



COMMITTED TO PROVIDE
BEST-IN-CLASS FOOTWEAR

ANNUAL REPORT 2021-22

RELAXO FOOTWEARS LIMITED

COMMITMENT OF BEST IN CLASS

It's true, good shoes can take you places. In our case, it was the right pair of unwavering commitment and uncompromising quality. It still is. That's why, being India's best-in-class footwear manufacturer and an emerging global brand, we don't relax. We continue to excel in all our endeavours, from procuring best raw materials, innovating latest designs to making footprints in new territories. So, the more we fly, the more we will keep our feet firmly on the ground.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ramesh Kumar Dua	Managing Director
Mukand Lal Dua	Whole time Director
Nikhil Dua	Whole time Director
Deval Ganguly	Whole time Director
Vivek Kumar	Independent Director
Pankaj Shrimali	Independent Director
Deepa Verma	Independent Director
Rajeev Rupendra Bhadauria	Independent Director

CHIEF FINANCIAL OFFICER

Sushil Batra

COMPANY SECRETARY

Vikas Kumar Tak

AUDITORS

B R Maheswari & Co. LLP.
Chartered Accountants
M-118, Connaught Circus,
New Delhi - 110001

SHARE TRANSFER AGENT

M/s Kfin Technologies Limited
Karvy Selenium Tower-B,
Plot No. 31-32,
Gachibowli Financial District,
Hyderabad, Telangana - 500 032

BANKERS

State Bank of India
HDFC Bank
Standard Chartered Bank
Kotak Mahindra Bank
Yes Bank

REGISTERED OFFICE

Aggarwal City Square,
Plot No. 10, Manglam Place,
District Centre, Sector 3,
Rohini, Delhi – 110 085
CIN: L74899DL1984PLC019097

WORKS

RFL-I & II	326-327, MIE, Bahadurgarh, Haryana
RFL-III	A-1130 & 1130 (A), RIICO Industrial Area, Phase-III, Bhiwadi, Rajasthan
RFL-IV	30/3/2, Mooja Hasanpur, Tikri Border, 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	328-329, MIE, Bahadurgarh, Haryana
RFL-VIII	37, Sector 4B, Bahadurgarh, Haryana
RFL-IX	Plot No. SP-6 & 7 Kaharani, Bhiwadi Extn., Rajasthan

CONTENTS

From MD’s Desk	2
Financial Highlights	8
Director’s Report	9
Corporate Governance Report	38
Management Discussion & Analysis	58
Business Responsibility Report	61
Independent Auditor’s Report	70
Balance Sheet	78
Statement of Profit and Loss	79
Statement of Cash Flows	80
Notes Forming Part of Financial Statements	84



FROM THE MANAGING DIRECTOR'S DESK

Dear Stakeholders,

I am pleased to announce that despite the challenges of abnormally high inflationary pressures, supply chain disruptions and the on-going Covid-19 pandemic during Financial Year 2021-22, your Company, banking on its inherent resilience and position of strength, managed a revenue growth of 12.47% to ₹2653 Crores with EBITDA and PAT at ₹416 Crores and ₹233 Crores respectively. Continuing its commitment to shareholders, your Board has recommended a final dividend of 250%, i.e. ₹2.50/- per fully paid up equity share of ₹1/-, for the Financial Year 2021-22.

The current pandemic has disrupted industrial climate and adversely impacted business performance globally for most industries. Even as footwear industry was anticipating a comeback in 2022 a second wave of COVID-19 emerged, furthering the sense of uncertainty. Nonetheless, in later part of the year Indian economy recovered well from these disruptions aided by India's commendable COVID vaccination coverage. Subsequently, revenues started improving in tandem with the gradual unlock process, giving hope that your Company, with four decades of successful experience will be able to come out of this quicker and stronger.

Keeping a steadfast focus on the consumer during the uncertainties of the year, your Company proactively optimised its product portfolio across business verticals, etched a sharper, more relevant product positioning for its top brands Sparx and Flite, with continued marketing investments and expansion of retail footprint to maintain its leadership position.

