



Quality Par Excellence

CHAIRMAN'S SPEECH



Dear Shareholders,

I am glad to welcome you to the 30th AGM of your Company.

The Directors and Auditors report along with the Audited Financial Statement of your Company for the year ended 31st March, 2014 are already in your hands and with your permission I shall take them as read.

Firstly, I would like to review the operations of your Company during the financial year 2013-14. Your Company has achieved a total revenue of Rs. 1214.00 Crores by recording a growth of 20% from last year. EBITDA margins have improved from 11.04% in FY13 to 12.39% in FY14, a significant 34.7% increase in operating margins. Your company's PAT has also improved from 4.46% in FY13 to 5.44% in FY14. During the year, production capacity also increased from 4.54 lacs pairs to 5.35 lacs pairs per day.

With these pleasant upsides, your Board of Directors have recommended a highest ever dividend of 50% for FY14.

At this point of time, I would like to reflect over some of our initiatives like Supply Chain, Brand Building, Portfolio Rationalization etc., which have worked well for us in performing across all the operating parameters. Our deep understanding of consumers, trade along-with a 'forward looking' outlook has helped us to build a comprehensive range of products, catering to a large set of Indian

consumers. Investments in technology are helping us to improve quality, processes and saving in material & energy costs.

I am pleased to announce that Relaxo is now present in Modern Trade and E - Commerce channels, which will redefine the operating model in times to come. Your Company has been continuing its expansion in Retail Exclusive Outlets and its number has increased to 179 in FY14.

Relaxo is well positioned to capitalise the increasing demand for footwears and enhance service at all levels. It is expected that under the new government, India is likely to witness a golden era of industrial revolution. To give boost to the footwear industry, the government has already announced relaxation in the excise duty on footwear in the price range of Rs. 500 to Rs.1000.

I would like to recognize that your company has always counted on the decisive support of its Board of Directors, consumers, business partners and all valued employees for their significant contribution in the performance of Company in FY14. We also acknowledge the support of our shareholders and feel privileged for an opportunity to create value for all of you.

Thankyou

Ramesh Kumar Dua

**Ramesh Kumar Dua
Chairman**

Hawaii

FLITE
FASHIONABLE & LITE

SPARX
GO FOR IT

SCHOOLMATE
A STEP AHEAD