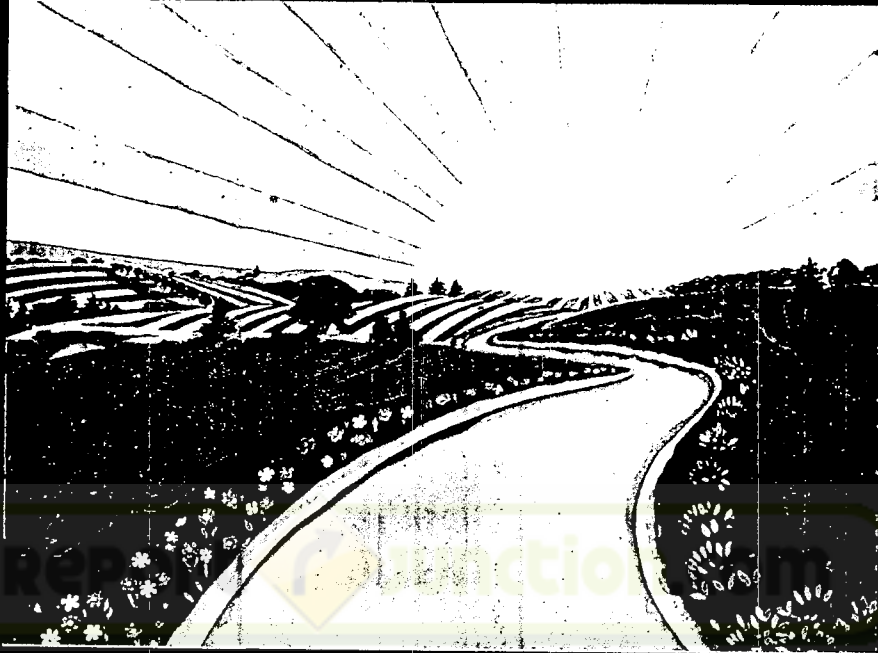


13TH
ANNUAL REPORT

1996 - 97



MANZILEIN AUR, BHI HAIN...



RELAXO FOOTWEARS LIMITED





RELAXO FOOTWEARS LIMITED

BOARD OF DIRECTORS

SH. RAMESH KUMAR DUA
Managing Director

SH. MUKUND LAL DUA
Whole Time Director

SH. P. P. MUKHERJEE
Director

SMT. USHA DUA
Director

SH. NIKHIL DUA
Director

REGISTERED OFFICE

RELAXO FOOTWEARS LIMITED
316-319, Allied House,
Plot No. 2, Inderlok Chowk,
Delhi-110 035

MD		BKC	
CS		DPY	
RO		DIV	
TRA		AC	
AGM		SHI	
Y&			

COMPANY SECRETARY

B. S. KASHTWAL

WORKS

Plot No. 327,
MIE, Bahadurgarh,
Haryana

AUDITORS

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

BANKERS

STATE BANK OF INDIA
PUNJAB NATIONAL BANK .
CANARA BANK

REGISTRAR & TRANSFER AGENTS

MCS LIMITED
Srivenkatesh Bhawan,
212-A, Shahpurjat,
(Behind Panchsheel Club),
New Delhi-110 049

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RELAXO FOOTWEARS LIMITED

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the members of **Relaxo Footweares Limited** will be held on Friday, the 26th September, 1997 at Convention Hall, Jamia Hamdard, Hamdard Nagar M.B. Road, New Delhi 110 062 at 9.30 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mrs. Usha Dua, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration and for the purpose to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT M/s Gupta & Jhunjhunwala Chartered Accountants, the Statutory Auditors of the Company who retire at this meeting be and are hereby reappointed as the Statutory Auditors of the Company for the Accounting year 1997-98 and to hold office of the Auditor from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company on a remuneration as may be decided 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 Shri Nikhil Dua who was appointed as an Additional Director in the Meeting of the Board of Directors held on February 22, 1997 and who holds office upto to conclusion of this Annual General Meeting under section 260 of the Companies Act, 1956. Shri Nikhil Dua is eligible for appointment as regular Director of the Company and in respect of whom the Company has received notice in writing pursuant to section 257 of the Companies Act, 1956 from a member of the Company proposing his candidature as regular Director of the Company be and is hereby appointed as regular Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

6. 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 the Companies Act, 1956 or any amendment in future thereto or the provisions or any re-enactment of the said Act in view of the Companies Bill, 1997 and subject to the approval wherever necessary, of the Central Govt., the consent of the Company be and is hereby granted to the Board of Directors of the Company to buy back the shares of the Company on such terms and conditions as the Board may think fit subject to such percentage of the existing paid up capital of the Company as may be allowable as per the Companies Act, 1956 or any amendment in future thereto, the provisions or any re-enactment of the said Act in view of the Companies Bill, 1997."

