Rs.40.71 lacs from a firm, in which Directors are interested (Previous year Rs.13.41 lacs)

*** Includes Rs.12.81 lacs from a firm, in which Directors are interested (Previous year - Nil-)

SCHEDULE - 7

CURRENT LIABILITIES AND PROVISIONS

A. CURRENT LIABILITIES

Sundry Creditors	3496.32	2470.41
Advances from Customers	412.64	239.61
Interest accrued but not due	64.56	13.57
Other Liabilities	2500.73	1312.82
Book overdraft with scheduled bank	5.07	2.94
Investor Education and Protection Fund shall be credited by the following amounts as and when due, namely:		
Unclaimed Dividend	3.12	2.44
Total (A)	6482.44	4041.79

B. PROVISIONS

Taxation (Including FBT) *	112.85	193.97
Dividend	120.01	90.01
Dividend Tax	19.93	15.30
Leave Encashment	152.42	98.86
Providend Fund Scheme	36.65	24.18
Interest on Income Tax	18.10	20.49
Total (B)	459.96	442.81
Total (A+B)	6942.40	4484.60

*After setting off TDS and Advance tax paid.

Schedules Forming Part of Accounts

SCHEDULE - 8

GROSS SALES

(Rs. in Lacs)

Particulars	2009-10	2008-09
Footwear	55279.49	40746.35
Power	112.43	-
Total	55391.92	40746.35

SCHEDULE - 9

INCREASE/(DECREASE) IN STOCK

CLOSING STOCK

Stock in Trade	3195.00	2430.11
Stock in Process	849.98	333.81
	4044.98	2763.92

OPENING STOCK

Stock in Trade	2430.11	1850.77
Stock in Process	333.81	440.32
	2763.92	2291.09

Increase / (Decrease)	1281.06	472.83
Add/ (Less) Change in Excise Duty on Stocks	(3.56)	-
Net Increase/(Decrease)	1277.50	472.83

SCHEDULE - 10

OTHER INCOME

Export Incentive	90.92	68.30
Interest (Gross) on Deposit and others	3.55	11.47
[(Tax deducted at source Rs.0.32 Lacs (Previous year Rs.1.34 Lacs)]		
Scrap Sale	88.47	67.62
Miscellaneous Receipts	229.00	111.12
Total	411.94	258.51

SCHEDULE - 11

MATERIAL & MANUFACTURING EXPENSES

i) Purchases (Trading Goods)	7111.27	6660.10
ii) Raw Material Consumed	19980.65	15623.13
iii) Packing Material Consumed	3195.08	2508.35
iv) Manufacturing Expenses		
Power & Fuel	2166.59	1804.97
Factory Rent	135.77	126.82
Repairs- Building	18.21	11.37
Repairs- Machinery (Including stores and spares consumed)	307.65	204.98
Repairs- Others	29.45	19.06
Handling and Others Charges	357.63	90.72
Total (iv)	3015.30	2257.92
Total (i+ii+iii+iv)	33302.30	27049.50

Schedules Forming Part of Accounts

SCHEDULE - 12 **PERSONNEL EXPENSES**

Particulars	(Rs. in Lacs)	
	2009-10	2008-09
Salaries, Wages, Bonus & Allowances	5062.82	3261.07
Contribution to Provident & Other Funds	314.08	243.04
Employees' Welfare expenses	159.96	115.18
Total	5536.86	3619.29

SCHEDULE - 13 **ADMINISTRATIVE, SELLING AND OTHER EXPENSES**

Rent	828.49	640.94
Insurance	63.97	39.76
Travelling & Conveyance	405.08	307.10
Advertisement & Publicity	2047.59	1320.19
Sales Promotion & Incentives	3443.75	1722.36
Remuneration to Auditors	9.49	9.00
Rates & Taxes	20.96	22.67
Repairs & Maintenance	228.52	251.63
Bad Debts written off	12.86	-
Provision for doubtful debts	7.69	1.43
Cartage outward	478.55	295.49
Printing & stationery	54.20	42.13
Electricity & Fuel	117.38	89.44
Communication expenses	137.22	98.86
Security expenses	160.12	118.95
Legal & Professional Expenses	92.46	40.54
Loss on Sale of Assets (Net)	2.82	1.61
Miscellaneous Expenses	628.95	410.61
Total	8740.10	5412.71

SCHEDULE - 14 **FINANCE CHARGES**

Interest	1105.69	926.78
Bank Charges	69.53	59.67
Cash Discount	1380.15	924.38
Total	2555.37	1910.83

Accounting Policies and Notes on Accounts

Accounting Policies and Notes on Accounts SCHEDULE -15

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The Financial Statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956.