With a strategic view to harness the growing digital space your Company pioneered its own D2C channel and launched aggressive marketing campaigns to strengthen its

presence across leading marketplaces with resultant growth, encouraging sustained investment in this direction.

Strengthening of distribution channels, a sharper product portfolio and strategic marketing investments helped your Company to garner considerable growth from export markets with revenues exceeding ₹100 Crores in FY '22.

Despite periodic lockdowns and subdued consumer sentiments, your Company undertook an extensive in-store branding refresh exercise for its Exclusive Brand Outlets (EBO) and implemented a regimented placement planogram for effective product showcasing. As of March 31st, 2022 your Company's Exclusive Brand Outlet network stands at 394.

As a socially responsible corporate, your Company has adopted green fuel technology and switched over to PNG among other initiatives for energy conservation and cost rationalisation across manufacturing locations. Continuing with its objective of enhancing industrial safety and good practices your Company has now embarked upon SHE (Safety, Health & Environment) pillar of TPM.

Technology is the key to successful decision making in today's challenging and ever evolving business environment and so, during the year your Company improved upon its IT security posture by maintaining ISO 27001:2013 certification and implementing robust security solutions like DLP (Data Leak Protection) and CASB (Cloud Access Security Broker). Your Company also implemented SAP-ARIBA application for better transparency and efficiency in material sourcing.

Your Company recognises employees among its core assets and as a welfare measure provided necessary medical and financial aid to the affected families during testing times of the current pandemic.

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

BEST IN PERFORMANCE

True excellence is a ray that exudes positivity and sets standards for humanity at large. Our mission to rise above mediocrity is as inward as it is an inclusive, outward philosophy. Our journey comprises a series of possibilities, overcoming challenges and achieving a collective brilliance. And yet, every success is still part of our learning curve.

- Launched 'Flite' and 'Sparx' brands
- First COCO store launched
- Commenced Exports