By Order of the Board
of **Relaxo Footweares Limited**

Place : Delhi
Date : August 23, 1997

B.S. KASHTWAL
(Company Secretary)



RELAXO FOOTWEARS LIMITED

NOTES :-

1. The Explanatory statement Pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business as set out above is annexed hereto and forms part of this notice.
2. 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 meeting.
3. FOR THE CONVENIENCE OF MEMBERS AND TO MAINTAIN DECORUM AT THE MEETING EVERY MEMBER/PROXY INTENDING TO ATTEND THE MEETING SHALL BRING A PHOTOCOPY OF THEIR SHARE CERTIFICATE ALONG WITH ATTENDANCE SLIP TO THE MEETING.

ANY PERSON WHO DOES NOT BRING BOTH THE COPY OF CERTIFICATE AND THE ATTENDANCE SLIP SHALL NOT BE ENTITLED TO PARTICIPATE IN THE ANNUAL GENERAL MEETING.
4. Members are requested not to bring their children or spouse, who are not members of the Company, to the meeting. In case of Joint holdings only One of the Joint holders shall attend the meeting.
5. The Register of Members and Transfer Books of the Company are closed from Tuesday, 2nd September, 1997 to Tuesday, 9th September, 1997.
6. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.
7. 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. upto the date of Annual General Meeting, except on Sundays and other Holidays.
8. Members desiring any information on the Accounts are requested to write to the Company at its Registered Office, 316-319, Allied House, Plot No. 2, Inderlok, Old Rohtak Road, Delhi-110035, 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.
9. With a view to eliminating any possibility of forgery or fraud, the Shareholders are requested to furnish their Bank Account number (current/savings), the name of the Bank and Branch where they would like to deposit their Dividend Warrant for encashment. These particulars will be printed on the Cheque portion of the Dividend Warrant. This should be furnished by the Sole Holder or the first named Shareholder in case of Joint Holding, to the Company or the Share Transfer Agents - MCS Limited.
10. Bank Details/Intimation of change of address should reach Company or its Share Transfer Agents viz MCS Limited, on or before Friday, September 26, 1997 to enable the Company to give effect to such documents.

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

Place : Delhi
Date : August 23, 1997

B.S. KASHTWAL
(Company Secretary)

**RELAXO FOOTWEARS LIMITED****Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 :-****Item No. 5**

The Directors at their meeting held on 22nd February, 1997 appointed Shri Nikhil Dua as an additional Director pursuant to Article No. 120 of the Articles of Association and Section 260 of the Companies Act, 1956 and holds office upto the date of the ensuing Annual General Meeting. Shri Nikhil Dua has been actively involved in the business affairs of the Company. The Board considers that it will be in the interest of the Company to appoint him as regular Director of the Company and recommend the resolution of his appointment for approval.

Necessary notice in writing from a member of the company proposing his appointment as a regular Director and signifying his intention to move the resolution for his appointment has been received as required under Section 257 of the Companies Act, 1956.

Shri Nikhil Dua is related to Shri Ramesh Kumar Dua, Managing Director, Shri Mukand Lal Dua, Whole Time Director and Mrs. Usha Dua, Director of the Company.

Item No. 6

Companies Bill 1997 allows the companies to Buy Back its own shares to the extent of 25% of the paid-up capital of the Company. Companies Bill, 1997 also requires the approval of the Shareholders by a special resolution to Buy Back the own equity shares of the Company. Therefore, the Directors recommend the Resolution for acceptance by the Shareholders as set out in Item No. 6 of the notice of ensuing Annual General Meeting.

None of the Directors is concerned or interested in this resolution.

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

Place : Delhi
Date : August 23, 1997

B.S. KASHTWAL
(Company Secretary)

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RELAXO FOOTWEARS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of your company have immense pleasure in presenting the 13th Annual Report and the Audited Accounts of your Company for the Financial year ended 31st March, 1997.