2. FIXED ASSETS

Fixed assets are stated at historical cost of acquisition / construction less accumulated depreciation. All cost including interest relating to acquisition of fixed assets till the time of commissioning of such assets are capitalized. Grants/ subsidy received have been reduced from the cost of specific fixed assets.

Incidental Expenditure during construction period is included under capital work-in-progress and the same is allocated to the respective fixed assets on completion of construction.

Any impairment loss is recognized, whenever carrying value of fixed assets exceed the market value or value in use, whichever is higher.

3. DEPRECIATION

Depreciation has been provided on straight-line method (SLM) at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. The value of leasehold land has been granted for long period and is therefore, not amortized, except value of leasehold land of Windmill, which is amortised over the period of lease. Cost of leasehold improvements are amortised over the period of lease or their useful lives whichever is lower. Intangible assets are amortized over the period of their useful lives in accordance with the Accounting Standard on intangible assets (AS-26) issued by the Institute of Chartered Accountants of India.

4. INVENTORIES

Inventories are valued as under :

- Stock in Trade, Raw Material, Packing Material and Fuel at cost, determined on FIFO basis, or net realizable value, whichever is lower.
- Stock in process : Raw material cost as increased by estimated production overheads keeping in account the stage of process.
- Stores, tools and spare parts are treated as consumed during the year of purchase
- Excise duty accrued on the production of finished goods is included in the valuation of inventories.

5. EMPLOYEE BENEFITS

Retirement benefits in the form of Provident Fund & Gratuity are defined contribution plan and the contribution are charged to Profit & Loss Account of the year when the contribution to the respective funds are due. In case of Gratuity obligations, company has taken policy from Life Insurance Corporation of India. There are no other obligations other than the contributions payable to the respective authorities. Leave encashment benefit is charged to Profit & Loss Account on the basis of actuarial valuation at the end of financial year.

Accounting Policies and Notes on Accounts

6. REVENUE RECOGNITION

Sales are net of trade discounts and claims. Other items of revenue are recognized in accordance with the Accounting Standard (AS-9) issued by the Institute of Chartered Accountants of India.

7. RESEARCH & DEVELOPMENT

Capital expenditure on Research and Development is capitalized under various fixed assets. Revenue expenses are charged to Profit and Loss Account, when incurred.

8. PRIOR PERIOD & EXTRA ORDINARY ITEMS

Prior period as well as Extra Ordinary items having material impact on the financial affairs of the company are disclosed separately.

9. TAX ON INCOME

Provision for current Tax is made as per the provision of Income Tax Act, 1961.

Deferred tax is recognized on timing difference between the book and taxable profit for the year and quantified using the tax rates and law enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forwarded only to the extent that there is a reasonable certainty that asset will be realized in future.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal Income Tax during the specified period. In the period/ year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Profit & Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

10. FOREIGN CURRENCY TRANSACTION

Transaction in foreign currency are accounted for at the exchange rates prevailing on the date of the transaction. Monetary current assets and liabilities at the year end are translated at the rate prevailing on last day of financial year. The difference thereon and also the exchange difference on settlement of foreign currency transactions during the year are recognized as income or expenses in Profit & Loss Account. Non-monetary items are carried at historical cost. Derivative transactions are considered as off-balance sheet items and cash flows arising thereon are recognized in the books of account on principle of Prudence as prescribed in the Accounting Standard (AS-1) issued by the Institute of Chartered Accountants of India.

11. PROVISIONS & CONTINGENT LIABILITIES

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities, if material, are disclosed by way of notes.

Accounting Policies and Notes on Accounts

12. INVESTMENTS

Long Term Investments are stated at cost.

13. LEASES

Lease rentals in respect of assets taken on 'Operating Lease' are charged to Profit & loss Account on a straight line basis over the lease term.

