

RELAXO

May 12, 2017

Bombay Stock Exchange Ltd. Corporate Relationship Department 1st Floor New Trading Rotunda Building, P J Towers Dalal Street Fort, Mumbai – 400001	National Stock Exchange of India Ltd Listing Department, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051
Scrip Code – 530517	Scrip Code - RELAXO

Sub: Outcome of Board Meeting

Dear Sir,

We wish to inform you that the Board of Directors of the Company at their meeting held today, i.e. May 12, 2017, have considered and approved, the Scheme of Amalgamation for merger of Marvel Polymers Private Limited and Relaxo Rubber Private Limited with Relaxo Footwears Limited, subject to requisite approvals. Ernst & Young LLP are the transaction structuring advisors to the Company.

The details as required under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. – CIR/CFD/CMD/04/2015 dated September 9, 2015 in respect of aforesaid Scheme are enclosed herewith as Annexure – I.

You are requested to kindly take the same on record.

Regards

For Relaxo Footwears Limited



Vikas Kumar Tak
Company Secretary

RELAXO FOOTWEARS LIMITED

Registered Office: Aggarwal City Square, Plot No. 10, Manglam Place,
District Centre, Sector-3, Rohini, Delhi-110085. Phones: 46800 600, 46800 700
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Annexure 1

- a) Name of the entity(ies) forming part of the amalgamation, details in brief such as, size, turnover etc.

Parties to the Scheme	Turnover (In Rs. Cr)	Net Worth (In Rs. Cr)
Marvei Polymers Private Limited* ("MPPL" and "Transferor Company 1")	2.8	28.4
Relaxo Rubber Private Limited* ("RRPL" and "Transferor Company 2")	2.8	14.2
Relaxo Footwears Limited^ ("RFL" and "Transferee Company")	1739.8	604.8

* as on March 31, 2016

^ as on March 31, 2017

- b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"

The transaction would fall within the definition of related party transactions. Consideration to the shareholders of MPPL and RRPL would be discharged at arm's length. RFL has obtained a valuation report from an independent Chartered Accountant, and a fairness opinion given by a Merchant Banker.

- c) Area of business of the entity(ies)

- MPPL owns land and building in Udyog Nagar, Delhi, which has been leased out to RFL.
- RRPL owns land and building in Bahadurgarh, district Jhajjar, which has been leased out to RFL.
- RFL is primarily involved in manufacture and trading in footwear of all kinds, forms, qualities, specifications and sizes and in particular in those made of rubber/ plastic/ leather/ cloth/ canvas or combinations thereof. It has state of the art manufacturing facilities in Haryana, Rajasthan and Uttarakhand.



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d) Rationale for amalgamation

The amalgamation of MPPL and RRPL with and into RFL is expected to enable better realization of potential of the businesses and yield beneficial results and enhanced value creation for the companies, their respective shareholders, lenders and employees. The Scheme is driven by the following objectives and potential benefits:

- (a) An opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the amalgamation will enable optimal utilization of existing resources and provide an opportunity to fully leverage capabilities, efficiencies and infrastructure of all the companies.
- (b) MPPL and RRPL own immovable properties, which have been leased out to RFL and disclosed as related party transactions in the financial statements of MPPL, RRPL and RFL.

The amalgamation will enable the consolidation of such immovable properties in a single entity, thereby enabling RFL to leverage on its larger net-worth base, besides eliminating related party transactions between MPPL, RRPL and RFL, and improving operating profits.

Further, RFL plans to make additional investments in such immovable properties, to develop state-of-the-art facilities, in line with its corporate philosophy, which will enhance the overall value of RFL.

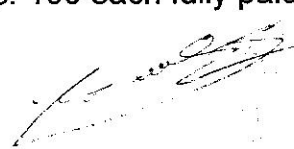
e) In case of cash consideration - amount or otherwise share exchange ratio;

There is no cash consideration proposed in the Scheme.

The consideration is in the form of issue of shares, and the exchange ratio is as follows:

20,158 Equity Shares of Re. 1 each fully paid-up of RFL to be issued for every 100 Equity Shares of Rs. 100 each fully paid-up of MPPL, held by the shareholder.

3,124 Equity Shares of Re. 1 each fully paid-up of RFL to be issued for every 100 Equity Shares of Rs. 100 each fully paid-up of RRPL, held by the shareholder.



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f) Brief details of change in shareholding pattern (if any) of the listed entity:

Currently, 74.93% of the share capital of RFL is held by the promoters, while 25.07% of the share capital is held by the public shareholders.

Pursuant to the merger, additional shares shall be issued to the shareholders of MPPL and RRPL, who are also the promoters of RFL. RFL shall ensure compliance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 such that the percentage of shareholding of public shareholders of RFL, in the post Scheme shareholding pattern shall not be less than 25%.



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