



Quality Par Excellence

RELAXO FOOTWEARS LIMITED

Annual Report 2010-2011



Add sparx to your life



SM-117
Size: 6-10



SM-116
Size: 6-10



SM-100
Size: 6-10



SS-420
Size: 6-10



SS-207
Size: 6-10

Article featured in Neil's hand SM-123

www.relaxofootwear.com

BOARD OF DIRECTORS

Ramesh Kumar Dua	Managing Director
Mukand Lal Dua	Whole Time Director
Nikhil Dua	Whole Time Director
S.K. Sapra	Independent Director
Vivek Kumar	Independent Director
Pankaj Shrimali	Independent Director

COMPANY SECRETARY

Kapil Garg

CHIEF FINANCIAL OFFICER

Sushil Batra

AUDITORS

GUPTA & DUA

Chartered Accountants

9, Darya Ganj, New Delhi-110 002

BANKERS

State Bank of India

HDFC Bank

Standard Chartered Bank

ING Vysya Bank

SHARE TRANSFER AGENTS

M/s. Karvy Computershare Private Limited

Plot No. 17-24, Vitalrao Nagar, Madhapur,

Hyderabad-500 081

REGISTERED OFFICE

316-319, Allied House, Inderlok Chowk,

Old Rohtak Road, Delhi-110 035

WORKS

RFL-I

- Plot No. 327, MIE,
Bahadurgarh, Haryana

RFL-II

- Plot No. 326, MIE,
Bahadurgarh, Haryana

RFL-III

- A-1130 & 1130 (A)
RIICO Industrial Area,
Phase-III, Bhiwadi, Rajasthan

RFL-IV

- 30/3/2, Rakba Mooja Hasanpur
Tikri Border (Near Sales Tax Office)
Bahadurgarh, Haryana

RFL-V

- 83-92, SIDCUL Industrial Area,
BHEL, Haridwar, Uttarakhand

RFL-VI

- 342-343, Footwear Park,
Industrial Estate, Sector-17,
Bahadurgarh, Haryana

RFL-VII

- Plot No. 328-329, MIE,
Bahadurgarh, Haryana

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Wings ...for a bigger sky.



**From the desk of
Ramesh Kumar Dua
Managing Director**



MESSAGE

Destiny

Every journey has a purpose. Every step, has a beginning.

Relaxo Footwears has been a long and eventful odyssey, one that began as a humble dream in 1976. The years that followed saw the rise of a phenomenal growth. Today, your Company manufactures over 3 lacs pairs of footwear per day, which approximately adds up to 90 million pairs per year. More importantly, we bring Quality with comfort to the customer. It's no stretch to say that, at Relaxo Footwears, we celebrate new beginning, everyday. Quality is that something extra which will be perceived by the customer as a valid reason for buying again. Relaxo doesn't just bridge a need in the footwear space but emphasize to provide value for money to its customer.

At the core of all this action lie our faith in man, more than machines: *people are the most valuable resource*. We are in a position to employ relevant talent, thus giving national employment a shot-in-the-arm by employing over 7000 people. Being in a sector that is blessed with a non-ending need or demand, we are also in a position to re-engineer systems, polish best practices, raise the quality bar and introduce innovations.

Relaxo Footwears has responded to these times of change by adopting intuitive restructuring measures to boost the company's overall viability. Specifically, we have focused on value re-engineering, on cost rationalization rather than on cost-chopping.

It is a diverse, complex and competitive universe and your Company strides with distinction and pride. Consider our recent performance, the annual turnover has grown 2.3 times in the last 3 years to a mammoth ₹ 686 crore in 2010-11. I applaud the efforts of our work force who dug in their heels to make this happen, and to all our stakeholders who kept the faith at every step to the way.

But there's more reason to rejoice, for at Relaxo Footwears, the future has just begun...

At Relaxo Footwears, we have deployed a three-pronged approach of re-strategizing, re-humanization and re-creation to sew up bottlenecks, bolster competencies and explore new areas of growth.