14. GOVERNMENT GRANTS

Grants in the form of Capital/ Investment subsidy are treated as Capital Reserve. Any Grants/ Subsidy received against specific fixed assets have been reduced from the cost of fixed assets.

15. SEGMENT ACCOUNTING

The generally accepted accounting principles used in the preparation of financial statements are applied to record revenue and expenditure in individual segments.

Expenses that are directly identifiable to segments are considered for determining the segment results. Expenses that are not allocable to segments are included under unallocated corporate expenses.

Segments assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets & liabilities represent the assets & liabilities that are not allocable to any segment.

NOTES ON ACCOUNTS

1. Contingent Liabilities:-

- i. Letter of credit outstanding with bank Rs. 31.92 lacs. (Previous Year - nil).
- ii. Bank Guarantees aggregating to Rs 52.39 lacs given to various Authorities (Previous year-Rs 10.91 lacs).
- iii. The company has executed surety bonds in favour of Sales Tax Assessing Authority on behalf of suppliers of materials aggregating Rs 28.23 lacs (Previous Year-Rs.28.23 lacs).
- iv. The Company has obtained licenses under the Export Promotion Capital Goods (EPCG) Scheme for importing capital goods at the concessional rate of custom duty. As per the scheme, the company is obliged to export eight times of duty saved in next 8 years. The total export obligation is Rs. 3395.76 lacs against total duty saved of Rs. 424.47 lacs (Previous year - Rs.1898.32 lacs against duty saved of Rs. 237.29 lacs).
- v. Estimated amount of contracts remaining to be executed on capital account and not provided for amounted to Rs 1012.46 lacs (Previous Year- Rs 1041.69 lacs).
- vi. Claim against the company not acknowledged as debts:-
 - a) The Sales Tax Department has raised a total demand of Rs 41.01 lacs (Previous Year-Rs 41.87 lacs) in respect of tax, interest & penalty. The company has filed appeals with Appellate Authorities which are pending for disposal. The company is of the view that the same will be decided in its favour, hence no provision has been made.

Accounting Policies and Notes on Accounts

- b) An amount of Rs 7.32 lacs (Previous Year - Rs 7.32 lacs) provided in the books against Entry Tax in Rajasthan has not been paid. An appeal has been filed before The Hon'ble High Court & is pending for disposal.
 - c) ESI Department has raised demand of Rs 10.31 lacs (Previous Year-Rs. 10.31 lacs) in respect of dispute in ESI Contribution & Interest. The company has filed an appeal with the Appellate Authorities. The company is of the view that the same will be decided in its favour, hence no provision has been made.
 - d) The lawsuits in respect of certain Intellectual Property Rights & Trademarks are pending in Courts. The proceedings are at the preliminary stage and the ultimate outcome of the matter cannot presently be determined. No provision for any liability that may result has been made.
2. Plant situated at A-1130 & 1130(A), Industrial Area, Phase - III, Bhiwadi was damaged in fire on 18.10.2008. Assets destroyed in fire amounting to Rs. 1265.60 lacs & Rs. 756.76 lacs towards cost of Gross Block & Net Block respectively have been reduced from the Fixed Assets. Plant was made partially operational from May 2009 and was fully operational from February 2010. Adhoc payment of insurance claim of Rs. 900.00 lacs in respect of fixed assets & stocks was received during the year. The balance claim for loss of assets on reinstatement basis is in process. Therefore, difference in claim receivable provided in the books and actual receipt will be adjusted at the time of actual settlement by the Insurance Company.
 3. Capital Work in progress includes Rs. 1.23 lacs (Previous year- Rs. 26.07 lacs) on account of preoperative expenses incurred during the year.
 4. Interest includes Rs. 3.34 lacs loss (previous year- Rs. 8.88 lacs gain) on Foreign Currency derivative transactions entered during the year by the company.
 5. Managerial Remuneration included under Salary, Wages & Bonus.

