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Relaxo Footwears to set up new facility at Rs 150 cr investment this fiscal

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Relaxo Footwears Ltd plans to invest Rs 150 crore in the current fiscal to set up a new manufacturing facility amid growing demand for open footwears such as slippers and sandals in the backdrop of the COVID-19 pandemic. "Demand for open footwears is going up due to the COVID-19 pandemic. We are trying to increase production to meet that demand. We have planned investment of Rs 150 crore this financial year. Majority of this amount will go for setting up a new manufacturing facility in Bhiwadi," Relaxo Footwears Managing Director Ramesh Kumar Dua told.

Relaxo Footwears, whose key brands include Sparx, Flite, Bahamas and School Mate, said open footwears account for about 80 per cent of its total turnover. The Delhi-based firm said demand for closed footwears has been affected but it expects its pick-up going forward due to the onset of winter. Dua said Relaxo Footwears is looking at achieving 90 per cent of last financial year's turnover in the current fiscal.

"Our first quarter revenue was affected due to nationwide lockdown. Second quarter onwards sales started picking up led by demand for open footwears. We are looking at achieving 90 per cent of last financial year's turnover in the current fiscal," he added. Relaxo Footwears had reported a net profit of Rs 226.25 crore and revenue from operations of Rs 2,410.48 crore in the previous financial year.

Asked if the company is planning any price increase of its products, Dua said: "Raw material prices are benign right now..Prices (of raw materials) are looking up from January onwards. We will review cost pressures at the end of December and take a call whether to hike prices of our products or not." The company has eight manufacturing units and has presence in 20 countries and exports account for 4 per cent of its total turnover.