

To,
BSE LIMITED
25th Floor, P J Towers,
Dalal Street,
Mumbai-400001, MH

Date: August 17, 2024

Scrip Code: 532829

Sub: Notice of 30th AGM of the Company along with Annual Report for the year ended March, 31 2024

Dear Sir/ Madam,

In terms of the provisions of Regulation 30 and Regulation 34 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report along with Notice of 30th AGM of the Company scheduled to be held on **Tuesday, September 10, 2024 at 11:00 AM IST** at registered office of the Company situated at A-243 A, Road No. 6, V K I Area, Jaipur, Rajasthan, 302013 RJ in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and SEBI.

The copy of the 30th Annual Report along with the Notice of the 30th AGM being sent to the shareholders of the Company by email whose email addresses are registered with the Company/ Depository participant(s) and the same is available on the website of the Company at www.leharfootwear.com. We request you to take the above on record as compliance with relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and disseminate to the stakeholders.

Further, Record Date for the purpose of determining entitlement of members for the final dividend for the Financial Year 2023-24 is **September, 03 2024**. The payment of dividend shall be made subject to the approval of the members' approval at the 30th AGM.

Kindly take the same on your record.

Thanking You,

for **Lehar Footwears Limited**

Ritika Poddar

Company Secretary & Compliance Officer

ACS No. A65615



LEHAR FOOTWEARS LIMITED

A-243(A), Road No.6, V.K.I. Area, Jaipur (INDIA)

Phone : +91-141-4157777

W.- www.leharfootwear.com, E.-info@leharfootwear.com •

CIN No. : L19201RJ1994PLC008196

ISO 9001 (QMS)
ISO 14001 (EMS)
ISO 18001 (OHSAS)
REGISTERED FIRM

WAE LIR Evawave istUDENT PU BLISS + ORTHO RELAX
Doctor of Your Feet


Lehar.
FOOTWEAR
चलती चले लहर

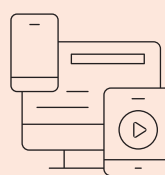


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Know more about Lehar Footwears
www.leharfootwear.com



CLEAR DIRECTION. CONFIDENT STEPS.

In the vibrant world of Lehar Footwear, where every step is a promise and every stride a testament to our unwavering commitment, we celebrate the resilient spirit that has defined our journey. The year that has passed may have been marred by sluggish consumer demand and regulatory shifts, yet our resolve remains unshaken. Against this challenging backdrop, our operational performance has stood as a beacon, illuminating a clear path forward for our company.

Lehar Footwear represents agility and dynamism, qualities that support our business portfolio and growth strategies. With an eye firmly on the future, we are enthusiastic about the countless opportunities that lie ahead. Our strategic initiatives in new product development, branding, promotion, and exports are poised to stimulate our growth engine, driving us towards a promising direction.

Our relentless focus on innovation ensures the continuous introduction of fresh, captivating product designs, while we also extend and enhance our core offerings. This steadfast dedication keeps our products not only

relevant and competitive but also extends us an - exceptional value for money option for end users. As we stride forward, we are committed to penetrating deeper into our target markets, enhancing our reach, and significantly expanding both our topline and bottom line.

Lehar Footwear's journey is on a constant journey of progress, where every step is instilled with positivity, and every move is a confident leap towards a brighter, more prosperous future. Together, we march forward with clarity and confidence, ready to embrace the opportunities that tomorrow holds.



Lehar
FOOTWEAR

Pioneering India’s Mass-footwear Industry

Founded in 1994, Lehar Footwear has been on a journey of crafting high-quality mass footwear that blends style, comfort and durability. Over the past three decades, our commitment to meet and exceed customer expectations has made us North India’s leading mass-market footwear manufacturer.

Lehar Footwear’s extensive product portfolio is thoughtfully curated to complement the needs of customers from all walks and at every stage of their life, a testament to our pursuit for innovation and excellence. Our product collection, ranging from slippers, school shoes, sandals, canvas, and sports shoes, with a special focus on the open-footwear segment, has placed us at the forefront of the mass footwear industry. We specialise in manufacturing non-leather footwear and EVA/PVC/PU injected footwear products.

The quality of our products is ensured at each of our four state-of-the-art manufacturing facilities in Rajasthan. Equipped with latest technology, every pair of footwear produced out of our facility holds the promise for durability and offers utmost comfort

to the final user. Our continual infrastructure investments over the years have helped us to advance our manufacturing capabilities and increase production capacity. The Company has the capacity to produce 6.94 crore pairs of shoes as on March 31, 2024.

As a customer-centric company, we strive to ensure that we reach as many end users as possible through our omni-channel distribution strategy. Our distribution network spans across the states of Gujarat, Rajasthan, Maharashtra, Madhya Pradesh, Uttar Pradesh, Haryana, Bihar, West Bengal, Tamil Nadu, Andhra Pradesh, Assam, Delhi and Jharkhand. Additionally, we enjoy a widespread presence across retail outlets and large format stores like DMart, FirstCry, Reliance Retail, Spencers Retails, V2 Retail, BizCrum, and more. To further expand our reach while keeping pace with the rising e-commerce trend, we also have our products available on popular e-commerce websites such as Reliance Retail and Bijnis.



OUR STORY IN NUMBERS

₹ **194** Crores

Annual Turnover

4

Manufacturing facilities

₹ **37.03** Crores

Export Sales

505

Distributors

6.94 Crores

Pairs of shoes manufacturing capacity per annum

11

Modern trade customers

1.93 Crores

Pairs of shoes sold during 2023-24

318

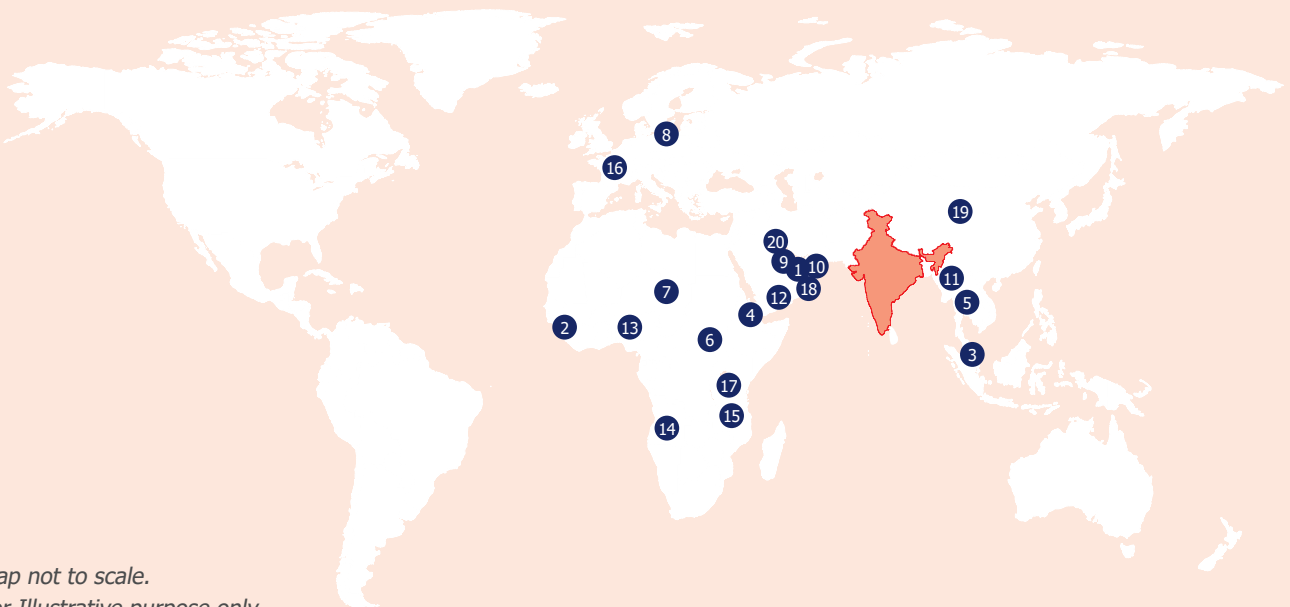
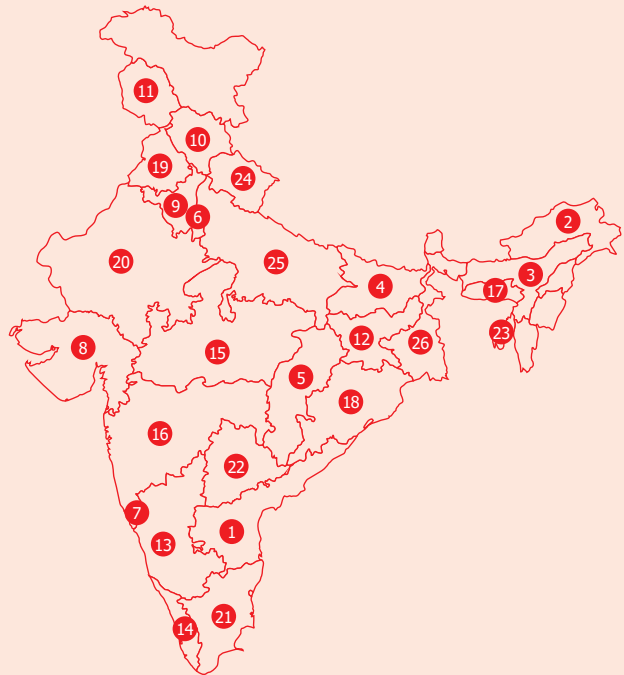
Employees

Market Presence and Global Footprint

Our presence across diverse geographies, in India and worldwide, is marked by a large-scale distribution network, retail outlets, modern trade penetration, and online accessibility via e-commerce websites. We are consistently expanding our market share in new and existing regions by engaging with distributors, retailers and wholesalers and developing specific products targeted for our international customer-base.

- 1. Andhra Pradesh
- 2. Arunachal Pradesh
- 3. Assam
- 4. Bihar
- 5. Chhattisgarh
- 6. Delhi
- 7. Goa
- 8. Gujarat
- 9. Haryana
- 10. Himachal Pradesh
- 11. Jammu and Kashmir
- 12. Jharkhand
- 13. Karnataka
- 14. Kerala
- 15. Madhya Pradesh
- 16. Maharashtra
- 17. Meghalaya
- 18. Odisha
- 19. Punjab
- 20. Rajasthan
- 21. Tamilnadu
- 22. Telangana
- 23. Tripura
- 24. Uttarakhand
- 25. Uttar Pradesh
- 26. West Bengal

- 1. UAE
- 2. Guinea
- 3. Malaysia
- 4. Djibouti
- 5. Thailand
- 6. South Sudan
- 7. Chad
- 8. Europe
- 9. Qatar
- 10. Muscat
- 11. Myanmar
- 12. Yemen
- 13. Nigeria
- 14. Angola
- 15. Africa
- 16. France
- 17. Tanzania
- 18. Oman
- 19. Asia
- 20. Kuwait



Map not to scale.
For Illustrative purpose only.

Milestones on our Journey

On completion of three decades of delivering foot comfort and joy, we reflect and celebrate our glorious journey, brimming with achievements and milestones that have made us one of North India’s leading mass footwear manufacturer. We shall continue to leverage our existing capabilities and deploy innovation and agility to grow our resilience while securing a stronger foothold in the industry.

A Timeline of our Growth, Reach, and Success

The Company “Lawreshwar Polymers Private Limited” was established as a business to manufacture footwear under the “Lehar” brand name.

For the first time in India, EVA machines and Italian technology were imported to Rajasthan to make ethyl vinyl acetate (EVA) soles for footwear.

Installed PU Pouring Machines and fully automatic computerised EVA Injection Moulding Machine and commenced production with an annual capacity of 6.00 lakh pairs per annum.