(Rs. in Lacs)

Particulars	2009-10	2008-09
Salary	108.87	77.14
Commission*	491.24	190.65
Contribution to P.F	11.70	8.29
Sitting fee	0.90	0.74
Total	612.71	276.82

Computation of Net Profit as per Section 349 read with Section 309(5) and Section 198 of The Companies Act, 1956

(Rs. in Lacs)

Particulars	2009-10		2008-09	
Net profit		5377.88		2398.03
Add :Managerial Remuneration	612.71		276.82	
Provision for doubtful debts	7.69		1.43	
Loss on sale of Fixed assets	2.82	623.22	1.61	279.86
Net Profit		6001.10		2677.89

Accounting Policies and Notes on Accounts

Total remuneration allowable U/s 198 read with section 309(5) i.e. 10% of net profit	600.11		267.79
Less: Remuneration paid on monthly basis	108.87		77.14
Balance payable as commission *	491.24		190.65

Note : The Gratuity & Leave Encashment is provided for the company as a whole, therefore, the amount pertaining to directors is not ascertainable & not included above.

6. Certain balances of Sundry Debtors, Creditors and Advances from Customers are subject to confirmation.

7. ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE VI OF THE COMPANIES ACT, 1956

(a) Details as regards to the goods traded by the Company :-

(Rs. in Lacs)											
Particulars	Unit	Opening Stock		Purchase		Loss by Fire		Sales		Closing Stock	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Footwear	Pair (in lacs)	9.58 (10.36)	1328.68 (1201.48)	82.33 (76.46)	6932.01* (6336.53)	- (0.01)	- (2.84)	82.11 (77.23)	8829.52 (7982.22)	9.80 (9.58)	1604.20 (1328.68)
Other		- (-)	- (39.75)	- (-)	174.97 (374.95)	- (-)	- (-)	- (-)	174.97 (420.69)	- (-)	- (-)

* Excludes DEPB Licence discount of Rs. 0.72 lacs (Previous Year - Rs. 51.38 Lacs)

(b) Capacities, Production, Sales and Stock of Manufactured goods:-

(Rs. in Lacs)											
Particulars	Unit	Installed Capacity Per day	Opening Stock		Production Qty.	Loss by Fire		Sales		Closing Stock	
			Qty.	Value		Qty.	Value	Qty.	Value	Qty.	Value
Footwear	Pair (in lacs)	3.10 (2.85)	14.42 (8.92)	1101.43 (609.54)	776.42 (624.75)	- (11.98)	- (410.20)	760.86 (607.27)	46253.07 (32343.44)	29.98 (14.42)	1590.80 (1101.43)
Power	KWH (in lacs)	1.44 (-)	- (-)	- (-)	26.27 (-)	- (-)	- (-)	26.27 (-)	112.43 (-)	- (-)	- (-)
Total (a+b)				2430.11 (1850.77)					55369.99 (40746.35)		3195.00 (2430.11)

Notes :

- (1) No industrial licence is required to manufacture any of the products of the Company.
- (2) Installed capacity, as certified by the management.
- (3) Figures within brackets pertain to previous year.

Accounting Policies and Notes on Accounts

(c) Raw material consumed:-

(Rs. in Lacs)

Particulars	2009-10		2008-09	
	Qty. (M.T.)	Value	Qty. (M.T.)	Value
Raw Rubber	3569.73	3997.39	2954.47	3228.32
EVA	7123.80	6413.62	5017.24	6400.26
Synthetic Rubber	741.66	771.95	260.25	317.44
Others	-	8797.69	-	5677.11
Total		19980.65		15623.13

(d) Value of imported and indigenous material consumed and percentage thereof.

(Rs. in Lacs)

Particulars	2009-10		2008-09	
	%	Value	%	Value
Imported	4.62	922.74	27.32	4268.27
Indigenous	95.38	19057.92	72.68	11354.87
Total	100.00	19980.65	100.00	15623.13

(e) Expenditure in Foreign currency :-

(Rs. in Lacs)

Particulars	2009-10	2008-09
i. CIF value of Imports made by the Company		
Capital Goods	1936.52	1045.99
Materials	854.96	3100.46
ii. Travelling Expenses	7.65	5.37
iii. Interest	325.08	20.11
iv. Others	18.45	15.05

(f) Earning in Foreign Exchange (FOB value of Export sale)

1058.21 714.98

8. Provision for Income Tax includes Wealth Tax provision of Rs. 2.79 lacs (previous year Rs. 2.49 lacs).

9. Related party relationships/transactions warranting disclosures under AS-18 issued by "The Institute of Chartered Accountants of India" are as under:

1) Names and relationship of the parties :-

Name

Relaxo Rubber Private Limited
 Marvel Polymers Private Limited
 Relaxo International
 Nu wave Shoes
 Patel Oil Mills
 Gumber Dyeing & Printing Works
 Shri Mool Chand Dua Memorial Society }
 Shrimati Ram Ditti Dua Memorial Society }

Relation Ship

Associate Company
 Associate Company
 Associate Concern
 Associate Concern
 Associate Concern
 Associate Concern
 Entities where Key Management Personnel
 Exercise Significant influence.

