



FROM THE MANAGING DIRECTOR'S DESK

Dear Stakeholders,

It gives me great pleasure to announce yet another year of growth despite the impact of nationwide lockdown and the resultant economic challenges. In the fiscal year, FY20, revenue increased by 5%, EBITDA by 26% and PAT by 29% marking marginal growth in the topline and good growth in bottom line despite the market uncertainties and COVID-19 impact.

Your Company recognizes that footwear industry has been gradually inclining towards fashion industry, which is inspiring us for constant product innovation, both in functionality and design. Through a robust market sensing & research process, feedback from our channel partners and access to renowned national & international design studios, your Company constantly strives to offer products that exceed consumer expectations. With its philosophy of 'Customer First', your Company regularly refreshed its product portfolio in line with consumer expectations and launched a slew of new products this year.

Your Company continued to strengthen its distribution network expansion in under-penetrated markets, while empowering its sales force and channel partners with innovative digitized solution for seamless efficiency. Use of sales force automation tools has enabled our team to service 25,000 outlets

directly and engage with our valued retail partners.

In a strategic move to come closer to the new age consumer, your Company chose to harness the digital space and established a strong brand presence on social media with curated content and digital campaigns. Your Company also set up an Online Reputation Management (ORM) system for real time customer sentiment analysis and management. To keep up with changing times we have tied up with leading e-commerce portals and more than 70% of portfolio is listed online for customers.

During the year, your Company consolidated growth in existing priority export markets while continuing to expand its global footprint. Your Company's efforts in maintaining a focus on promoting own brands, ensuring timely product availability to our international partners has further led to your Company being recognized as one of the top non-leather exporter from India.

Despite external pressures, your Company demonstrated good growth in the retail network by expanding its store footprint to 390 stores and shifting the store assortment to higher ASP articles. All this while your Company has kept a firm focus on improving the in store customer experience with range availability and regular staff training.

Your Company continued to extend its technology IT solutions like robust SFA and DMS solutions, focussed on providing better service to its channel partners.

Footwear has been identified as one of the key sectors under various 'Make in India' initiatives to strengthen manufacturing sector in India and Government is taking various initiatives to boost Indian footwear industry. With its existing plants and potential to quickly ramp up capacity, your Company is ideally placed to take advantage of such situation.

Your Company, recognising employees among its core assets, has continued to strengthen bond with them through reward & recognition initiatives, trainings and ESOP plans during the year.

The COVID-19 pandemic has had a profound impact on socio-economic conditions all over the world impacting all industries including fashion and footwear. While there has been a deep short-term impact in the first three months, the after-effects of the pandemic are expected to last well beyond this period and have an adverse impact on both consumer and trade sentiment as well as purchasing power.

The economic impact of coronavirus pandemic in India has been largely disruptive. Under complete lockdown, your Company had to suspend operations in last ten days of March and April 2020 leading to substantial revenue loss. With continuing restrictions on sale of non-essential (footwear) products in May in several markets, the quarterly performance of the company is expected to take a setback in Q1 FY 21.

Various initiatives taken by the government to counter this unprecedented event are heartening and

are expected to have an impact over the medium term. As the world battles the on-going pandemic, there is also tremendous effort to put the business back on rails, with your Company taking many initiatives to realign work operations and manage experiences to the new consumer expectations and trends.

Given the company's four decades of experience in manufacturing and marketing of footwear, it would be better placed than its peers during this uncertain times.

Your Company is proactively engaged in taking appropriate steps on manufacturing, supply chain and distribution to tap available opportunities and mitigate existing or future risks in order to improve its market share. Various initiatives have been taken for the well-being and safety of our employees, which are fundamental for the growth of the company. There seems to be lot of challenges in this year, but COVID-19 has posed us an opportunity to evaluate ourselves and identify any loopholes or improvement opportunities on both process and cost front and to emerge stronger and tougher to achieve new heights.

I would like to thank all our stakeholders, customers, business partners, Board of directors, bankers and employees for their valuable support and belief in the company.

With Best Regards,

Ramesh Kumar Dua

Managing Director