Awarded a rate contract by the Government of India for supply of Shoe Canvas Rubber Sole for the defence sector.

**MARCH
1994**

**MAY
1996**

**MARCH
2003**

**MARCH
2007**

**SEPTEMBER
2007**

**NOVEMBER
2007**

**APRIL
2008**

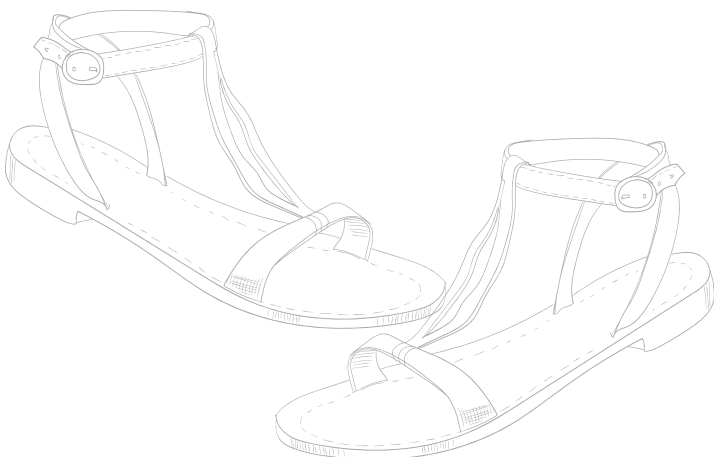
**NOVEMBER
2013**

Converted from a private limited company to a public limited company and name changed to “Lawreshwar Polymers Limited”.

Became the first footwear manufacturing company of Rajasthan whose securities was listed on the Bombay Stock Exchange on the main board on March 19, 2007.

Signed letter of intent with the Government of Rajasthan for setting up manufacturing of EVA Footwear, PU Footwear, Sports Footwear, Leather Footwear, Sports Goods, and Apparels at Jaipur.

Acquired factory land and building admeasuring about 14,770 sq. metres at Kaladera, Jaipur to expand footwear manufacturing with the use of cutting-edge technology.





Inaugurated a new plant at SP-41D, RIICO Industrial Area Kaladera, Tehsil - Chomu, Distt - Jaipur in Rajasthan for further expansion.

The company changed its name from Lawreshwar Polymers Limited to Lehar Footwears Limited with effect from October 10, 2019, due to popularity of the "Lehar" brand in the market.

- Received financial assistance of ₹ 9 crores from the Government of India for a period of 3 years, under the "Brand Promotion of Indian Brands in Footwear and Leather Sector", a sub-scheme of the Indian Footwear and Leather Development Program (IFLDP), for promotion of Indian footwear brands in international markets.
- Signed an agreement with Bollywood artiste Govind Arun Ahuja (popularly known as "Govinda") as the Company's brand ambassador to promote "Lehar" products through electronic, print and digital media.



Received the IS 10702:2023 licence from the Bureau of Indian Standards (BIS) for our Kaladera Plant in Jaipur to manufacture Hawaii Chappal with solid strap, using polymer, EVA etc. in adult and children's sizes.

**MAY
2015**

**JUNE
2018**

**OCTOBER
2019**

**NOVEMBER
2022**

**MAY
2023**

**JULY
2023**

**SEPTEMBER
2023**

**APRIL
2024**

Awarded a rate contract for the supply of school shoes by the Government of Uttar Pradesh. Since then, the Company has been supplying school shoes to various state governments including the Government of U.P., West Bengal, Andhra Pradesh and Tamil Nadu.

Raised growth capital of ₹ 20.8 crores by way of preferential allotment (issued 40 lakh warrants convertible into equity shares) at ₹ 52 per share to investors and promoters' group.

- Appointed Bollywood celebrities Mahima Choudhary and Charu Asopa for development of print and audio-video content to be used in branding and promotional activities.
- Manufacturing capacity expanded to 6.94 crore pairs of footwear per annum.

The Company received IS 6721:2023 recognition from the Bureau of Indian Standards (BIS) for its products – sandal and slippers.



Chairman's Letter

Dear Stakeholders,

I am pleased to present the Annual Report for FY2023-24 to you. This report encapsulates Lehar Footwears Limited's significant strides over the past year. We have navigated through a changing regulatory landscape, especially compliance-related challenges with regard to the BIS QCO mandate certification. On the financial front, we enhanced our operating margins and cash flow from operations through improved execution of our manufacturing processes and optimised resource utilisation. Consequently, we have been able to generate substantial returns for our shareholders and investors.



MACROECONOMIC LANDSCAPE

Before delving into the performance for FY2023-24, it's crucial to understand the current external environment. The global economy is grappling with numerous challenges, including subdued growth, rising geopolitical tensions, and inflation. Despite these global headwinds, India has stood out as a beacon of resilience, achieving the highest growth rate among major economies. This growth is fuelled by the government's sustained focus on infrastructure and housing, a rising contribution of manufacturing to GDP, and improved living conditions for a large segment of the population. Additionally, long-term structural factors such as a young demographic, increasing disposable incomes, and large-scale digitisation position India as a significant opportunity for the coming decades.

DRIVING GROWTH THROUGH OPERATIONAL MASTERY

This year, we have achieved significant milestones that have strengthened our position in the market. We successfully obtained the BIS licence for our product offerings, addressing industry-wide concerns regarding BIS regulations. By proactively clearing non-compliant inventory,

we have strengthened our position in the market. The BIS certification also aids us in navigating regulatory changes more effectively. Furthermore, we are increasing our focus on improving in-house efficiency and reducing dependence on third-party manufacturers, aiming to enhance product quality and operational control.

During the financial year, we received financial aid totalling ₹ 3.6 crores from the Government of India for our publicity campaign and brand promotion efforts. This funding is part of a larger assistance package of ₹ 9 crores, to be disbursed over three years, under the 'Brand Promotion of Indian Brands in Footwear and Leather Sector' sub-scheme of the Indian Footwear and Leather Development Programme (IFLDP).

Furthermore, we have intensified our efforts on brand endorsement to strengthen our brand presence and deepen our market penetration. To achieve this, we launched the star-studded campaign "Chalti Chale Lehar", featuring renowned Bollywood celebrity Govinda. This campaign has greatly enhanced our brand's appeal and visibility.

One of the key highlights remains our export sales as the segment witnessed a remarkable growth of ~120% in FY2023-24 to reach approximately ₹ 37 crores. We have enhanced our market reach in the Middle East and Africa, significantly expanding our total addressable market (TAM). To further penetrate the global market, we have strengthened our relationship with the distributors, retailers, and wholesalers, and developing targeted products for our international clients, we are consistently increasing our market share in these regions. Our Company anticipates robust growth and a higher contribution from the export segment in the near future.

STEPPING AHEAD WITH RESILIENCE AND GROWTH

In the FY2023-24, Lehar Footwear experienced significant developments across various financial metrics. Revenue from operations stood at ₹ 194.3 crores. Despite this, the Company demonstrated strong operational efficiency, as evidenced by a robust 31.7% growth in EBITDA, reaching ₹ 18.25 crores compared to ₹ 13.9 crores in the previous year. The EBITDA margin improved by 250 basis points, standing at 9.4% against 6.9% in the previous fiscal year, driven by an improved product mix, enhanced operational efficiency, and a higher contribution from export sales.

Profit Before Tax (PBT) rose to ₹ 8.9 crores from ₹ 6.5 crores in the preceding year, showcasing a growth of 37%. Meanwhile, Profit After Tax (PAT) for FY2023-24 was ₹ 6.6 crores, compared to ₹ 5.1 crores in FY2022-23, demonstrating a growth of 29.4%. Additionally, during FY2023-24, the Company successfully raised ₹ 7.9 crores through the conversion of 20,14,000 equity share warrants into an equal number of equity shares to warrant allottees. These financial achievements highlight Lehar Footwear's resilient performance and strategic initiatives driving sustainable growth.

LEADING THE WAY TO NEW HORIZONS

Lehar Footwear is poised for significant growth and expansion in both the domestic and international markets. Our export business continues to gain momentum, reflecting strong sales growth across various global regions. Domestically, we are witnessing a promising revival with increased demand emerging from rural and semi-urban markets. The government's continued focus

on rural consumption is likely to lead to recovery in discretionary spending. This focus on rural markets aligns with our strategic objectives and will further enhance our domestic sales.

Moreover, our Company expects a resurgence in our tender business, driven by the renewed term of the elected government, which brings fresh opportunities and stability. Additionally, the introduction of 'Bha', India's proprietary footwear sizing system, presents a significant variable for the upcoming financial year. While the full impact of this development is yet to be determined, it holds the potential to reshape our operations and customer interactions. As we navigate these changes, Lehar Footwear remains committed to leveraging these opportunities to strengthen our market position and drive sustained growth.

IN CLOSING

I extend my gratitude to all our employees, customers, distributors, investors and other stakeholders for their continued support. Looking ahead, the opportunities before us are abundant. We have cemented our position as an eminent player in the industry and now with our ambitious business strategies, we are well-positioned to continue our journey of growth and innovation. Our strategic investments towards branding programmes, expanding market presence, technological advancements, and unwavering commitment to quality and customer satisfaction will propel us into the next orbit of success.

I remain dedicated to our continued success and look forward to working with each one of you to take Lehar Footwear to greater heights and create value for all.

With warm regards,

Raj Kumar Agarwal

Chairman and Managing Director

Awards & Certifications



Received National Award
for Small Scale
Entrepreneurs - 2000



Received National Award
for Small Scale
Entrepreneurs - 2003



Received National Award
for Quality products in SSI
Sector - 2003

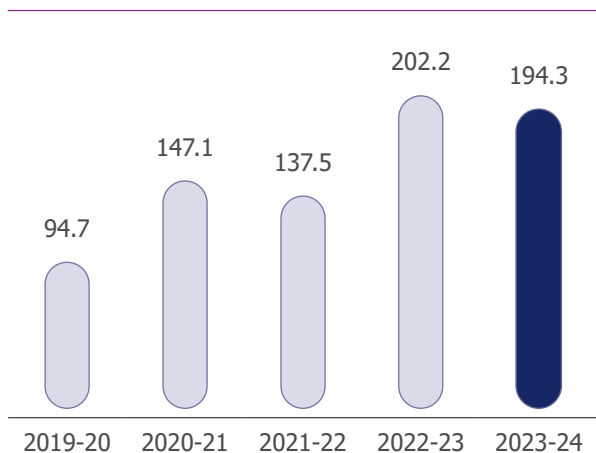


CERTIFICATIONS

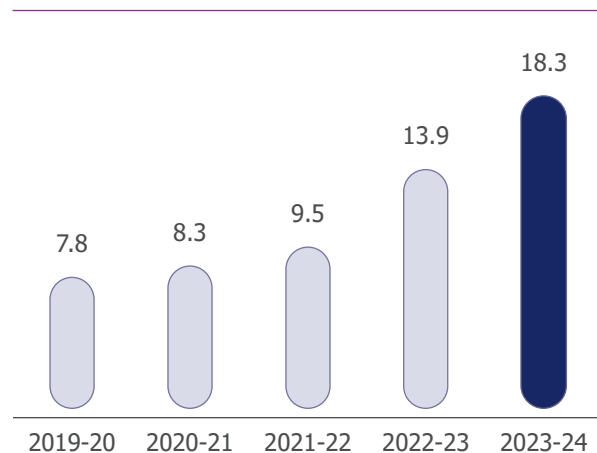


FINANCIAL PERFORMANCE

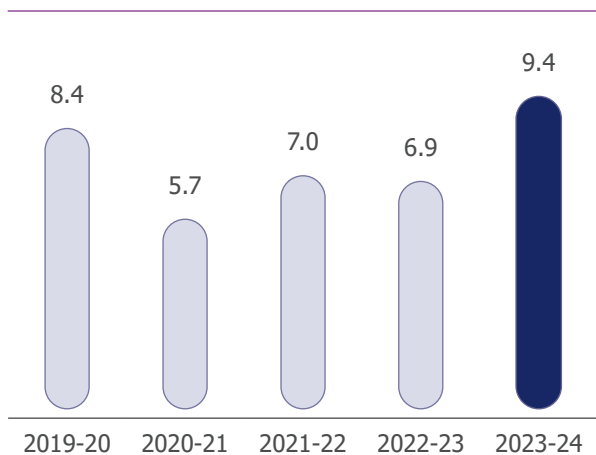
Revenue (₹ Crores)