Accounting Policies and Notes on Accounts

2) Key Management Personnel & their relatives :-

Key Management Personnel

Mr. Ramesh Kumar Dua
Mr. Mukand Lal Dua
Mr. Nikhil Dua

Managing Director
Whole time Director
Whole time Director

Relatives

Ms. Usha Dua
Ms. Lalita Dua
Mr. Ritesh Dua
Mr. Nitin Dua
Mr. Gaurav Dua
Ms Sakshi Dua
Mr. Rahul Dua
Ms. Garima Dua
Ms. Shashi Mehra
Ms. Aalya Dua
Sh. Ramesh Kumar Dua (H.U.F.)
Sh. Mukand Lal Dua (H.U.F.)
Sh. Mool Chand Dua (H.U.F.)

Wife of Whole Time Director
Wife of Managing Director
Son of Whole Time Director
Son of Whole Time Director
Son of Managing Director
Daughter of Managing Director
Son of Managing Director
Wife of Whole Time Director
Sister of Managing Director
Daughter of Whole Time Director
H.U.F.
H.U.F.
H.U.F.

3) Disclosure of Related party transactions.

(Rs. in Lacs)

Transactions	2009-10			2008-09		
	Associates	Key Management Personnel & Relatives	Total	Associates	Key Management Personnel & Relatives	Total
Sale of goods	275.76	-	275.76	232.71	-	232.71
Purchase of goods	13368.84	-	13368.84	7930.05	-	7930.05
Purchase of Assets	129.49	-	129.49	0.51	-	0.51
Sale of Assets	-	-	-	-	-	-
Rent paid	113.16	202.48	315.64	112.07	174.85	286.92
Rendering of service (job work)	231.95	-	231.95	110.32	-	110.32
Receiving of service	-	0.20	0.20	-	-	-
Guarantees & collaterals taken	-	12811.00	12811.00	-	11260.00	11260.00
Dividend paid to shareholders	-	-	-	-	67.51	67.51
Payment of salary / perquisites	-	178.87	178.87	-	131.23	131.23
Commission	-	491.24	491.24	-	190.65	190.65
Loans (Year end balance)	-	3223.43	3223.43	-	2998.30	2998.30
Interest on unsecured Loans	-	337.83	337.83	-	316.72	316.72
Misc. exp	0.14	0.15	0.29	0.17	1.28	1.45
Donation	-	225.00	225.00	-	175.00	175.00
<u>Amount due to/ from related parties</u>						
Debit balance outstanding as on 31st March						
Outstanding receivable	63.54	-	63.54	12.70	-	12.70
Credit balance outstanding as on 31st March						
Outstanding payable	638.62	1.32	639.94	943.94	0.18	944.12

Accounting Policies and Notes on Accounts

10. Segment Information: The Company has identified two reportable segments viz. footwear & power. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Unallocable”.

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as “Unallocable”.

(Rs. in Lacs)

REVENUE	FOOTWEAR		POWER		TOTAL	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
External Sale	55257.56	40746.35	112.43	-	55369.99	40746.35
Inter Segment Sale	-	-	-	-	-	-
Total	55257.56	40746.35	112.43	-	55369.99	40746.35
Segment result	6482.50	3324.81	1.07	-	6483.57	3324.81
Less Interest & Financing	1078.56	926.78	27.13	-	1105.69	926.78
Profit before Tax	5403.94	2398.03	(26.06)	-	5377.88	2398.03
Income tax inclusive of FBT and MAT credit					718.36	804.90
Deferred tax (credit) / charge					890.30	169.90
Net Profit					3769.22	1423.23
ASSETS	31.03.10	31.03.09	31.03.10	31.03.09	31.03.10	31.03.09
Segment Assets	30954.49	23672.28	3513.55	-	34468.04	23672.28
LIABILITIES						
Segment Liabilities	-	-	-	-	-	-
Unallocated Liabilities	6791.52	4254.84	-	-	6791.52	4254.84
Total	6791.52	4254.84	-	-	6791.52	4254.84
OTHER INFORMATION						
Capital Expenditure	6869.14	6104.02	3571.93	-	10441.07	6104.02
Depreciation	1434.34	1047.01	111.36	-	1545.70	1047.01

SECONDARY SEGMENT

The company is having its major operation in India. Therefore, Geographical Area wise Segment Reporting is not required.

