

# RELAXO FOOTWEARS LIMITED

Regd. Office: Aggarwal City Square, Plot No. 10, Manglam Place, District Centre, Sector - 3, Rohini, Delhi - 110085

Phones : 46800600, 46800700, Fax No. : 46800692, E-mail: rfi@relaxofootwear.com,

Website : www.relaxofootwear.com, CIN : L74899DL1984PLC019097

## STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>st</sup> MARCH, 2016

(Rs. in lacs)

Particulars	Quarter Ended			Year Ended	
	31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015
Statement of Financial Results	Audited	Unaudited	Audited	Audited	Audited
<b>1 Income from operations</b>					
Net sales / Income from operations (Net of Excise Duty)	48247.41	38567.50	43811.58	170417.56	147277.78
Other operating income	292.77	202.48	237.70	884.05	803.64
<b>Total income from operations (Net)</b>	<b>48540.18</b>	<b>38769.98</b>	<b>44049.28</b>	<b>171301.61</b>	<b>148081.42</b>
<b>2 Expenses</b>					
Cost of materials consumed	16076.74	12914.81	16264.16	59626.51	61390.72
Purchase of stock-in-trade	3553.61	4338.15	3410.70	14548.56	10446.00
Changes in inventories of finished goods, stock-in-trade and work-in-progress	736.85	(1156.97)	(871.59)	(3381.98)	(7292.88)
Employee benefits expense	4571.50	3792.98	3817.18	16084.49	13450.44
Depreciation and amortisation expense	1328.79	1216.55	977.26	4711.87	3989.61
Other expenses	16913.82	13462.78	14310.39	60315.71	50023.41
<b>Total expenses</b>	<b>43181.31</b>	<b>34568.30</b>	<b>37908.10</b>	<b>151905.16</b>	<b>132007.30</b>
<b>3 Profit from operations before other income, finance costs and exceptional items (1- 2)</b>	<b>5358.87</b>	<b>4201.68</b>	<b>6141.18</b>	<b>19396.45</b>	<b>16074.12</b>
<b>4 Other income</b>	<b>75.37</b>	<b>49.49</b>	<b>(18.11)</b>	<b>225.42</b>	<b>39.17</b>
<b>5 Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>5434.24</b>	<b>4251.17</b>	<b>6123.07</b>	<b>19621.87</b>	<b>16113.29</b>
<b>6 Finance costs</b>	<b>549.70</b>	<b>627.43</b>	<b>507.84</b>	<b>2289.26</b>	<b>1848.36</b>
<b>7 Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>4884.54</b>	<b>3623.74</b>	<b>5615.23</b>	<b>17332.61</b>	<b>14264.93</b>
<b>8 Exceptional items</b>	-	-	-	<b>426.45</b>	-
<b>9 Profit from ordinary activities before tax (7+8)</b>	<b>4884.54</b>	<b>3623.74</b>	<b>5615.23</b>	<b>17759.06</b>	<b>14264.93</b>
<b>10 Tax expense (includes deferred tax)</b>	<b>1602.49</b>	<b>1181.70</b>	<b>1347.13</b>	<b>5731.41</b>	<b>3959.94</b>
<b>11 Net Profit from ordinary activities after tax (9-10)</b>	<b>3282.05</b>	<b>2442.04</b>	<b>4268.10</b>	<b>12027.65</b>	<b>10304.99</b>
<b>12 Extraordinary items</b>	-	-	-	-	-
<b>13 Net Profit for the period (11-12)</b>	<b>3282.05</b>	<b>2442.04</b>	<b>4268.10</b>	<b>12027.65</b>	<b>10304.99</b>
<b>14 Paid up Equity Share Capital (Face value of Re.1/- share each)</b>	<b>1200.40</b>	<b>1200.40</b>	<b>600.06</b>	<b>1200.40</b>	<b>600.06</b>
<b>15 Reserves excluding revaluation reserve</b>				<b>46797.73</b>	<b>36181.71</b>
<b>16 Earnings per share (EPS) in Rs.</b>					
Basic	2.73	2.03	3.56	10.02	8.59
Diluted	2.73	2.03	3.55	10.00	8.58
<b>17 Earnings before Interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>6763.03</b>	<b>5467.72</b>	<b>7100.33</b>	<b>24333.74</b>	<b>20102.90</b>