Re-strategizing at Relaxo Footwears has entailed investments in new technology, IT and management processes, setting up new production units to strengthen back-end dynamics and supply management, putting checks and controls (including cost

rationalization) in place, and applying higher benchmarks of quality excellence at every stage of our production assembly line. Re-strategizing at Relaxo Footwears has also been about analysing shifting customer habits and trends, and responding to them with powerful merchandizing mechanisms, retail expansion and advertising exercises that increase touch-point level engagement with our customers, maximize sales-gains and drive brand recall across age and social groups.

Re-humanization at Relaxo Footwears has been about mining talent in our workforce and getting the best out of them. For this, we have been organizing 'Goal-setting Workshops', Success Meets, Strategy-workshops.

Re-creation at Relaxo Footwears has been all about leveraging R&D for product innovation, nurturing brand ideas, technology and comfort in uncommon ways to appeal to a more value-conscious consumer.

Relaxo Footwears is nurturing creativity, building competencies, and continuously seeking unexplored new highways of growth. Outstanding growth at Relaxo Footwears has been a direct upshot of innovations and endeavours on the ground. We ventured into categories like Flite and Sparx, and both the products have witnessed excellent response from intended target groups. In general, your Company enjoys great brand pull in the market. Demand is robust and the company is likely to maintain growth momentum.

These are exciting times indeed at Relaxo Footwears. Horizons are expanding, young markets are being discovered, and the sky is getting bigger, everyday. It's time for another giant step. I thank you for your continued support, and for sharing our dream, I extend to you a cordial invitation...

To another golden journey, that's just beginning...



Group that adapt go on to produce new inventions, while those that do not end up extinct. Relaxo Footwears follows the similar path. Those that respond to threats & capitalize on opportunities become leaders. By embracing evolving outlook & advancing corporate strategies, Relaxo Footwears has left behind its reputation as performers.

CORPORATE VALUES & PHILOSOPHY

We, at Relaxo are Committed to Provide Consistent Value Added Quality Footwear and Services to Satisfy our Customers through Continual Improvement and Innovation.



CORPORATE GOALS & OBJECTIVES

Our Corporate Objectives provide a single-minded focus for every member of the Relaxo family to aspire to:

1. Developing human assets through effective training
2. Product innovation through design and development
3. Meet & exceed customer requirement (both internal & external)
4. Increased customer satisfaction
5. Quality improvement through control of rejection
6. Optimum utilization of resources
7. Waste reduction at all stages
8. Explore national and international markets
9. ISO 9001:2008 compliance

DELIVERING

...from the edge

Over the years, Relaxo has steadily integrated its competencies at the back-end, and today, our production units are spread right across the length and breadth of Northern India. Leading edge technology, heavy-duty machinery and custom-made infrastructure stand by at each of these facilities, ready to deliver at short notice. Manning them are some of the finest and most dedicated professionals in the industry. On top of things is our proactive R&D team – orchestrating assembly and monitoring market feedback at every step to keep both design and delivery at the edge of innovation, and ever-ready to adjust with shifting trends and customer feedback.

Relaxo has 7 actively functioning facilities at the following locations:

S No.	Unit	Location	Products Manufactured
1	RFL I	Bahadurgarh (Haryana)	Hawaii
2	RFL II	Bahadurgarh (Haryana)	Hawaii
3	RFL III	Bhiwadi (Rajasthan)	Hawaii
4	RFL IV	Bahadurgarh (Haryana)	Flite
5	RFL V	Haridwar (Uttaranchal)	Sparx Shoes & Sandals
6	RFL VI	Bahadurgarh (Haryana)	Flite, Schoolmate, Casualz, Spark DIP
7	RFL VII	Bahadurgarh (Haryana)	Canvas, Sparx Shoes, Sandals

REACHING OUT

...to the world

Relaxo Footwears leverages its enormous and strategically spread-out, pan-India distribution network to respond to the demands of its customers on time. Relaxo Footwears has its reach in more than 40,000 Multi-brand shops across the country, 127 exclusive company operated retail outlets. We also serve large retail chain stores as their trusted OE manufacturers and suppliers and exporting to more than 10 countries.