Accounting Policies and Notes on Accounts

11. The lease rentals charged during the year for cancelable/ non-cancelable leases relating to rent of building premises as per the agreements and maximum obligation on long term non-cancelable operating leases are as follows :

	(Rs. in Lacs)
	2009-10
Lease Rentals	964.26
Obligations on non cancelable leases :	
Not later than one year	136.92
Later than one year but not later than five years	49.75
Later than five years	-
Total	186.67

The escalation clause includes escalation at various periodic levels ranging from 0% to 15%, includes option of renewal from 1 to 5 years and there are no restrictions imposed on lease agreements.

12. Employee Benefits

a) Defined Contribution Plan

During the year, the company has recognised the following amount in the Profit & Loss Account.

	(Rs. in Lacs)	
Fund	2009-10	2008-09
Employer's Contribution to Provident & Pension Fund	199.03	127.65
Employer's Contribution to ESIC Scheme	53.03	44.73
Employer's Contribution to LIC Gratuity Scheme	61.90	55.90

b) Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	(Rs. in Lacs)	
Particulars : Leave Encashment (Unfunded)	2009-10	2008-09
Reconciliation of opening & closing balances of Defined Benefit Plan		
Present Value of Obligation as at the beginning of the year	98.86	90.48
Current Service Cost	33.39	29.70
Interest Cost	7.71	7.24
Actuarial (gain)/ loss on obligations	38.49	(2.68)
Benefit Paid	(26.03)	(25.88)
Present Value of Obligation as at the end of the Year	152.42	98.86
Reconciliation of Fair value of assets and obligations		
Fair Value of Plan Assets	-	-
Present value of obligation	152.42	98.86
Amount recognised in Balance Sheet	152.42	98.86
Expense Recognised during the year	152.42	98.86
Current Service Cost	33.39	29.70
Interest Cost	7.71	7.24

Accounting Policies and Notes on Accounts

Expected Return on Plan Assets	-	-
Actuarial (gain)/ loss on obligations	38.49	(2.68)
Net cost	79.59	34.26
Actuarial assumptions		
Discount Rate (per annum)	7.80%	7.80%
Expected Rate of Return on Plan Assets	-	-
Rate of escalation in salary (per annum)	6.00%	6.00%

The above information is certified by Actuary. The estimates of escalation in salary take into account inflation, seniority, promotion & other relevant factors.

13. Earning per share (EPS) computed in accordance with Accounting Standard -20 is as under.

(Rs. in Lacs)		
Particulars	2009-10	2008-09
Profit After Tax	3769.22	1423.23
No. of share issued	12001200	12001200
Basic & diluted Earning per share of Rs. 5/- (Rs.)	31.41	11.86

14. The principal Components of Net Deferred Tax Liability are as follows:-

(Rs in Lacs)				
Particulars	As at 31.03.2010		As at 31.03.2009	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Difference between book & tax depreciation	-	2171.33	-	1162.09
Provisions debited to profit & loss account	327.90	-	208.96	0.00
Total	327.90	2171.33	208.96	1162.09
Net deferred tax liability		1843.43		953.13
Net increase / (decrease) in liability charged to Profit & Loss account		890.30		169.90

15. The interest includes Rs. 21.13 lacs (Previous year - Rs. 27.53 lacs) paid to Managing Director.
16. Capital Work in Progress includes Advances to Suppliers of Rs.131.28 lacs (Previous Year - Rs. 703.47 lacs)
17. Remuneration to Auditors

(Rs. in Lacs)		
Particulars	2009-10	2008-09
Statutory Audit Fee	5.08	5.38
Tax Audit	1.10	0.64
Limited Review & other services	3.31	2.98
Total	9.49	9.00

Accounting Policies and Notes on Accounts

18. Extraordinary items include loss of Rs. 1.22 lacs (Previous Year - Rs. 40.32 lacs) incurred due to fire.
19. Prior period adjustments include write back of provisions no longer required Rs. 15.23 lacs & service tax liability of earlier year Rs. 8.07 lacs (Previous Year - nil)
20. The company has not received intimation from vendors regarding their status under the Micro, Small & Medium Enterprises. Development Act 2006 & hence disclosures relating to amounts unpaid as at the year end together with interest paid/ payable under the Act have not been given.
21. Previous year figures have been recast/regrouped wherever necessary to Conform to Current Year Classification.