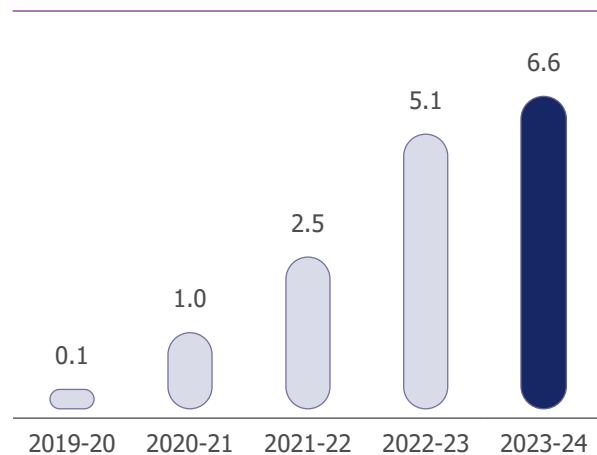
EBITDA (₹ Crores)



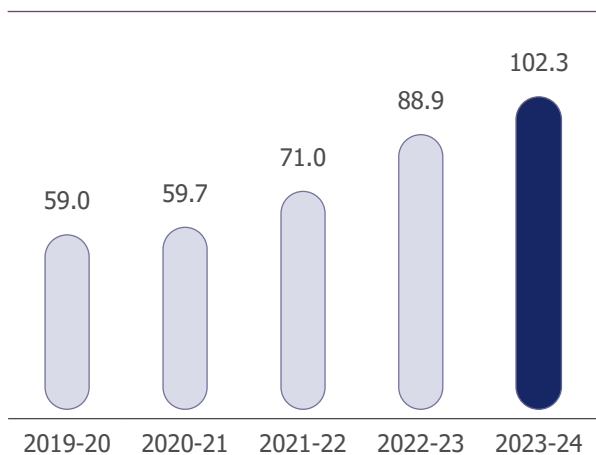
Operating Profit Margin (%)



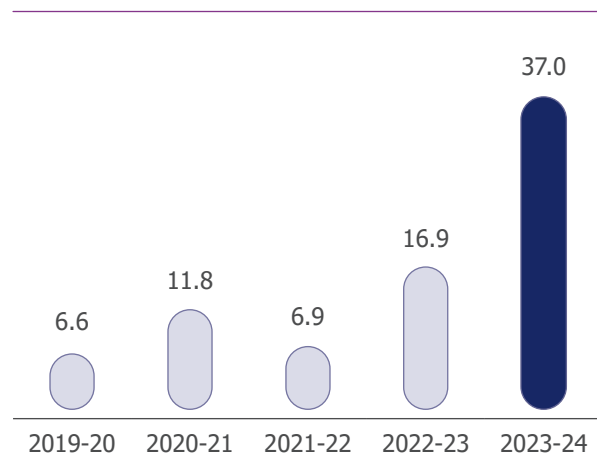
PAT (₹ Crores)



Net Worth (₹ Crores)



Export Sales (%)



Comprehensive Product Portfolio

At Lehar Footwear, we consider every pair of footwear as a work of art, signifying the highest level of quality and craftsmanship. Each product in our extensive portfolio is designed with meticulous attention to detail, to ensure that it meets the stringent quality criteria besides the aspirations of our customers while delivering comfort, assuring durability, and enhancing value.

Our extensive product portfolio, which comprises footwear collections ranging from casual wear, daily wear, and sportswear, provides our clients with diverse options for various needs. Quality is ensured through our four world-class manufacturing facilities at par with industry standards, featuring the latest machinery, advanced technologies and manufacturing gears. An experienced R&D team further supports continual innovation and helps us to build a resilient portfolio of products, capable of matching the ever-evolving preferences of our customers.

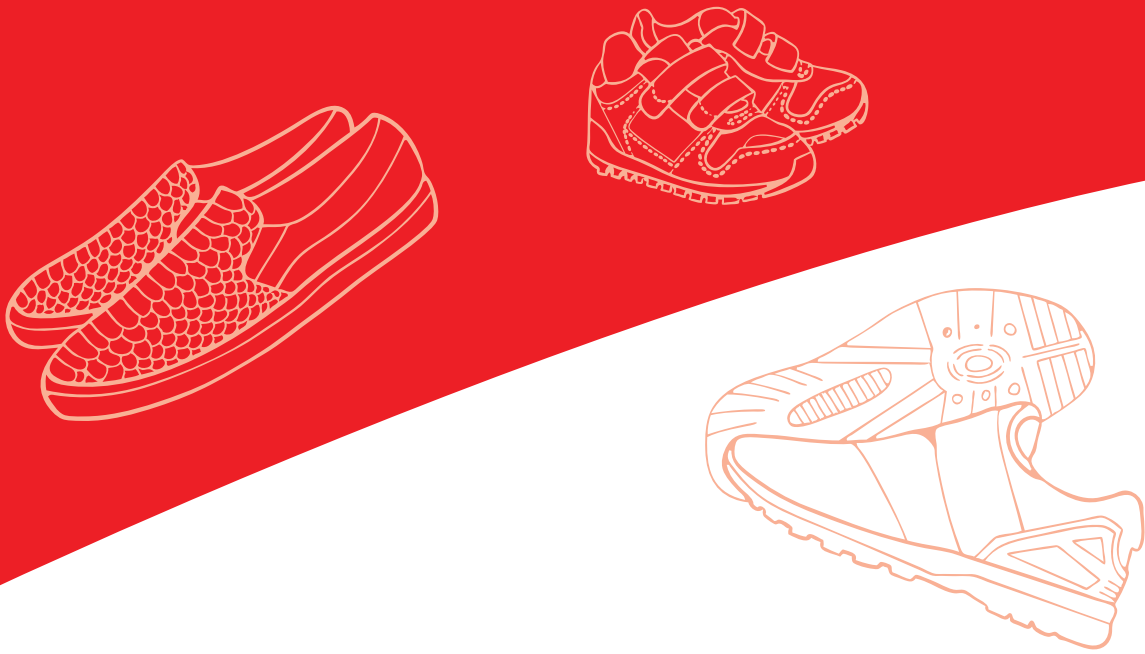
Our Footwear Collections

LIGHTWEIGHT HAWAII FLIP-FLOPS



SLIPPERS & SANDALS (FORMAL & CASUAL)





KIDS SHOES (CASUAL, SCHOOL & CANVAS)



FORMAL AND PVC SHOES (CASUAL & SPORTS)



Strategic Roadmap to a Sustainable Future

We consistently evaluate our business strategies to seize new opportunities, foray into newer territories and expanding our market reach. By strengthening our capabilities, diversifying our product portfolio, establishing a widespread distribution network and maximising our operational efficiencies, we have remained competitive in an ever-changing market and easily adapted to the evolving preferences of our customers.

DIVERSIFYING OUR PRODUCT RANGE

We have strategically prioritised consistent investments in innovation and focussed on product development to diversify our product portfolio throughout the year. In addition to meeting the diverse needs of our existing customers, tapping into new consumer segments and expanding our market share with our cutting-edge designs has enabled the Company to respond to evolving market trends and consumer preferences with agility and remain ahead of the curve. Complying with Bureau of Indian Standards (BIS) certification is further expected to help us gain market share from the unorganised and non-certified manufacturing segment.

TAKING INTERNATIONAL STRIDES

The Company's strategic focus on exports yielded a strong growth in revenue, which increased to touch ₹ 37 crores in FY2023-24, highlighting the company's expanding addressable market across different geographies. The export business gained momentum, particularly in the African, South East Asian and Middle Eastern markets. To further capitalise on this momentum, the Company is actively engaging with its distributors, retailers and wholesalers to develop targeted products for international clients. At present, approximately 20% of the Company's revenue is derived from exports.

NEW OPPORTUNITIES IN GOVERNMENT BUSINESS

We are one of the few companies with an established experience of working closely with multiple government/quasi government institutions under various government schemes in the footwear segment. We look forward to widening this relationship by leveraging our track record and actively participating in upcoming business opportunities.



MAXIMISING OPERATIONAL EFFICIENCIES

At Lehar Footwear, we are maximising operational efficiencies by implementing an ERP system allowing us for real-time resource management and leveraging the power of data. Our Company has also undertaken certain strategic steps directed towards cost optimisation and increasing our focus on in-house manufacturing while reducing dependence on third-party manufacturers. These strategies are aimed to enhance our productivity, have a better control over production, and ability to deliver high-quality, competitively-priced footwear to our customers.

IMPROVISATION OF SELLING AND DISTRIBUTION STRATEGY

We are enhancing our selling and distribution strategy by identifying key markets to focus our efforts, and bolstering our on-field sales team to strengthen channel partner relationships, and improving our dealer distribution network through regular performance reviews and updates. These measures ensure that we reach our target customers more effectively, provide better support to our sales team, and maintain a high-performing distribution network, allowing us to serve our customers more efficiently and expand our market presence.



Building a Trusted Brand. Widening our Presence.

Lehar Footwear's reputation as a trusted and well-recognised brand is powered by the Company's sustained marketing endeavours and accelerated marketing spending. Offering quality products at an affordable price, the brand enjoys immense popularity amongst people of all ages and genders.

Connecting with our customers through multiple touchpoints has provided us with comprehensive insights into their evolving preferences. To respond to their needs and efficiently align with changing trends, we launched our star campaign "Chalti Chale Lehar". Featuring famous Bollywood artists like Govinda, this campaign has significantly strengthened our brand's appeal. The campaign also helped us to create an instant connection with our target audience while boosting brand recognition. Their popularity and influence have helped us forge a strong connection with our Hindi-speaking customers across India, expanding our market outreach and reinforcing our brand's presence nationwide.

Our marketing strategy focusses on effective communication through various channels and touchpoints, driving deeper market penetration and expanding customer outreach. Additionally, our continuous marketing efforts through electronic media, outdoor advertising, print media, social media, and participation in international exhibitions have built brand loyalty. By leveraging star power and diverse marketing channels, we have established a trusted brand with a strong and sustainable market presence.

**Our brand is endorsed by
Bollywood star**

'Govinda'



Our Company has been granted financial aid for ₹ 9 crores over three years by the Government of India towards brand promotion under the "Brand Promotion of Indian Brands in Footwear and Leather Sector" a sub-scheme of the Indian Footwear and Leather Development Program (IFLDP), for promotion of Indian footwear brands in international markets. An amount of ₹ 3.6 crores was released by the government and received in FY2023-24. The monies empowered the Company to accelerate its marketing spending and implement targeted campaigns to capture a wider customer base, resulting in improved customer outreach, and brand visibility.

Dedicated branding efforts along with financial aid by the government has enabled Lehar Footwear to move closer towards its vision of delivering quality and earning the trust and confidence of all stakeholders.

Moreover, we are consistently strengthening our distribution network and exploring new opportunities to expand our reach. To diversify our existing sales channel, we have collaborated with upcoming modern trade retailers like DMart, FirstCry, Reliance Retail, Spencers Retails, V2 Retail, BizCrum, and more. Our products are also available on popular e-commerce websites like Amazon and Bijnis to leverage the rising e-commerce trend.