Revenue:
₹ 235.93 Crore

2005-07

IPO to set up a plant in Haryana

Revenue:
₹ 38.17 Crore

1995

Launched Relaxo brand

Revenue:
₹ 0.12 Crore

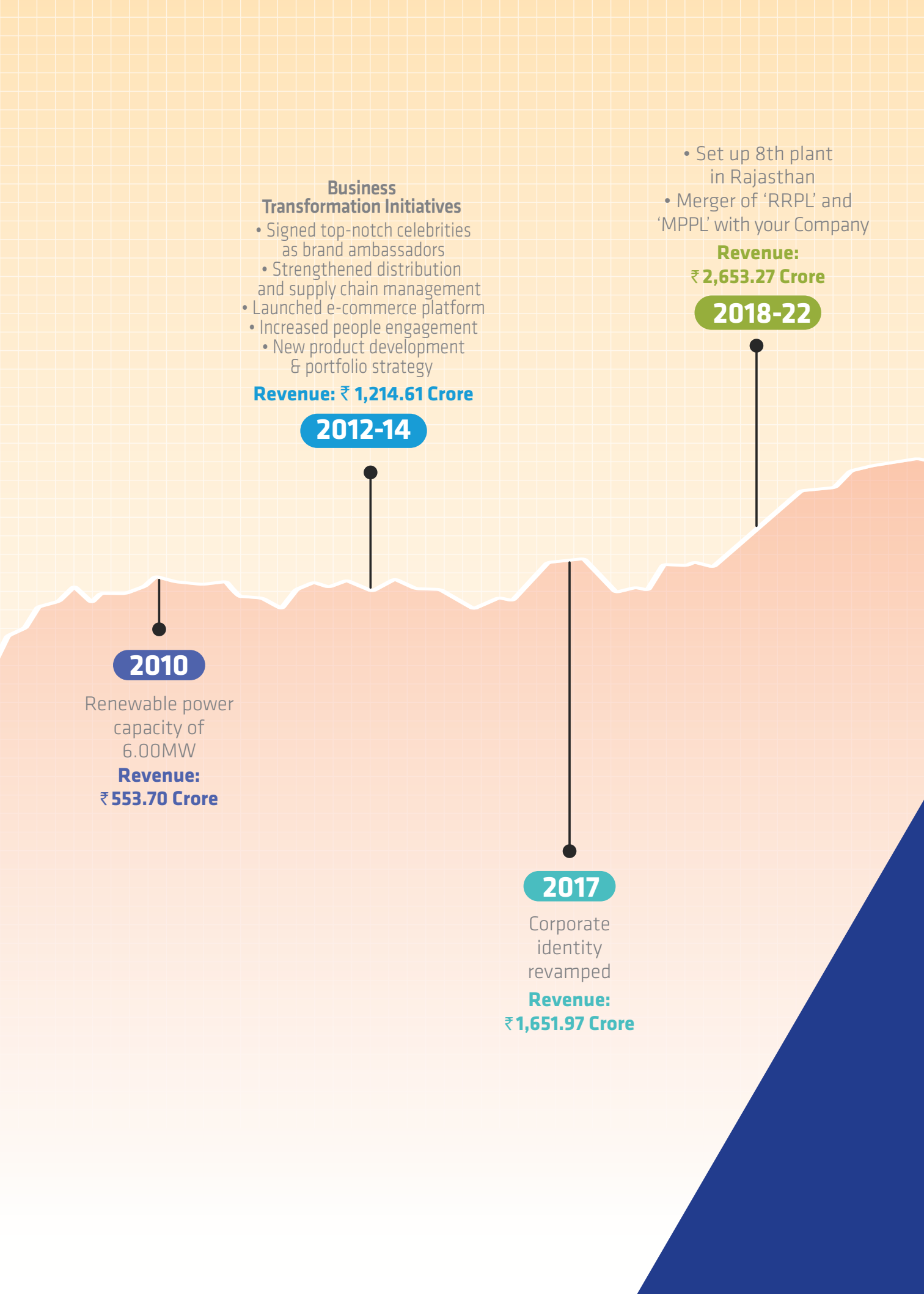
1976

Relaxo Footwears Limited was incorporated

Revenue:
₹ 1.78 Crore

1984

2000
Expanded Capacity in Haryana
Revenue:
₹ 124.24 Crore



BEST IN BRANDS

Relaxo is the largest footwear manufacturer in India, serving the nation since four decades, and is today ranked among the top 500 Most Valuable Companies.

Our brands offer an array of footwear at compelling prices for consumers seeking comfort, style and durability, placing them in a position of reckoning and winning trust of millions of customers worldwide.

The Relaxo logo is displayed in a blue, italicized, sans-serif font. A small orange and blue swoosh is positioned above the letter 'X'.

Four decades of consumer trust across age, gender and economic class has made Relaxo a household name, an iconic brand synonymous with rubber hawaii slippers.

The Flite logo features the word "FLITE" in a bold, blue, sans-serif font. To the right of the text is a stylized graphic of a wing or swoosh in orange and blue.

Flite, is India's leading footwear brand most popular among middle class driving the India growth story and reflects the aspirational and youthful imagery of its consumers. A popular range of fashionable and semi-formal slippers for everyday wear, Flite enables people to take on the day with style and confidence.

The Sparx logo consists of the word "sparx" in a white, italicized, sans-serif font, set against a black rectangular background. Below the word, in smaller white text, is the tagline "GO FORTH".

One of the most loved footwear brands, Sparx reflects the attitude, style and spirit of young India - urging the youth to push the limits and seek their inner potential. Endorsed by Bollywood's fitness hero Akshay Kumar, Sparx offers a range of sports shoes, sandals and slippers.



For the ever-restless youth, change is the only constant. Endorsed by Salman Khan, the colorful range of Bahamas flip flops exude the spirit of freedom, fun and modernity of youth.



The women of today have to keep in step with the demands of a fast paced world. Maryjane offers a range of stylish and comfortable footwear for the modern women to put her best foot forward, with panache.



The ideal walking companion for people bracing the pressures of everyday life. Casualz offers foot-hugging, all-day comfort that make your feet cruise along.



A formal footwear for men, Boston is a brand that offers excellent craftsmanship and comfort to men who like to walk with confidence and élan.



Brimming with energy, children need footwear that can be as exciting as their spirit. KidsFun offers a world of footwear to keep pace with the young champs.