Rameesh

## STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>(A) Equity and Liabilities</b>		
1 Shareholders' Funds		
Share Capital	1200.40	600.06
Reserves and Surplus	46797.73	36181.71
Sub-total - Shareholders' Funds	<b>47998.13</b>	<b>36781.77</b>
2 Non Current Liabilities		
Long Term Borrowings	11298.82	14450.15
Deferred Tax Liabilities (Net)	2701.13	2490.75
Other Long Term Liabilities	1023.11	548.49
Long Term Provisions	528.25	389.74
Sub-total - Non Current Liabilities	<b>15551.31</b>	<b>17879.13</b>
3 Current Liabilities		
Short Term Borrowings	8960.78	6647.79
Trade Payables	12237.39	9258.28
Other Current Liabilities	11811.24	11341.53
Short Term Provisions	3115.83	2214.41
Sub-total - Current Liabilities	<b>36125.24</b>	<b>29462.01</b>
<b>Total Equity and Liabilities</b>	<b>99674.68</b>	<b>84122.91</b>
<b>(B) Assets</b>		
1 Non Current Assets		
Fixed Assets	55876.40	47381.62
Non Current Investments	50.00	6.01
Long Term Loans and Advances	1905.47	1212.05
Other Non Current Assets	0.49	0.74
Sub-total - Non Current Assets	<b>57832.36</b>	<b>48600.42</b>
2 Current Assets		
Inventories	28584.41	24868.40
Trade Receivables	10804.50	8208.28
Cash and Bank Balances	237.41	448.86
Short Term Loans and Advances	1921.33	1413.18
Other Current Assets	294.67	583.77
Sub-total - Current Assets	<b>41842.32</b>	<b>35522.49</b>
<b>Total Assets</b>	<b>99674.68</b>	<b>84122.91</b>

## Notes

- The above results were reviewed by the Audit Committee and have been approved by the Board of Directors at their meeting held on 14<sup>th</sup> May, 2016.
- The Company has given effect of Bonus Shares in calculating EPS for comparative period in accordance with Accounting Standard (AS) - 20, "Earnings Per Share" issued by The Institute of Chartered Accountants of India (ICAI).
- The Company had the accounting policy of not amortising leasehold land (except for leasehold land of Wind Mill) till previous year. During the year, Company has changed the accounting policy with retrospective effect for amortisation of leasehold land, which will give a uniform basis of amortisation of leasehold land. Had the Company not changed the accounting policy, the Profit After Tax for the year and quarter ended 31<sup>st</sup> March, 2016 would have been higher by Rs. 85.23 lacs.
- The Board of Directors has recommended 60% dividend (Re 0.60 per share of face value of Re 1/- each) for the year ended 31<sup>st</sup> March, 2016 subject to approval of the shareholders.
- The Company's business activity falls within a single Geographical and single Business segment, viz. "Footwear and Related Products", therefore segment information is not required to be disclosed under Accounting Standard (AS) - 17, "Segment Reporting" issued by The Institute of Chartered Accountants of India (ICAI).
- The figures for the quarter ended 31<sup>st</sup> March, 2016 are the balancing figures between the Audited figures in respect of full financial year and unaudited year to date figures upto the previous quarter.
- Previous period/year's figures have been restated/regrouped, wherever necessary to conform to classification of this period.

On behalf of the Board of Directors

Ramesh Kumar Dua

Ramesh Kumar Dua  
Managing Director



**GUPTA & DUA**  
CHARTERED ACCOUNTANTS

4594-A / 9, Darya Ganj, New Delhi-110002 Tel. : 43525949, 45694763  
E-mail : guptaanddua@yahoo.in

**Independent Auditors' Report**

**TO THE MEMBERS OF**  
**RELAXO FOOTWEARS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of RELAXO FOOTWEARS LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

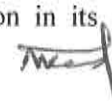
**Independent Auditors' Report (continued)**  
**RELAXO FOOTWEARS LIMITED**

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B' and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements -- Refer Note 28 to the Financial Statements;



- ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Gupta & Dua**  
Chartered Accountants  
Firm's Registration Number 003849N