Founders

MOHAN LAL AGARWAL

Founder

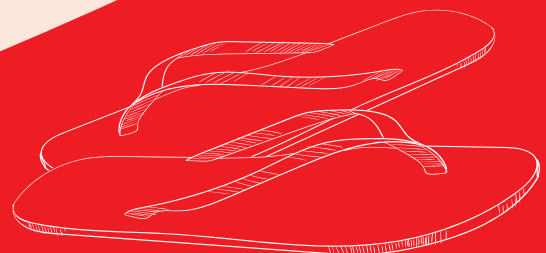
The late Shri Mohan Lal Agarwal was a distinguished professional with over 50 years of experience in the footwear industry. As the founder of Lehar Footwear Limited., he brought extensive expertise in finance, accounting, and marketing. Since the company's inception in March 1994, Mr. Agarwal has been instrumental in transforming Lehar into one of India's premier mass footwear brands. Under his visionary leadership, the company expanded its reach and made a significant impact on customers across the nation. His innovative initiatives set a benchmark for the industry and were true game-changers.

RAMESH CHAND AGARWAL

Founder

The late Shri Ramesh Chand Agarwal, co-founder of Lehar, led the company since 1994. He was instrumental in establishing their first footwear manufacturing unit in Jaipur and was a visionary entrepreneur dedicated to creating stylish and comfortable footwear. With a keen understanding of fashion trends and a steadfast commitment to quality, Shri Ramesh Chand Agarwal embarked on a remarkable journey to position the brand as an industry leader. Under his guidance, Lehar transformed into a modern, youth-centric, agile, and innovative company.

Drawing upon his extensive knowledge and experience, he envisioned a footwear line that seamlessly blends exceptional craftsmanship with innovative design elements. His relentless pursuit of excellence and meticulous attention to detail have shaped the company's ethos, resulting in a collection that not only enhances style but also prioritises comfort and durability. His entrepreneurial spirit and determination continue to inspire the team as they strive to offer footwear that empowers individuals to step confidently into their everyday adventures.



Leadership Team

BOARD OF DIRECTORS



RAJ KUMAR AGARWAL

Chairman and Managing Director

Raj Kumar Agarwal, a commerce graduate, has been associated with the company since its incorporation. He brings his expertise in finance, accounting, and marketing and has been instrumental in transforming the company into a leading player in the industry and extending its reach across India.



PRAMOD KUMAR AGARWAL

Executive Director

Pramod Kumar Agarwal, a commerce graduate, has been leading the company in the fields of finance, accounts, and marketing, bringing his expertise to drive growth and innovation.



NARESH KUMAR AGARWAL

Whole-time Director

Naresh Kumar Agarwal, a commerce graduate, has been associated with the company since its incorporation and brings 31 years of experience in the footwear industry. He is responsible for overall strategic decision-making and provides leadership to all operations. He embodies a balanced leadership approach, valuing decisive action, people development, clarity of thought, and strong team collaboration. His expertise and vision have been instrumental in driving the company's growth and success.



PREETI GOYAL

Non-Executive Independent Director

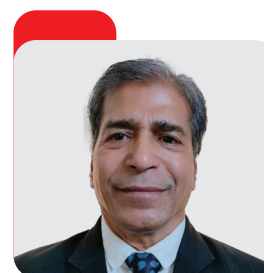
Preeti Goyal joined Lehar in March 2015 as an independent director. With over 10 years of experience in the industry and extensive knowledge of finance, she has played a pivotal role in the company's development and strategic planning. Her expertise and unique perspective have been invaluable assets to Lehar's leadership team.



SANDEEP KUMAR JAIN

Non-Executive Independent Director

Sandeep Kumar Jain, a Fellow member of ICSI (Institute of Company Secretaries of India), brings vast experience in dealing with various regulatory authorities. His expertise and knowledge have been instrumental in guiding the company through complex regulatory landscapes and ensuring compliance with industry standards.



DILEEP KUMAR JAIN

Non-Executive Independent Director

Dileep Kumar Jain holds a Bachelor's degree in Commerce (Honours), a Bachelor's degree in Law, and a Master's degree in Arts (Economics) from the University of Rajasthan, Jaipur. He is also an associate of the Indian Institute of Banking and Finance. His diverse academic background and professional expertise significantly contribute to the company's strategic initiatives and operational excellence.

KEY MANAGEMENT PERSONNEL



SANJAY KUMAR AGARWAL
CEO

Mr. Sanjay Kumar Agarwal joined Lehar as Chief Executive Officer in March 2016. He is a commerce graduate from the University of Mumbai with over 15 years of experience in the footwear industry. His expertise in marketing and overall operations has been instrumental in driving the company's growth and success.



RAKESH KUMAR SONI
CFO

Rakesh Kumar Soni, a commerce graduate from the University of Rajasthan and a member of the Institute of Chartered Accountants of India (ICAI), has over 15 years of experience in the footwear industry with expertise in finance and accounts. His significant contributions over the years have been pivotal in driving the company's growth and elevating it to new heights.



RITIKA PODDAR
Company Secretary, Compliance Officer

Ritika Poddar, holding an M.Com from the University of Rajasthan and an Associate membership with the Institute of Company Secretaries of India (ICSI), possesses immense experience in company law, securities laws, corporate governance, and legal due diligence. She is well-versed in dealing with various regulatory and government authorities, bringing valuable expertise to the organisation.

MANAGEMENT TEAM



NAVEEN KUMAR AGARWAL

VP - Manufacturing

Naveen Kumar Agarwal, a graduate with over 21 years of experience in manufacturing, brings extensive expertise and knowledge to the industry. His two decades of hands-on experience have equipped him with a deep understanding of manufacturing processes and operational efficiencies, making him a valuable asset to any organisation.



PANKAJ AGARWAL

VP - Finance

Pankaj Agarwal, an MBA with over 13 years of experience in finance, brings a wealth of expertise to the field. His extensive experience spans various aspects of financial management, making him a vital asset to our organisation.



PRATEEK AGARWAL

VP - Operation

Prateek Agarwal, holding an MBA degree, has over 8 years of experience in operations. His expertise and knowledge in this field make him a valuable asset to any organisation, contributing significantly to operational efficiency and effectiveness.



VINOD KUMAR MISHRA

VP - Sales Marketing

Vinod Kumar Mishra, a graduate with over 31 years of experience in sales and marketing, brings unparalleled expertise and insight to the field. His extensive background and proven track record make him an invaluable asset in driving sales growth and crafting effective marketing strategies.

Corporate Information

BOARD OF DIRECTORS

Mr. Raj Kumar Agarwal

Chairman & Managing Director

Mr. Pramod Kumar Agarwal

Executive Director

Mr. Naresh Kumar Agarwal

Whole-time Director

Mrs. Preeti Goyal

Independent Director

Mr. Sandeep Kumar Jain

Independent Director

Mr. Dileep Kumar Jain

(w.e.f. 27.09.2023)

Independent Director

Mr. Saral Sudhir Saraf

(up to 30.09.2023)

Independent Director

KMPS

Mr. Rakesh Kumar Soni

Chief Financial Officer

Mr. Sanjay Kumar Agarwal

Chief Executive Officer

Ms. Ritika Poddar

Company Secretary &

Compliance Officer

STATUTORY AUDITOR

M/s A Bafna & Co.

Chartered Accountants

INTERNAL AUDITOR

M/s Garg Vipin & Co. (2023-24)

Chartered Accountants

S S Choudhary and Co (2024-25)

Chartered Accountants

SECRETARIAL AUDITOR

Gaurav Goyal

Company Secretary in Practice

BANKERS

HDFC Bank Limited

REGISTERED OFFICE

A-243 (A), Road No. 6,

V. K. I. Area, Jaipur – 302013

FACTORY & WORKS

UNIT 1

A-243 (A), Road No. 6,

V. K. I. Area, Jaipur – 302013

UNIT 2

G-1-685, Road No. 9F2,

V. K. I. Area, Jaipur – 302013

UNIT 3

F-263, Road No. 13,

V. K. I. Area, Jaipur – 302013

UNIT 4

SD-41, Kaladera Industrial Area,

Tehsil Chomu, District Jaipur.

UNIT 5

A 85 A, Road No. 9, VKI Area,

Jaipur – 302013, Rajasthan

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Service Pvt. Ltd

Office No. S6-2, 6th Floor,

Pinnacle Business Park,

Next to Ahura Centre, Mahakali

Caves Road, Andheri (East),

Mumbai – 400093, Maharashtra,

Email: info@bigshareonline.com

Website: www.bigshareonline.com

Contact: 022-62638200

OTHER DETAILS

CIN: L19201RJ1994PLC008196

GSTIN: 08AAACL2987J1Z4

E Mail ID:

info@leharfootwear.com

csc@leharfootwear.com

Website: www.leharfootwear.com

Contact: 0141-4157777 (30 Lines)

Fax: 0141-4157766



Notice

Notice is hereby given that the 30th Annual General Meeting (AGM) of the members of Lehar Footwears Limited ("the Company") will be held on **Tuesday, September 10, 2024 at 11.00 A.M. at Registered Office at A-243 (A) Road No. 6, V.K.I. Area, Jaipur-302013 RJ** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024 together with the reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend of ₹ 0.20/- per equity shares of ₹ 10/- each already paid and to declare a Final Dividend of ₹ 0.30/-per equity shares of ₹ 10/- each for the Financial Year ended March 31, 2024.
3. To appoint a director in place of Mr. Naresh Kumar Agarwal (DIN: 00106649), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

4. To amend the Objects Clause of the Memorandum of Association of the Company.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**: -

"**RESOLVED THAT** pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder including any modification(s) thereto or re-enactment(s) thereof for the time being in force, subject to the approval of the Registrar of Companies, Jaipur, and any other regulatory authorities, as may be applicable and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, the consent of the Members of the Company be and is hereby accorded to substitute the Memorandum of Association of the Company by inserting the following new **clause III (A), III (B) and III (C)** by deleting the existing clause III (1) of the Memorandum of Association of the company:

Clause No. III(A) To carry on the business of manufacture, processors, designers buyers, sellers, importers and or otherwise, dealers in all kinds of shoes, silipers, sandals and any other kind of footwear and upper of shoes, silipers, sandals, straps of silipers, blow moulded containers, bottles, hollow wares, packing

materials, jerricanes, all kinds of bags, socks and other similar articles made of leather, rubber, plastic, polythene, high and low density polythene, polypropylene, PVC, man-made fibrous material or similar material, plastic and/ or rubber packing items and to manufacture, process, buy, sell, import, export or otherwise deal with in all or any such products, the stores packing materials, products and allied commodities.

Clause No. III (B) To carry on the business of manufacturing, buying, selling, reselling, importing, exporting or supplying, trading, dealing in any manner whatsoever and in men's, women's and children clothing and wearing apparel of every kind, nature and description including uniforms.

Clause No. III (C) To carry on the business of manufacturing, buying, selling, reselling, importing, exporting or supplying, trading, dealing in any manner whatsoever in all type of electrical goods, instruments and apparatus of every kind and description, Plant & machinery and all type of tools & equipment, all parts, components, accessories, kit of any combination of materials and raw materials and all articles, in India or elsewhere.

"**RESOLVED FURTHER THAT** any of the Directors of the Company or the Company Secretary of the Company be and are hereby, severally authorized to sign, execute and file necessary application, forms, deeds, documents and writings as may be necessary for and on behalf of the Company and to settle and finalise all issues that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution and to delegate all or any of the powers conferred herein as they may deem fit."

