



FROM THE MANAGING DIRECTOR'S DESK

Dear Stakeholders,

It gives me great pleasure to announce yet another profitable year despite the challenging business environment due to Covid-19 pandemic. Even though revenues in FY 2020-21 dipped marginally by 2.13%, EBITDA and PAT increased by 21.16% and 28.87% respectively. Your Company managed Covid-19 challenges well and sustained strong cash generation during the period. Accordingly, your Board has recommended a final dividend of 250% i.e. ₹2.50/- per equity share of ₹1/- each fully paid up for the Financial Year 2020-21.

Financial Year 2020-21 started with uncertainty and our H1 performance was subdued due to demand constraints and nationwide lockdown. However with resilience and adaptability we were able to recover to a large extent in H2, owing to surge in demand and relaxation of Covid-19 restrictions. The spirited performance in FY-21 was achieved mainly due to grit, determination and agility demonstrated by Relaxo team.

Cognizant of the changing business environment your Company quickly ramped up necessary technological infrastructure, provided access & training and graduated all employees to remote working, putting business operations back on track in record time, all the while reworking strategies across verticals.

Your Company continued its endeavour to integrate retail, wholesale, exports and online business verticals to reap synergies in marketing communications and brand building. With a new, consumer facing transactional website and a refreshed brand presence on leading e-commerce portals, your Company is well poised to drive growth in this channel.

On the exports front, a rationalised product portfolio, strategic credit control measures and a new warehousing facility will fetch greater operational efficiencies to your Company in the times ahead.

While our Exclusive Brand Outlets (EBOs) were most adversely affected due to lockdown, your Company took this opportunity to renegotiate long term rentals with the landlords and adopt strategic preventive measures at the outlets to assure a safe shopping experience for its customers even as the restrictions eased.

Keeping pace with the latest during the year, your Company has adopted Pour Moulding Technology for raw materials used in manufacture of EVA slippers and uppers. As a socially responsible corporate citizen, your Company has adopted green fuel technologies by changing all agro/solid fuel based boilers to gas based- PNG & LPG- for a cleaner environment.

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

Continued efforts in development and a re-aligned product portfolio stood us well to serve the changing consumer demand in these times. With an objective of staying salient in the minds of the consumer, your Company re-aligned its marketing strategies with the tone of communication attuned to being helpful, informative & positive in everyday life while building trust.

Covid-19 pandemic has brought about the greatest human tragedy in modern history, strongly impacting both lives and livelihood. Even though the Country is on the recovery path and there has been substantial dip in the Covid-19 cases, the negative sentiment and its impact is expected to remain for some time. With more than four decades of experience in manufacturing and marketing of footwear, your Company is better placed than its peers to counter these uncertain times. As India battles the second wave of the virus with another in the offing, we, as a responsible corporate citizen, are committed to support our employees, business partners and communities.

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