Quality Par Excellence

YOU KNOW US BY NAME

Strongly and brightly comfortable, products from the Relaxo's table are recognized for their freshness of design and value for money. They are memorable and popular expressions of the research and passion we bring to the table.



Quality Par Excellence

Relaxo: This is where it all began for us. Relaxo is by far the largest manufacturer of Hawaii in India. With changing times, our Hawaii has changed too, and is available in a range of shades and styles.



Schoolmate celebrates the wonder years by giving school boys and girls a shoe they can be truly proud of. Crafted with superb workmanship and adaptable designs is every child's favourite today.



Flite is all about cutting-edge EVA technology that makes Flite-fashionable and light, and an array of colors and designs make it a favorite with people from all walks of life.

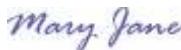


Sparx appeals to the bold new generation, and is a line of sports shoes, sandals and Hawaii slippers that oozes creativity and zest for life.



Other brands of Relaxo are :

Elena



Mary Jane



Casualz



Boston



AT RELAXO,

a better day begins...everyday

Corporate Social Responsibility

Despite being an economy on the fast-track to global eminence, India remains a country ridden with predicaments such as poverty, illiteracy, lack of healthcare, lack of awareness about the environment, inadequate civic facilities and infrastructure. Having evolved from charity and donations, CSR today has taken an organized shape, and is an integral part of the forward vision and goals of most organizations.

What is doubly satisfying is that in most of these endeavors, it is our employees who have taken a proactive roles by volunteering and contributing with their time and skills to implement them. The company actively advocates the use of recyclable material at every level.

Relaxo Footwears stretches this commitment to a better tomorrow to a pan-national level by foraying into wind power. Our 6 MW capacity windmills at Jodhpur in Rajasthan have a generation of approximately 12 Million units per annum. What is of note, is that the energy they will produce will be clean, non-polluting and a tangible contribution to a healthier and greener planet.

Corporate Social Responsibility has always been at the heart of the activities of your Company. As a part of its Corporate Social Responsibility, the Company is dedicated towards the Cancer care programme which is expanding day by day and the dying patients at Ganga Prem Hospice are being treated and cured from the support of Relaxo and they are now able to care for more patients at Rishikesh, Haridwar and Uttarakhand.

The Company has been making humble contributions & taking meaningful measures to enrich the socio-economic environment & living standard of the people around especially the backwards & economically weaker sections of the society. The Company is in collaboration with IL&FS Clusters in order to uplift the backward class of the society by imparting training to the trainees selected from rural BPL families in respect of operator courses, which is making them technically aware and then hiring them. The Indian Footwear Industry provides employment opportunities to a total of 1.1 million people, mostly from the weaker section of the society.



An advanced small cell carcinoma patient at Nurse at Ganga Prem Hospice Cancer Clinic, Rishikesh



PLAN, DO, CHECK, ACT

Management systems at Relaxo is based around the structured integration of best practices into daily routines and processes. It dovetails information sharing, benchmarking, team-synchronization and thought-leadership into a well-oiled delivery system that helps the company achieve continuous improvement in performance. Our management systems and Initiatives reflect some of the best ideas and practices in the corporate world today. Each plan is thoughtfully weighed for impact, meticulously implemented and powerfully activated for maximum on-the-ground impact. Relaxo's winning matrix of Management System rests of the following check-posts :

1. Annual Business Planning objective setting
2. Capacity assessment and planning
3. Monthly Business review through performance score card
4. Quarterly Business review
5. QMS: ISO 9001:2008
6. Rolling out of ERP across Relaxo (SAP)
7. OTIF (On Time In Full)
8. Initiating continuous improvement through team projects
9. Suggestion schemes (Parivartan)
10. Shoe Designing through "CAD" software (Shoemaster)



EXPANSION PROGRAMME

Flite Pu-Fashion:

Company is setting up a New Plant for High Fashionable Footwear with state of art PU technology with additional features of longevity, skid – resistance, light weight etc. It will cater to Fashion conscious Upper Strata of Society under Flite brand.

