



Quality Par Excellence

CHAIRMAN'S SPEECH



Dear Shareholders,

I am glad to welcome you to the 27th Annual General Meeting of your Company.

The Directors' and Auditors' report along with the Audited Financial Statements of your Company for the year ended 31st March, 2011 are already in your hands and with your permission, I shall take the same as read.

Firstly, I would like to review the operations of your Company during the year. Your Company has achieved turnover of Rs. 686 Crores and profit after tax of Rs. 27 Crores as compared to previous year's turnover of Rs. 553 Crores and profit after tax Rs. 37 Crores. The fall in profits have been due to steep increase in the prices of raw materials,

particularly all Polymers.

However, I am pleased to inform you that a final dividend of 20% has been recommended in addition to interim dividend of 10% paid during the year i.e. total dividend of 30% for the financial year 2010-11.

During the year, your Company has increased manufacturing capacity in existing plants by 42,000 pairs per day mainly in Flite and Sparx category of footwear. The Company has also launched PU-Technology based High Fashion Footwear under the brand Flite and is in process of setting up a full fledged new plant at Bahadurgarh, Haryana. This Plant will be commissioned in the next year with the capacity of 50,000 pairs per day.

The Company has added 27 Retail outlets in this year and with these additions, the Company has 127 total outlets. Retail Segment contributed turnover of Rs. 46 Crores as compared to Rs. 33 Crores in last year i.e. an increase of 39%. Export turnover has also increased from Rs. 11 Crores to Rs. 21 Crores and our products are now available in more than 10 countries.

The Company has implemented world renowned ERP Software of SAP during the year. This will strengthen the existing Management Information System and will help in maintaining better control of the Company.

To conclude, your support is a great motivator of RELAXO and it is our constant endeavour to drive your Company ahead in a fast and efficient manner. I am confident that your Company will cross many new milestones in the years to come by leveraging its strengths and exploring new opportunities.

I would also like to convey my gratitude to the Board of Directors, bankers, suppliers, customers, employees, distributors, shareholders and various government departments for their continued support & the confidence reposed on us.

Thank you

Ramesh Kumar Dua

Chairman

Hawaii

FLITE
FASHIONABLE & LITE

SPARX
GO FOR IT

SCHOOLMATE
A STEP AHEAD