As per our audit report of even date

FOR GUPTA & JHUNJHUNWALA
Chartered Accountants

CA. MUKESH DUA
Partner
M. NO. 085323

RAMESH KUMAR DUA
Managing Director

Place : Delhi
Dated : May 29, 2010

SUSHIL BATRA
Chief Financial Officer

KAPIL GARG
Company Secretary

MUKAND LAL DUA
Whole Time Director

Balance Sheet Abstract And Company's General Business Profile

I. Registration Details

State Code 55

Registration No. 19097

Balance Sheet Date Day 31 Month 03 Year 2010

II. Capital Raised During the year

(Amount in Rs.Thousands)

Public issue NIL

Right Issue NIL

Bonus Issue NIL

Private Placement NIL

III. Position of Mobilisation and Development of Funds

Total Liabilities 2752564

Total Assets 2752564

Sources of Funds

Paid-up Capital 60006

Reserve & surplus 1039263

Secured Loans 1120401

Unsecured Loans 348551

Deferred Tax Liability 184343

Application of Funds

Net Fixed Assets 2284106

Investments 611

Net Current Assets 467847

IV. Performance of Company

Turnover including Other Income 5578193

Total Expenditure 5040283

Extra-ordinary Items 122

Profit/Loss Before Tax 537788

Profit/Loss After Tax 376922

Earning Per Share(in Rs.) 31.41

Dividend Rate 30%

(including Interim dividend)

V. Generic Names Of Principal Products of the Company

Item Code No. 64022001

Product Description Rubber

Item Code No. 64022009

Product Description EVA

RAMESH KUMAR DUA
Managing Director

Place : Delhi
Dated : May 29,2010

SUSHIL BATRA
Chief Financial Officer

KAPIL GARG
Company Secretary

MUKAND LAL DUA
Whole Time Director

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

RELAXO FOOTWEARS LIMITED
Regd. Office : 316-319, Allied House,
Inderlok Chowk, Old Rohtak Road, Delhi - 110035

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance counter at Sri Sathya Sai International Centre, Lodhi Road Institutional Area, Pragati Vihar, New Delhi - 110 003 on Friday, the 24th September, 2010 at 10.30 a.m.

NAME OF MEMBER			
FOLIO NUMBER		NO. OF SHARES	
DPID NO		CLIENT ID NO	
NAME OF MEMBER/PROXY		SIGNATURE OF MEMBER/PROXY	

NOTES :-

- Members/Proxy holders are requested to bring their copies of the Annual Report with them to the meeting.
- For the convenience of Members, persons other than Members/Proxies will not be allowed into the meeting.

PROXY FORM

Folio No. DPID

No. of Shares Client ID

I/We of
.....
.....being a Member/Members of or failing him/her
..... of
.....
.....vote for me/us and on my/our behalf at the 26th Annual General Meeting of the
Company to be held on Friday, the 24th day of September, 2010 and at any Adjournment thereof.

Signed this day of September, 2010 **SIGNED**

Affix
Re. 1.00
Revenue
Stamp

NOTE : THIS PROXY TO BE VALID SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

Blank Page



Quality Par Excellence



Fashionable and light. Feel good with Flite.



FL-117
Size: 3-5



FL-115
Size: 4-5, 6-10



FL-98
Size: 6-10



FL-146
Size: 3-6, 4-7, 5-8



FL-134
Size: 3-7



Quality Par Excellence

RELAXO FOOTWEARS LIMITED

3rd Floor, Allied House, Inderlok Chowk, Old Rohtak Road, Delhi-110 035 (India)

Tel.: 91-11-23658354, 23658365, 23658366, 23658568 • Fax: 91-11-23658431, 23658773

E-mail: rfl@relaxofootwear.com