**CA. Mukesh Dua**  
Membership Number 085323

Delhi.  
14<sup>th</sup> May, 2016

**Annexure 'A' to the Independent Auditors' Report-- 31<sup>st</sup> March, 2016**  
**RELAXO FOOTWEARS LIMITED**

(Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which its fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- (ii) The inventories, except goods in transit, have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. In respect of inventories lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirement of clauses (iii) (a), (iii) (b) and (iii) (c) of paragraph 3 of the order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. In respect of investments made by the company, the provisions of Section 186 of the Act have been complied with.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public within the meaning of Section 73 to 76 of the Act and the Rules framed there under.
- (vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, in respect of manufacture of its products by the Company.
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**Annexure 'A' to Independent Auditors' Report—31<sup>st</sup> March, 2016(continued)**  
**RELAXO FOOTWEARS LIMITED**

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance fund, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance fund, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following disputed statutory dues aggregating to Rs. 85.59 lacs , that have not been deposited on account of matters pending before appropriate authorities, are as under:-

(Rs. in lacs)

S.No.	Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending	Remarks
1.	Haryana General Sales Tax Act, 1973	Purchase Tax	19.92 14.73	2001-02 2002-03	Jt. Excise & Taxation Commissioner Jt. Excise & Taxation Commissioner	
2.	Delhi Value Added Tax, 2005	Input Tax	3.45	2005-06	Appellate Tribunal, Delhi	
3.	Income Tax Act, 1961	Regular demand	15.51	2009-10	Income tax Appellate Tribunal	
4.	Central Excise Act, 1944	Interest, Fine, Penalty	31.98	2015-16	Commissioner, Central Excise	
	<b>Total</b>		<b>85.59</b>			

*[Handwritten signature]*

**Annexure 'A' to Independent Auditors' Report---31<sup>st</sup> March, 2016(continued)**  
**RELAXO FOOTWEARS LIMITED**

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks during the year. The company did not have any outstanding loans and borrowings from the government and debenture holders during the year.
- (ix) The company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. In our opinion the term loans have been applied for the purpose for which those were raised
- (x) According to the information and explanations given to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of records, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transaction within the meaning of section 192 of the Act, with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Gupta & Dua  
Chartered Accountants  
Firm's Registration Number 003849N

CA. Mukesh Dua  
Partner

Membership Number 085323



Delhi.  
14<sup>th</sup> May, 2016



Annexure 'B' to the Independent Auditors' Report--- 31<sup>st</sup> March, 2016  
**RELAXO FOOTWEARS LIMITED**

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

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

We have audited the internal financial controls over financial reporting of RELAXO FOOTWEARS LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

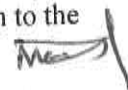
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the



Annexure 'B' to the Independent Auditors' Report--- 31<sup>st</sup> March, 2016(continued)  
**RELAXO FOOTWEARS LIMITED**

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gupta & Dua  
Chartered Accountants  
Firm's Registration Number 003849N



CA. Mukesh Dua  
Membership Number 085323

Delhi.  
14<sup>th</sup> May, 2016

**FORM A (for audit report with unmodified opinion)**

<b>1.</b>	<b>Name of the Company</b>	<b>Relaxo Footwears Limited</b>
<b>2.</b>	<b>Annual financial statements for the year ended</b>	<b>31<sup>st</sup> March, 2016</b>
<b>3.</b>	<b>Type of Audit observation</b>	<b>Un- Modified</b>
<b>4.</b>	<b>Frequency of observation</b>	<b>Not Applicable</b>
<b>5.</b>	<b>To be Signed by :-</b>	
<b>i.</b>	<b>CEO / Managing Director</b>	<b>For Relaxo Footwears Limited</b>  <b>Ramesh Kumar Dua</b> <b>Managing Director</b> <b>DIN - 00157872</b>
<b>ii.</b>	<b>Chief Financial Officer</b>	<b>For Relaxo Footwears Limited</b>  <b>Sushil Batra</b> <b>Chief Financial Officer</b>
<b>iii.</b>	<b>Auditor of the company</b>	<b>For Gupta &amp; Dua</b> <b>Chartered Accountants</b> <b>(Firm Registration No. 003849N)</b>  <b>Mukesh Dua</b> <b>Partner</b> <b>Membership No- 085323</b>
<b>iv.</b>	<b>Audit Committee Chairman</b>	<b>For Relaxo Footwears Limited</b>  <b>Kuruvila Kuraikose</b> <b>Director</b> <b>Din -00881039</b>