BY THE ORDER OF THE BOARD
for **Lehar Footwears Limited**

Ritika Poddar

Company Secretary &
Compliance Officer
ACS No. A65615

Place: Jaipur
Dated: 09.08.2024

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote instead of himself/herself and such proxy/ proxies need not be a member of the company. **The instrument appointing the proxy/ proxies should be deposited at the registered office of the company, duly completed and signed, not less than forty-eight (48) hours before commencement of the AGM i.e., by 11:00 A.M. on Sunday, September 08, 2024.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten percent (10%), of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for another person or shareholder.

Proxies submitted on behalf of Companies, Societies, Partnership Firms, etc. must be supported by appropriate resolution / authority, as applicable.

2. Information or details pertaining to the Directors proposed to be appointed or re-appointed pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by The Institute of Company Secretaries of India are provided in **Annexure A** of this Notice.
3. The Company has notified closure of Register of Members and Share Transfer Books from **Wednesday, September 04, 2024 to Tuesday, September 10, 2024 (both days inclusive)** for the purpose of the Annual General Meeting.
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Bigshare Services Private Limited.

Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend (if declared). The Company or its Registrar and Transfer Agent, Bigshare Services Private Limited ("Bigshare") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to intimate any change in their address or bank mandates immediately to the company or Bigshare.

6. Members are requested to produce the enclosed attendance slip/e-voting form, duly signed as per the specimen signature recorded with the Company, for admission to the meeting hall. Members holding shares in dematerialised form are requested to bring their DP-ID and Client-ID numbers for easier identification for attendance at the meeting.
7. All documents referred to in the Notice and Explanatory Statement are available for inspection at the registered office of the Company during the business hours between 10:30 A.M to 6:00 P.M on all working days of the Company upto the date of the Annual General Meeting of the Company
8. Members desirous of getting any information on the accounts or operations of the Company are requested to forward their queries to the Company at least Ten (10) working days prior to the meeting, so that the required information can be made available at the meeting.
9. Members are requested to immediately notify any change in their address either to the Company or its Registrar & Share Transfer Agent. In case the shares are held in dematerialised form, this information should be sent by the Members to their respective depository participants. Members are requested to quote their folio numbers / DP-ID and Client-ID numbers in their correspondence with the Company.
10. In case of change in residential status of Non-Resident Indian Shareholders, the same should be immediately informed to the Registrar & Share Transfer Agent of the Company along with particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank.
11. Members are requested to furnish or update their e-mail IDs with the Registrar for sending the soft copies of the Annual Report of the Company as required vide circular no. 17/2011 dated April 21, 2011 and circular no. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs and to avail remote e-voting facility in respect of the resolutions which would be passed at the General Meetings of the Company.
12. Members may note that the Board, has recommended a final dividend of ₹ 0.30/-. The record date for the purpose of final dividend for the fiscal year 2024 is **September 03, 2024**. The final dividend, once approved by the members in the ensuing AGM, will be paid within a period of 30 days from the date of declaration electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants/ demand drafts/ cheques will be sent to their registered addresses. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories to receive dividend directly into their bank account on the payout date.
13. Regulation 12 and Schedule I of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (Listing Regulation) requires all companies to use the facilities of electronic clearing services for payment of dividend. In compliance with these regulations, payment of dividend

- will be made only by electronic mode directly into the bank account of Members and no dividend warrants or demand drafts will be issued without bank particulars.
14. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode) A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to tds@bigshareonline.com by 11:59 P.M. IST on **September 01, 2024**. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to tds@bigshareonline.com.
 15. In accordance with the MCA General Circular Nos. 20/2020 dated May 5, 2020 and 10/2022 dated December 28, 2022 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023, the financial statements (including Board's Report, Auditors' Report or other documents required to be attached therewith) for the Financial Year ended March 31, 2024 pursuant to section 136 of the Act and Notice calling the AGM pursuant to section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/RTA or the Depository Participant(s). The physical copies of such statements and Notice of AGM will be dispatched only to those shareholders who request for the same. Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company or RTA by following due procedure. A copy of the Notice of this AGM along with Annual Report for the FY 2023-24 is available on the website of the Company at <https://www.leharfootwear.com/>, website of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited at www.bseindia.com.
 16. As a matter of economy, copies of the Annual Report will not be distributed at the venue of the Annual General Meeting. Members are, therefore, requested to bring their copy of the Annual Report to the meeting.
 17. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 18. Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
 19. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
 20. Pursuant to the prohibition imposed vide Secretarial Standard on General Meetings (SS-2) issued by the ICSI and the MCA circular, no gifts/coupons shall be distributed at the Meeting.
 21. The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges and RTA, and will also be displayed on the Company's website, <https://www.leharfootwear.com/>
 22. Members may also note that the notice of 30th Annual General Meeting and Annual Report for the year 2023-24 is also available on the website of the company www.leharfootwear.com for their download.
 23. The route map to the venue of the Meeting is <https://maps.app.goo.gl/4uFvUrG83bbs1ac98> for easy location.
 24. **E- Voting: The instructions of shareholders for remote E-voting are as under:**
 - i. The voting period begins on **September 07, 2024 09:00 AM and ends on September 09, 2024 05:00 PM**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **September 03, 2024** may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
 - ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has

been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

1. Pursuant to above said SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode** is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is https://web.cdslindia.com/myeasitoken/home/login or visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period. |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period. |

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free No. 1800 22 55 33. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022- 48867000. |

a) **Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:** You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>

- Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.
- Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.
 - o Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
 - o Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
 - o Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

Note If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an

earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**INVESTOR LOGIN**’ tab and then Click on ‘**Forgot your password?**’
- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**Reset**’.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on “**VOTE NOW**” option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option “**IN FAVOUR**”, “**NOT IN FAVOUR**” or “**ABSTAIN**” and click on “**SUBMIT VOTE**”. A confirmation box will be displayed. Click “**OK**” to confirm, else “**CANCEL**” to modify. Once you confirm, you will not be allowed to modify your vote.

- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on investor portal.

b) Custodian registration process for i-Vote E-Voting Website:

You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>

Click on "**REGISTER**" under "**CUSTODIAN LOGIN**", to register yourself on Bigshare i-Vote e-Voting Platform.

Enter all required details and submit.

After Successful registration, message will be displayed with "**User id and password will be sent via email on your registered email id**".

NOTE: If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on '**LOGIN**' under '**CUSTODIAN LOGIN**' tab and further Click on '**Forgot your password?**
- Enter "**User ID**" and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**RESET**'.

(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under "**DOCUMENTS**" option on custodian portal.

- o Click on "**DOCUMENT TYPE**" dropdown option and select document type power of attorney (POA).
- o Click on upload document "**CHOOSE FILE**" and upload power of attorney (POA) or board resolution for respective investor and click on "**UPLOAD**".

Note: The power of attorney (POA) or board resolution has to be named as the "**InvestorID.pdf**" (Mention Demat account number as Investor ID.)

- o Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select "**VOTE FILE UPLOAD**" option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on "**UPLOAD**". Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on custodian portal.

Helpdesk for queries regarding e-voting:

| Login type | Helpdesk details |
|--|---|
| Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode. | In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22, 022-62638338 |

ANNEXURE A

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

ITEM NO.:4

The Board of directors of the company at their meeting held on August 09, 2024 considered the opportunities lying in certain schemes of Government of India wherein the Government has prescribed a scheme for providing end-to-end support to the traditional artisans and crafts people in scaling up of their conventional products and services. In furtherance of this consideration, the Board has recommended for venturing into the business of supplying goods like bags, socks, uniforms, tools, equipment etc wherein on the one side the Company can provide a platform to such artisans and crafts people to participate and take benefit of the plans of the Government of India for upliftment of such people alongside diversification of present business of the company to leverage and hedge the risks involved in a particular type of business.

To diversify into other lines of business be it manufacturing or trading of certain type of goods other than footwear or assembling or preparing tools and equipment, the Company need to amend the Main Objects clause of its Memorandum of Association to include these businesses in its main objects.

Considering this your Board has recommended for alteration in Object of Clause of the Company in their meeting stated herein before. The "Main Object" clause of the Memorandum

of Association ("MOA") of the Company is being substitute by deletion of Clause III (1) and with insertion of New Clause III (A), (B) & (C). The proposed change of object clause requires the approval of Members through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

The draft Copy of the Memorandum of Association of the Company is available for inspection at the registered office of the Company on any working day during Business Hours till the date of AGM. The aforesaid alteration, if approved by the shareholders shall be registered by the Registrar of Companies ('ROC') as per the provisions of the Act with such modifications as may be advised by the ROC.

Your directors recommend the passing of the proposed Special Resolution.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Special Resolution.

BY THE ORDER OF THE BOARD
for **Lehar Footwears Limited**

Ritika Poddar

Company Secretary &
Compliance Officer
ACS No. A65615

Place: Jaipur
Dated: 09.08.2024

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India]

- Re-Appointment of Mr. Naresh Kumar Agarwal as a Whole Time Director**

| Name | Mr. Naresh Kumar Agarwal |
|---|---|
| Designation | Whole Time Director |
| DIN | 00106649 |
| Age & DOB | 53 Years & January 01, 1972 |
| Qualifications | B. Com |
| Brief profile | Mr. Naresh Kumar Agarwal has a vast experience of 31 years in Footwear Industry. His expertise in the field of Finance, Accounts & Marketing has always been of immense value for the growth of the Company. He is well aware of each and every aspect of business and controlling them all well. |
| Date of original Appointment | March 31, 1994 |
| Terms and Conditions of appointment/re appointment | As per existing terms and conditions. |
| In case of independent director, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements. | NA |
| Remuneration last drawn (including sitting fees, if any) | As mentioned in the Corporate Governance Report forming part of the Annual Report for FY 2024 |
| Remuneration proposed to be paid | As per existing terms and conditions |
| Nature of expertise in specific functional area | He played an instrumental role in establishing production of the Company. |
| Disclosure of relationship between other directors & KMP's | Nephew of Mr. Raj Kumar Agarwal & Mr. Pramod Kumar Agarwal and Cousin Brother of Mr. Sanjay Kumar Agarwal. |
| Number of meetings of the Board attended during the year 2023-24. | 18 |
| Directorship held in Other public company as on date of notice. | Nil |
| Chairmanship/ Membership of committees of other Public Companies as on date of notice. | Nil |
| Shareholding in the company as on date of notice | Equity Shares 15,18,566 |
| Name of other Directors Interested in the Resolution | Mr. Raj Kumar Agarwal and Mr. Pramod Kumar Agarwal |

ATTENDANCE SLIP**LEHAR FOOTWEARS LIMITED**

A-243(A) Road NO. 06, V K I Area, Jaipur -302013 (RAJ.)