1. FINANCIAL RESULTS

	Current year ended 31.3.97	Previous year ended 31.3.96
		Rs./Lacs
Total Income	7790.72	5431.23
Total Expenditure	7022.14	4960.48
Profit before Depreciation	768.58	470.75
Depreciation	48.80	39.23
Profit before Tax	719.78	431.52
Provision for Taxation	170.00	80.00
Profit after Tax	549.78	351.52
E.P.S. (Rs.)	18.32	11.72
Net Worth	1130.45	893.55
Book Value (Rs.)	37.67	29.78
Dividend (%)	30.00	20.00

2. DIVIDEND

Your Directors' are pleased to recommend a dividend of **Rs.3.00 per Share** (Previous year Rs.2.00 per share) for the year ended 31st March, 1997. The dividend, if approved by the Shareholders at the Annual General Meeting will be paid out of the profits for the year under review and would absorb a sum of Rs.99.00 lacs including tax on dividend (Previous year Rs. 57.79 lacs).

3. DIRECTORS

Smt. Usha Dua, retires by rotation at the 13th Annual General Meeting and being eligible offers herself for re-appointment. Your Directors recommend her re-appointment in view of the continued guidance and assistance given in conducting the affairs of the company.

Shri Nikhil Dua who was appointed as the additional Director of the Company on 22nd February, 1997, holds office upto the conclusion of 13th Annual General Meeting. Your Directors recommend the appointment of Shri Nikhil Dua as regular Director of the Company as he has good experience and knowledge with regard to manufacturing and trading of Rubber Footwears.



RELAXO FOOTWEARS LIMITED

4. AUDITORS

M/s Gupta & Jhunjhunwala, Chartered Accountants, Auditors of the Company hold office upto the conclusion of the ensuing Annual General Meeting of the Company. They are eligible for re-appointment and the certificate u/s 224 (1B) has been received from them confirming that their appointment if made will be within the specified limits. The Board of Directors recommend the re-appointment of the Auditors to hold office of the Auditors from the conclusion of 13th Annual General Meeting upto the conclusion 14th Annual General Meeting.

The observations of the Auditors on the Accounts for the year under report have been suitably explained in the notes to Accounts and does not require any clarification from the Auditors.

5. PARTICULARS OF EMPLOYEES

Information required under the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended regarding employees is given in (Annexure-A) of the Directors' Report.

6. FIXED DEPOSITS

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

7. INFORMATION UNDER CLAUSE 43 OF THE LISTING AGREEMENT

Performance Vs Projections for the year 1996-97 is given hereunder :

S. No.	Particulars	Rs/Lacs	
		Projections	Actual
1.	Sales	5947	7781.28
2.	Profit before Tax	724	719.78
3.	Tax	238	170.00
4.	Profit after Tax	486	549.78
5.	Equity Capital	300	300.03
6.	Reserves	1492	1289.67
7.	Dividend (%)	20	30
8.	E.P.S. (Rs.)	16.20	18.32

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

A. CONSERVATION OF ENERGY

Your Company is not covered by the Schedule of Industries under Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, requiring furnishing of information regarding conservation of energy. However the Company lay emphasis on the Conservation of energy in all phases of its operations.



RELAXO FOOTWEARS LIMITED

B. RESEARCH AND DEVELOPMENT

Your Company has always resorted to product upgradation and quality enhancement through research and development efforts. Today 'Relaxo' brand is well established in the Industry and is a household name. Your Company enjoys a very high level of confidence with the general public as it is committed to offer to its customers high quality products. It is very much in your Company's future plans to install a full fledged R & D division.

C. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

Technology absorption and adaptation has been achieved through regular training of Company's engineers. Besides the company has also appointed several supervisors and a works Manager who have rich experience in the manufacturing of Footwear Industry. Absorption of latest technology involved has helped in improving the durability, flexibility, quality and features of the products of your company. In addition the Company has been able to adopt to the specific needs of the general customers.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no foreign exchange earnings during the year under review. The Company has however incurred an amount of Rs.1,00,53,050 on import of raw materials and Rs.3,39,400 on foreign travelling.

9. PERSONNEL

The employees of the Company are an asset which can not be shown in the Balance Sheet. The Board wish to place on record its appreciation to all employees in the Company for their sustained efforts and immense contribution to the high levels of performance and growth of the business during the year.

10. ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the valuable support received from the Government, Stock Exchanges and Bankers. The Directors also wish to place on record their deep appreciation for the meaningful contribution given by the Customers, Distributors, Dealers and Employees at all levels.

For and on behalf of the Board
of **Relaxo Footweares Limited**

R. K. Dua
(Managing Director)

M. L. Dua
(Whole Time Director)