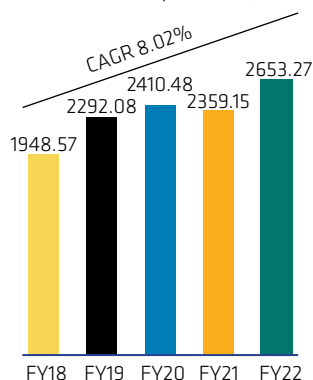
FINANCIAL HIGHLIGHTS

(₹ in Crore)

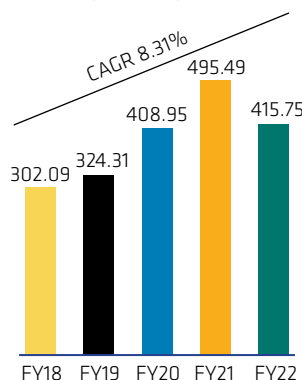
Particulars	FY 22	FY 21	FY 20	FY 19	FY 18
No. of Pairs sold (in Crore)	17.46	19.07	17.92	18.39	15.74
Revenue from Operations	2653.27	2359.15	2410.48	2292.08	1948.57
EBITDA	415.75	495.49	408.95	324.31	302.09
Finance Costs	15.33	17.08	16.87	6.90	8.59
Depreciation and Amortisation Expense	113.54	110.02	109.42	62.41	54.34
Tax Expense	77.92	99.60	65.46	92.54	82.55
Net Profit before OCI	232.68	291.56	226.25	175.44	161.07
Equity Share Capital	24.89	24.84	24.82	12.40	12.03
Net Worth	1760.12	1572.41	1272.40	1105.07	761.21
Net Fixed Assets (Tangible and Intangible)	946.91	872.41	836.67	859.54	662.44
Capital Employed	1799.97	1595.21	1316.31	1226.43	912.87
Capital Expenditure	145.87	101.36	94.77	258.91	112.85
Revenue Growth (%)	12.47	(2.13)	5.17	17.63	17.95
EBITDA (%)	15.67	21.00	16.97	14.15	15.50
Face Value per Share (in ₹)	1.00	1.00	1.00	1.00	1.00
EPS - Basic (in ₹)	9.36	11.74	9.12	^7.07	13.40
EPS - Diluted (in ₹)	9.35	11.72	9.10	^7.06	13.38
Dividend(%)	250	250	125	^90	150
Book Value per share (in ₹)	70.71	63.29	51.26	89.08	63.25
ROCE(%)	19.20	28.04	24.27	25.70	30.09
Market Capitalisation (As on March 31)	26544.23	21773.47	14868.72	9561.22	7727.91

^ Post Bonus

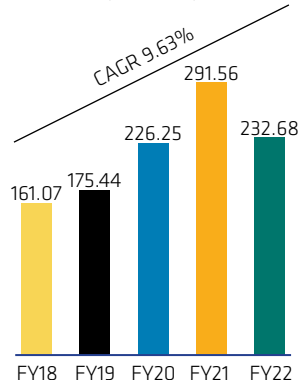
Revenue from Operations (₹ in Crore)



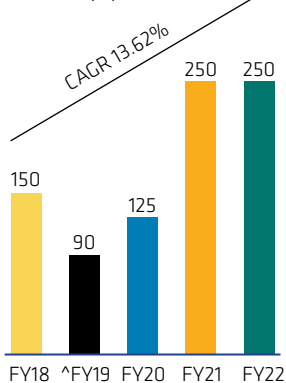
EBITDA (₹ in Crore)



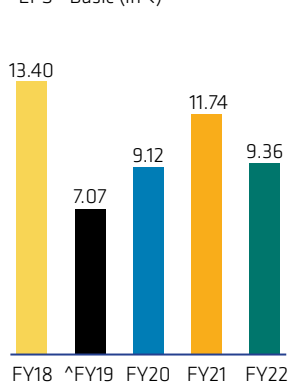
Net Profit (₹ in Crore)



Dividend (%)



EPS - Basic (in ₹)



Net Worth (₹ in Crore)