(Please fill this attendance slip and hand it over at the entrance of the meeting hall)

I hereby record my presence at the 30th Annual General Meeting of the company to be held at A-243(A) Road No. 06, V K I Area, Jaipur- 302013(RAJ.) on **Tuesday, September 10, 2024 at 11:00 A.M.**

Folio No. # _____

DP ID* _____

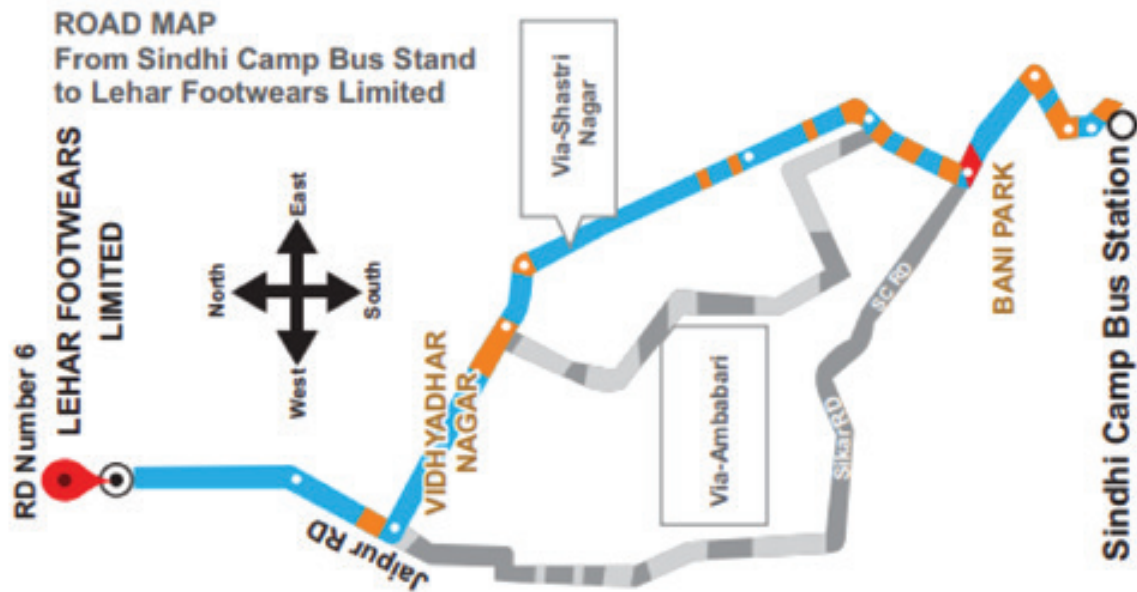
No. of Shares held _____

CLIENT ID* _____

Member's / Proxy's name (in Block Letter)

Applicable for shares held in Physical Form

* Applicable for shares held in Dematerialized Form

Please bring the above Attendance Slip to the meeting**Venue: A-243 (A) Road No.6, V.K.I. Area Jaipur-302013 RJ****Route Map**

FORM NO. MGT-11**Proxy Form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

Name of the company: Lehar Footwears Limited

CIN: L19201RJ1994PLC008196

Registered office: Registered Office: A-243(A) Road No. 06, V K I Area, Jaipur-302013 RJ

Name of the member (s): _____

Registered address: _____

E-mail Id: _____

Folio No/ Client Id: _____

DP ID: _____

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name: _____

Address: _____

E-mail Id: _____

Signature _____ or failing him

2. Name: _____

Address: _____

E-mail Id: _____

Signature _____ or failing him

3. Name: _____

Address: _____

E-mail Id: _____

Signature _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Tuesday, September 10, 2024 at 11:00 A.M. at A-243(A), Road No. 06, V.K.I. Area, Jaipur 302013 Rajasthan and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024 together with the reports of the Board of Directors and the Auditors thereon;
2. To confirm the payment of Interim Dividend of ₹ 0.20/- per equity shares of ₹ 10/- each already paid and to declare a Final Dividend of ₹ 0.30/- per equity shares of ₹ 10/- each for the Financial Year ended March 31, 2024;
3. To appoint a director in place of Mr. Naresh Kumar Agarwal (DIN: 00106649), who retires by rotation and being eligible, offers himself for reappointment;

Special Business

4. To amend the Objects Clause of the Memorandum of Association of the Company;

Signed this..... day of..... 2024

Signature of shareholder

Signature of Proxy holder(s)

**AFFIX
₹ ONE
REVENUE
STAMP**

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Boards' Report

Dear Members,

Your directors are pleased to present 30th Annual Report of the Company on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March, 2024.

FINANCIAL SUMMARY

| | | (₹ in Lakh) | |
|--|--------------|------------------|------------------|
| Particulars | | 2023-24 | 2022-23 |
| Revenue from Operations | | 19,426.04 | 20,254.87 |
| Other Income | | 82.77 | 76.00 |
| Total Income | | 19,508.81 | 20,330.87 |
| Total Expenses | | 18,618.61 | 19,678.43 |
| Net Profit before Exceptional Items and Tax | | 890.20 | 652.44 |
| Exceptional Items | | - | - |
| Profit Before Tax | | 890.20 | 652.44 |
| Tax Expenses | Current Tax | 232.26 | 164.28 |
| | Deferred Tax | 2.13 | (24.83) |
| Profit After Tax | | 655.81 | 512.99 |
| Other comprehensive income (Net of Tax) | | 1.08 | 4.31 |
| Total Comprehensive Income for the year | | 656.89 | 517.30 |
| Earnings Per Equity Share | | 4.02 | 3.72 |

The audited standalone financial statements of the Company as on 31st March, 2024, prepared in accordance with the relevant applicable Ind AS and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and provisions of the Companies Act, 2013, forms part of this Annual Report.

STATE OF COMPANIES AFFAIRS

During the year under review, the Company has turnover of ₹ 19,426.04 Lakh as compared to ₹ 20,254.87 Lakh in the preceding financial year. Profit after Tax is ₹ 655.81 Lakh as compared to ₹ 512.99 Lakh in the preceding year.

CHANGE IN NATURE OF BUSINESS, IF ANY

During the year, there is no change in the nature of the business of the Company.

SHARE CAPITAL

- The Authorised Share Capital as on 31st March, 2024 was ₹ 20,00,00,000/- (Rupees Twenty Crore), 2,00,00,000 Equity Shares of 10/- and the Paid-Up Capital as on 31st March, 2024 was ₹ 17,67,87,990/- (Rupees Seventeen Crore Sixty-Seven Lakh Eighty-Seven Thousand Nine Hundred Ninety), 1,76,78,799 Equity Share of 10/-.
- Preferential issue of equity shares and share warrants: Pursuant to the approval of the Board at its meeting held on 16th September, 2022 and approval of the members of the Company at their Extra-Ordinary General Meeting ('EGM') held on 12th October, 2022, upon receipt of 25%

of the issue price per warrant (i.e., ₹ 13 per warrant) as upfront payment ("Warrant Subscription Price"), the Company on 11th November, 2022 has allotted 40,00,000 (Forty Lakh) warrants, on preferential basis to the Promoter/Promoter Group of the Company and certain identified non-promoter persons/entity, at a price of ₹ 52 each payable in cash ("Warrant Issue Price"). Each warrant, so allotted, is convertible into one fully paid-up equity share of the Company having face value of ₹ 10 (Rupee Ten only) each in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, on payment of the balance consideration of ₹ 39 per warrant ("Warrant Exercise Price"), being 75% of the issue price per warrant from the Allottees pursuant to exercise of conversion option against each such warrant, within 18 months from the date of allotment of warrants.

- Conversion of share warrants into equity shares of the Company

During the financial year 2022-23 the Company has allotted 19,86,000 fully paid-up equity shares against conversion of equal no. of warrants exercised by the warrant holder upon receipt of balance 75% of the issue price (i.e., ₹ 39 per warrant).

During the financial year 2023-24, the Company on 12th June 2023, 19th January, 2024 and 27th March, 2024 upon receipt of balance 75% of the issue price (i.e., ₹ 39 per warrant) for 20,14,000 warrants, has allotted equal no. of fully paid-up

equity shares against conversion of said warrants exercised by the warrant holder.

Due to above allotments paid up capital of the Company increase from ₹ 15,66,47,990 (1,56,64,799 Equity Shares of 10/-) to ₹ 17,67,87,990/- (1,76,78,799 Equity Share of 10/-).

The details of utilisation of funds are given hereunder:

| Particulars | Amount in Lakhs |
|---|-----------------|
| Funds raised through allotment of 6,66,500 fully paid-up equity shares against conversion of equal number of warrants on 12 th June, 2023 (A) | 259.94 |
| Funds raised through allotment of 4,85,000 fully paid-up equity shares against conversion of equal number of warrants on 19 th January, 2024 (B) | 189.15 |
| Funds raised through allotment of 8,62,500 fully paid-up equity shares against conversion of equal number of warrants on 27 th March, 2024 (C) | 336.38 |
| Total Funds raised till 31st March 2024 (A+B+C) | 785.46 |
| Funds utilised during the year ended 31st March 2024 | 785.46 |

There is no deviation or variation in the use of proceeds from the preferential issue of warrants, from the objects as stated in the Explanatory Statement to the Notice of the EGM dated 12th October, 2022.

DIVIDEND

Interim dividend of ₹0.20/- per equity share was paid during the financial year 2023-24 and Final dividend of ₹ 0.25/-paid for the financial year ended 31st March, 2023.

The Board at its meeting held on 30th May, 2024 has recommended a final dividend of ₹ 0.30/- per fully paid-up equity share i.e., 3.00% which is subject to the approval of members at the ensuing Annual General Meeting. The dividend, if declared, by the Members at the forthcoming Annual General Meeting (AGM) shall be paid to the eligible Members.

The Register of Members and Share Transfer Books of the Company will remain closed for the purpose of payment of dividend for the financial year ended 31st March 2024 and Book closure date has been indicated in the Notice convening 30th AGM.

Pursuant to the provisions of Income-tax Act, 1961, the dividend paid or distributed by a company shall be taxable in the hands of the shareholders. Accordingly, in compliance with the said provisions, your Company shall make the payment of the dividend after necessary deduction of tax

at source at the prescribed rates, wherever applicable. For the prescribed rates for various categories, the shareholders are requested to refer to the Income tax Act, 1961 and amendments thereof.

RESERVES AND SURPLUS

During the current financial year, the Company has not transferred any amount to the General Reserve.

MATERIAL CHANGES EFFECTING FINANCIAL POSITIONS OF THE COMPANY

In pursuance to section 134(3) (L) of the Act, no material changes and commitments have occurred after the closure of the financial year to which the financial statements relate till the date of this report, affecting the financial position of the Company.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") there was no dividend which is unclaimed/ unpaid for more than seven years, hence the company is not required to transfer any amount to Investor Education and Protection Fund.

RISK MANAGEMENT

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Board monitors and reviews the implementation of various aspects of the Risk Management policy and Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall Business Risk Management Framework. The Company follows well established and detailed risk assessment and minimisation procedures, which are periodically reviewed by the Board.

The Board of Directors of the Company are of the view that currently no significant risk factors are present which may threaten the existence of the Company.

DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy, in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") is not applicable to our company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Our Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating

procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides bench marking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the Internal Control Systems and suggests improvements to strengthen the same.

The Audit Committee of the Board of Directors and the Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board.

To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

INTERNAL FINANCIAL CONTROL

The Company has adequate system of internal control/Internal Finance Control to safeguard and protect from loss, unauthorised use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the Management. The report on Internal Financial Control forms part of Independent Audit report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Retire by rotation

Mr. Naresh Kumar Agrawal (DIN- 00106649), Director retires by rotation and being eligible, offers himself for re-appointment, in accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company. A Resolution seeking shareholders' approval for his re-appointment along with other required details forms part of the Notice.

Independent Directors

The Company has received the necessary declarations from each of the Independent Directors of the Company under Section 149(7) of the Act and Regulation 25 of the Listing Regulations, confirming that they meet with the criteria of independence as laid down in Section 149(6) of the Act, along with Rules framed thereunder and Regulation 16(1) (b) of the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

None of the Directors disqualifies for appointment/reappointment under Section 164 of the Companies Act, 2013.

Changes in Board Composition & Key Managerial Personnel

- Mr. Raj Kumar Agarwal (DIN: 00127215) designated as Chairman of the Company in continuation of their existing post i.e., Managing Director w.e.f. 01.09.2023.

- Mr. Dileep Kumar Jain (DIN: 00380311) appointed as a non-executive independent director of the Company w.e.f. 27.09.2023.
- Mr. Saral Sudhir Saraf (DIN: 08216764) resigned from the directorship of the Company w.e.f. 30.09.2023 due to preoccupation in other work.

During the financial year 2023-24, the constitution of the Board complies with the requirements of the Act, and the SEBI Listing Regulations. There were no changes in Key Managerial Personnel of your Company during the financial year 2023-24 other than disclosed above.

PRESENT BOARD STRUCTURE OF THE COMPANY AT THE TIME OF SIGNING BOARD REPORT

| | |
|----------------------|--|
| Raj Kumar Agarwal | Chairman & Managing Director |
| Pramod Kumar Agarwal | Executive Director |
| Naresh Kumar Agarwal | Whole Time Director |
| Sandeep Kumar Jain | Non-Executive Independent Director |
| Preeti Goyal | Non-Executive Independent Director |
| Dileep Kumar Jain | Non-Executive Independent Director |
| Rakesh Kumar Soni | Chief Financial Officer (CFO) |
| Sanjay Kumar Agarwal | Chief Executive Officer (CEO) |
| Ritika Poddar | Company Secretary & Compliance officer |

BOARD MEETINGS

The Board met **Nineteen** times during Financial Year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two consecutive meetings was within the period prescribed by the Companies Act, 2013, SEBI (LODR) 2015 and Secretarial Standard-1 (SS-1).

BOARD EVALUATION/PERFORMANCE EVALUATION

The, Board of Directors has carried out an annual evaluation of its own performance board committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning etc. The performance evaluation of the Executive Directors and Non-Executive Directors was carried out by the Independent Directors.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities,

Board structure and composition, role and accountability, management oversight, risk management, culture and communication, frequency and effectiveness of meetings. The Board of Directors expressed their satisfaction with the evaluation process.

CREDIT RATINGS

During the financial year 2023-24, on the basis of recent development including operational and financial performance of the Company, Credit Rating Agency- CRISIL has assigned stable rating as follows:

| Facilities | Ratings |
|---------------------------|--------------------|
| Long Term Bank Facilities | CRISIL BBB-/Stable |

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The criteria for directors' appointment have been set up by the Nomination and Remuneration Committee, which includes criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Sub section (3) of Section 178 of Companies Act, 2013 ("the Act"). The policy on remuneration and other matters provided in Section 178(3) of the Act is available on the Company's website at <https://www.leharfootwear.com/policies-codes>. It is affirmed that the remuneration paid to the directors is as per the terms set out in the Nomination & Remuneration Policy of the Company.

For other details regarding the Nomination and Remuneration Committee, please refer to the Corporate Governance Report, which is a part of this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Vigil Mechanism / Whistle Blower Policy in conformation with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, to report concerns about unethical behaviour and to deal with instances of fraud and mismanagement, if any. The same has also been displayed on the website at <https://www.leharfootwear.com/policies-codes> of the Company.

HUMAN RESOURCE MANAGEMENT, HEALTH AND SAFETY

During the year, the Company had cordial relations with workers, staff and officers. The shop floor management is done through personal touch, using various motivational tools and meeting their training needs requirements. The company has taken initiative for safety of employees and implemented regular safety audit, imparted machine safety training, wearing protective equipment, etc. The Company believes in empowering its employees through greater knowledge, team spirit and developing greater sense of responsibility.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy on Gender Equality, Gender Protection, Prevention of Sexual Harassment and Redressal System in line with the requirements of the Sexual Harassment of Women at Workplace Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has also constituted an internal committee to consider and address sexual harassment complaints in accordance with the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaints pertaining to sexual harassment were received and/ or disposed of during FY 2023-24.

PARTICULARS OF EMPLOYEES

The information and disclosure required under Section 197(12) of the Act read with Rule 5(1), 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), in respect of Directors and Employees of your Company is set out in "Annexure - I" to this report.

COMMITMENT TO QUALITY AND ENVIRONMENT

Your Company recognises quality and productivity as a pre-requisite for its operations and has implemented ISO 9001, ISO 45001 and ISO 14001. The Company has also received license under IS 10702:2023 from the Bureau of Indian Standards (BIS) to its Kaladera Plant (Jaipur) for its products:

- (a) Hawai Chappal, Bottom-Polymer (Others- EVA etc.), Strap-Solid, Size-Adult (1-13),
- (b) Hawai Chappal, Bottom-Polymer (Others- EVA etc.), strap-Solid, Size-Children (6-13)

Further, the Company has also received BIS License under IS 6721:2023 for its products i.e, Sandal and Slippers on 30th April, 2024.

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

The Company's CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in "Annexure - II" of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. This Policy is available on the Company's website and can be accessed at <https://www.leharfootwear.com/policies-codes>.

COMMITTEES OF THE BOARD

As on 31st March, 2024, the Board had following committees:

- Audit committee,
- Nomination and Remuneration Committee,
- Stakeholders Relationship Committee, and
- Corporate Social Responsibility Committee.

All committees were mixture of executive and non-executive directors and Chairperson of every committee is a non-executive independent director except Corporate Social Responsibility Committee. During the year, all recommendations made by the committees were approved by the Board. A detailed note on the composition of the Board and its committees is provided in the corporate governance report.

AUDITORS AND AUDIT REPORT

Statutory Auditor

M/s A. Bafna & Co. Chartered Accountants (Firm Registration No. 003660C), Jaipur, appointed as the statutory auditors of the Company, in the Annual General Meeting held on 29.09.2022 for a term of five consecutive years, from the conclusion of the twenty-eight Annual General Meeting held in the year 2022 till the conclusion of the thirty-three Annual General Meeting to be held in the year 2027.

There are no qualifications, adverse remarks reservations or disclaimer made by M/s A. Bafna & Co. Statutory Auditors, in their report for the financial year ended 31st March, 2024. The notes to the Accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanation and comments.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Gaurav Goyal, Practicing Company Secretary, to conduct Secretarial Audit of the Company. The Report of the Secretarial Audit in Form MR-3 for the financial year ended 31st March, 2024, is enclosed as "Annexure III" to this Report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

The Company has undertaken an Annual Secretarial Compliance Audit for the financial year 2023-24 pursuant to Regulation 24A (2) of the SEBI Listing Regulations. The Annual Secretarial Compliance Report for the financial year ended 31st March 2024 has been submitted to the Stock Exchanges and the said report may be accessed on the Company's website at www.leharfootwear.com.

Internal Auditor

The Board has appointed M/s Garg Vipin & Company, Chartered accountants, to conduct the Internal Audit for the financial year 2023-24. The Internal Audit Report for

the financial year ended 31st March, 2024 has submitted by auditor to Board of the Company. The Internal Audit Report does not contain any qualification or reservation or adverse remark or disclaimer.

The Audit Committee of the Board of Directors, Statutory Auditors and the Key Managerial Personnel are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

Cost Records and Cost Audit

Provisions of Section 148 of the Companies Act, 2013 regarding maintenance of cost records and audit thereof is not applicable to your Company.

Company is engaged in manufacture of products under category of product code 64 i.e., Footwear which is not falling under table of regulated sectors or non-regulated sectors as per the notification issued by the Ministry of Corporate Affairs dated 14.07.2016, therefore it is exempt from maintaining any cost records and exempt from requirement of audit of cost records.

During the year under review, none of the auditors have reported any instances of fraud committed against the Company as required to be reported under Section 143 (12) of the Act.

LOANS AND INVESTMENTS BY THE COMPANY

The Company has not given any loans, guarantees or securities during the year that would attract the provisions of Section 185 of the Act. During the financial year 2023-24, the Company has made investment in the Lehar Foundation. Lehar Foundation is a nonprofit organisation incorporated under section-8 company of the Companies Act, 2013 for CSR activities. The particulars of loans, guarantees and investments of the company as per Section 186 of the Act by the Company, have been disclosed in the financial statements of the company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Joint venture or Associate Company as on 31st March, 2024 but the Company has a wholly owned subsidiary Company i.e., Lehar Foundation (Section-8) incorporated on 08.11.2023 with the object of CSR activities.

Lehar Foundation is purely incorporated as a not for profit making Company with specific objective to undertake CSR projects. As per Para 10 of AS-21, If the objective of control over such entities is not to obtain economic benefits from their activities, then such entities are not to be considered

for the purpose of preparation of consolidated financial statements.

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statement of the subsidiary company is attached to the financial statement in Form AOC-1 as "**Annexure-IV**". Financial Statements of the Lehar Foundation are not consolidated with Lehar Footwears Limited because it is not for profit organisation.

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March, 2024, all transactions with the Related Parties as defined under the Act read with Rules framed thereunder, were in the ordinary course of business and at arm's length basis. Your Company does not have a 'Material Subsidiary' as defined under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations").

During the year under review, your Company did not enter into any Related Party Transaction which requires prior approval of the Members of your Company. All Related Party Transactions entered into by your Company had prior approval of the Audit Committee and the Board of Directors, as required under the Listing Regulations. Subsequently, the Audit Committee and the Board have also reviewed the Related Party Transactions. During the year under review, there have been no materially significant Related Party Transactions having potential conflict with the interest of your Company. Since all Related Party Transactions entered into by your Company were in the ordinary course of business and also on an arm's length basis, therefore, details required to be provided in the prescribed Form AOC - 2 are not applicable to your Company. Necessary disclosures required under the Ind AS 24 have been made in Notes of the Financial Statements for the financial year ended 31st March, 2024.

CONSERVATION OF ENERGY, TECHNOLOGY, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption, foreign exchange earnings and outgo, are given in "**Annexure-V**" and forms an integral part of this Report.

ANNUAL RETURN

As required under Section 92(3) read with section 134(3) (a) of the Companies Act 2013 read with rule 12 of the Companies (Management and Administration) Rules, 2014 including amendments thereunder, the Annual Return filed with the Ministry of Corporate Affairs (MCA) for the Financial Year 2022-23 is available on the <https://www.leharfootwear.com/annual-return> and the Annual Return for Financial Year 2023-24 will be made available on the website of the Company once it is filed with the MCA.

LISTING

The equity shares of the Company are listed on BSE Ltd. Further, the Annual Listing Fees for the Financial Year 2024-25 have been duly paid by the Company.

Further, there were 1,76,78,799 equity shares of the Company as on 31st March 2024. However, out of 1,76,78,799 equity shares of the Company, 1,68,16,299 equity shares were listed with BSE Limited (BSE). The difference in the issued and listed capital is because of 8,62,500 number of equity shares which were allotted on 27th March, 2024 and subsequently listed on 09th May 2024.

DEMATERIALISATION OF SHARES

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, Members are requested to avail the facility of dematerialisation of shares with either of the Depositories as aforesaid. As on 31st March, 2024 100.00% of the share capital stands dematerialised.

CORPORATE GOVERNANCE

Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, report on the Corporate Governance along with a certificate from Practicing Company Secretary is annexed herewith and marked as "**Annexure VI**" forming part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In Compliance with Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a separate section on Management Discussion and Analysis as approved by the Board of Directors, forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

As the Company is not among top 500 or 1000 Companies by turnover on Stock Exchanges, the disclosure of Report under of Regulation 34(2) of the Listing Regulations is not applicable to the Company for the year under review.

DIRECTORS RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanation obtained by them, in terms of section 134(3) (c) your directors confirm that:

- a) in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company as at 31st March, 2024;

- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the Annual Accounts have been prepared on a going concern basis;
- e) internal financial controls have been laid down to be followed by the company and such internal financial controls are adequate and were operating effectively;
- f) proper system has been devised to ensure compliance with the provision of all applicable law and that such system was adequate and operating effectively.
- iv. The Company has not made any application nor any proceeding is pending against the company under IBC, 2016.
- v. Since the Company has not entered into any One Time Settlement with Banks or Financial Institutions, furnishing details in this regard, is not applicable.
- vi. The Company has complied with all the statutory requirements. The Company ensures compliance of the Companies Act, 2013; SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and various statutory authorities on quarterly basis in the Board Meeting.

CAUTIONARY STATEMENT

Statements in this report, describing the Company's objectives, expectations and/or anticipations may be forward looking within the meaning of applicable Securities Law and Regulations. Actual results may differ materially from those stated in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, availability of inputs and their prices, changes in the Government policies, regulations, tax laws, economic developments within the country and outside and other factors such as litigation and industrial relations. The Company assumes no responsibility in respect of the forward-looking statements, which may undergo changes in future on the basis of subsequent developments, information or events.

ACKNOWLEDGEMENT & APPRECIATION

Your directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/ associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

Your directors appreciate and value the contribution made by every member of the Lehar family.

By the order of the Board
For **Lehar Footwears Limited**

Raj Kumar Agarwal
Chairman & Managing Director
DIN: 00127215

Place: Jaipur
Date: 09.08.2024

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. The said Code is available on the website of the Company at <https://www.leharfootwear.com/policies-codes>.

All Directors on the Board and the designated employees have confirmed compliance with the Code.

OTHER DISCLOSURES

- i. The Company has complied with the applicable Secretarial Standards relating to 'Meetings of the Board of Directors' and 'General Meetings' during the year.
- ii. During the financial year under review, the Company has neither invited nor accepted or renewed any fixed deposit from public, shareholders or employees and no amount of principal or interest on deposits from public is outstanding as at the Balance Sheet date in terms of provisions of section 73 to 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.
- iii. There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

Annexure –I to the Board’s Report
A. DETAILS PURSUANT TO RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The ratio of remuneration of each Director to median remuneration of employees of the Company for the financial year 2023-24 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2023-24:

| Name | Designation | Ratio | % Increase in remuneration |
|---|--|-------|----------------------------|
| Mr. Raj Kumar Agarwal | Managing Director | 37:1 | 48% |
| Mr. Pramod Kumar Agarwal | Executive Director | 32:1 | 49% |
| Mr. Naresh Kumar Agarwal | Whole Time Director | 37:1 | 48% |
| Mr. Sanjay Kumar Agarwal | Chief Executive Officer | 22:1 | 37% |
| Mr. Rakesh Kumar Soni | Chief Financial Officer | 25:1 | 6% |
| Ms. Ritika Poddar | Company Secretary & Compliance Officer | @ | @ |
| Independent Director (Sitting Fee) | | | |
| Mr. Sandeep Kumar Jain | Independent Director | NA* | NA* |
| Mrs. Preeti Goyal | Independent Director | NA* | NA* |
| Mr. Dileep Kumar Jain | Independent Director | NA* | NA* |

#Median Remuneration is ₹ 1,12,000 per annum.

@Remuneration received in FY 2024 is not comparable with remuneration for FY 2023 (for part of the year) and hence not stated.

*The Independent Directors of the Company are entitled to sitting fee. Details of sitting fees paid to them have been provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for the Independent Directors’ sitting fees is not considered for the purpose above.

- (ii) The percentage increase in the median remuneration of employees in the financial year is -6.81% percent.
- (iii) The number of permanent employees on the rolls of the Company: There were 318 employees on the rolls of the Company as on 31st March, 2024.
- (iv) Average percentile increase already made in the salaried of the employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in Managerial Remuneration:

Average % increase in the salary of employees other than managerial Personnel:

2024: 17.24%

2023: 7.500%

Average % increase in the salary Managerial Personnel:

2024:37.94%

2023:15.00%

- (v) Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration paid to Directors, Key Managerial Person and other employees are as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel, and other employees.

By the order of the Board
For **Lehar Footwears Limited**

Raj Kumar Agarwal

Chairman & Managing Director

DIN: 00127215

Place: Jaipur

Date: 09.08.2024

Annexure –II to the Board’s Report

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Company’s CSR programs are guided by Corporate Social Responsibility Policy (‘CSR Policy’) duly approved by the Board. The Company’s CSR Policy framework details the mechanisms for undertaking various programs in accordance with section 135 of the Companies Act, 2013 (the ‘Act’) read with Schedule VII to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (‘Rules’) for the benefit of the community.

The Company is committed towards its works and its CSR policy by making a big and lasting difference, through sustainable measures, by actively contribute to the Social, Economic and Environmental development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year | Date of Meeting of CSR Committee |
|---------|----------------------|--|--|--|----------------------------------|
| 1. | Naresh Kumar Agarwal | Chairperson of the Committee/Whole Time Director | 1 | 1 | 07.02.2024 |
| 2. | Raj Kumar Agarwal | Member/Managing Director | 1 | 1 | |
| 3. | Sandeep Kumar Jain | Member/Non-Executive Independent Director | 1 | 1 | |

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.leharfootwear.com/board-committees> & <https://www.leharfootwear.com/policies-codes>.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014, if applicable (attach the report): **Not Applicable.**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable.**

6. Average net profit of the company as per section 135(5): ₹ **3,78,00,103.58/-**

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ **7,56,002.07/-**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

(c) Amount required to be set off for the financial year, if any: **Nil**

(d) Total CSR obligation for the financial year (7a+7b- 7c): ₹ **7,56,002.07/-**

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 8,00,000 | Nil | NA | NA | Nil | NA |

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---------|---------------------|--|---------------------|-------------------------|---------------|-------------------------------------|---|--|-------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount spent for the project (in ₹) | Mode of implementation -Direct (Yes/No) | Mode of implementation – Through implementing agency | |
| | | | | State | District | | | Name | CSR registration number |
| 1. | Health Care | Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water and Disaster management, including relief, rehabilitation and reconstruction activities | No | Delhi | Delhi | 5,00,000 | No | Param Shakti Peeth | CSR00000072 |
| 2. | Animal Welfare | Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga] | Yes | Rajasthan | Jaipur | 1,00,000 | No | Shri Narayan Dham Gaushala Sewa Samiti | CSR00066669 |
| 3. | Medical Camp | Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water. | Yes | Rajasthan | Khatushyam Ji | 1,00,000 | No | Shri Shyam Mahotsav Sewa Samiti | CSR00069093 |

| (1) Sl. No. | (2) Name of the Project | (3) Item from the list of activities in schedule VII to the Act | (4) Local area (Yes/No) | (5) Location of the project | | (6) Amount spent for the project (in ₹) | (7) Mode of implementation -Direct (Yes/No) | (8) Mode of implementation – Through implementing agency | |
|----------------|----------------------------|---|----------------------------|--------------------------------|-----------|--|--|---|-------------------------|
| | | | | State | District | | | Name | CSR registration number |
| | | | | | | | | | |
| 4. | Scholarship | promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Rajasthan | Jhunjhunu | 1,00,000 | Yes | N.A. | N.A. |
| TOTAL | | | | | | 8,00,000 | | | |

- (d) Amount spent in Administrative Overheads: **Not Applicable**
- (e) Amount spent on Impact Assessment, if applicable: **Not Applicable**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ **8,00,000/-**
- (g) Excess amount for set off, if any

| Sl. No. | Particular | Amount (in ₹) |
|---------|---|---------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 7,56,002.07/- |
| (ii) | Total amount spent for the Financial Year | 8,00,000/- |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 43,997.93/- |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 43,997.93/- |

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not Applicable**
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

By the order of the Board
For **Lehar Footwears Limited**

Raj Kumar Agarwal
(Chairman & Managing Director)
DIN: 00127215

Naresh Kumar Agarwal
(Chairman of CSR Committee)
DIN: 00106649

Place: Jaipur
Date: 09.08.2024

Annexure –III to the Board’s Report

FORM MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2024

To
Members

Lehar Footwears Limited

A-243 (A) Road No. 6 , V.K.I. Area Jaipur Rajasthan 302013

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Lehar Footwears Limited (CIN L19201RJ1994PLC008196) (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/ Statutory Compliances and expressing my opinion thereon.

Based on my verification of the Lehar Footwears Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company, has during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Lehar Footwears Limited (“The Company”) for the financial year ended on 31st March, 2024, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under by the Depositories with regard to dematerialisation/rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings.

[The Company has not raised any External Commercial Borrowings during the Audit period];

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’)-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable as the Company has not granted any Options to its employees during the financial year under review.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021; Not Applicable as the Company has not issued any debt securities during the financial year under review
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable as the Company has not get delisted its equity shares from any stock exchange during the financial year under review.
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable as the Company has not bought back any of its securities during the financial year under review

- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- j. The Factory Act, 1948
- k. The Minimum Wages act, 1948
- l. The Environment (Protection) Act, 1986
- m. The Payment of Gratuity Act, 1972
- n. The EPF & Misc. Provisions Act, 1952;

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE.
- iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda

were sent at least seven days in advance, except for some meetings which were called on shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of all such meetings.

I further report that there are adequate systems and processes in the Company commensurate with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs.

Sd/-

CS Gaurav Goyal

Practicing Company Secretary
UDIN: A054582F000505945
ACS 54582 C.P. No.22052
Peer Review No. 2799/2022

Place: Jaipur

Date: 30.05.2024

This report is to be read with my letter of even date which is annexed as 'Annexure -A' and form an integral part of this report.

ANNEXURE – A

To
Members

Lehar Footwears Limited

A-243 (A) Road No. 6 , V.K.I. Area Jaipur Rajasthan 302013

My Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the Provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-

CS Gaurav Goyal

Practicing Company Secretary

UDIN: A054582F000505945

ACS 54582 C.P. No.22052

Peer Review No. 2799/2022

Place: Jaipur

Date: 30.05.2024

Annexure –IV to the Board’s Report

FORM AOC- 1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures***Part A Subsidiaries**

| | | |
|-----|--|-------------------|
| 1. | S. No. | 01. |
| 2. | Name of the subsidiary | Lehar Foundation* |
| 3. | The date since when subsidiary was acquired | 08.11.2023 |
| 4. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period. | NA |
| 5. | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | NA |
| 6. | Share capital | 10000 |
| 7. | Reserves and surplus | - |
| 8. | Total assets | 10000 |
| 9. | Total Liabilities | - |
| 10. | Investments | - |
| 11. | Turnover | - |
| 12. | Profit before taxation | - |
| 13. | Provision for taxation | - |
| 14. | Profit after taxation | - |
| 15. | Proposed Dividend | - |
| 16. | Extent of shareholding (in percentage) | - |

*Lehar Foundation is purely incorporated as a not for profit making Company with specific objective to undertake CSR projects. As per Para 10 of AS-21, If the objective of control over such entities is not to obtain economic benefits from their activities, then such entities are not to be considered for the purpose of preparation of consolidated financial statements. Hence, financial statement of the Lehar Foundation is not consolidated with Lehar Footwears Limited.

- Names of subsidiaries which are yet to commence operations: **Nil**
- Names of subsidiaries which have been liquidated or sold during the year: **Nil**

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures-**NA**

By the order of the Board
For **Lehar Footwears Limited**

Raj Kumar Agarwal
(Chairman & Managing Director)
DIN: 00127215

Rakesh Kumar Soni
(Chief Financial Officer)

Ritika Poddar
(Company Secretary)

Place: Jaipur
Date: 09.08.2024

Annexure –V to the Board’s Report

Information Under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors’ Report for the year ended 31st March, 2024.

A. CONSERVATION OF ENERGY

| | |
|--|--|
| The steps taken or impact on conservation of energy | <ul style="list-style-type: none"> • Optimisation of different processing steps for maximum utilisation of input energy. • Installation of LED lights & motion sensors to reduce redundant electricity consumption. • The Company also continuously encourages its employees to save the natural resources wherever possible through campaigning. • Use of recycled water for cooling tower application. |
| The steps taken by the company for utilising alternate sources of energy | The Company has installed 200KW On-Grid rooftop solar PV system for its unit situated at A-243(A), Road No.6, V.K.I. Area, Jaipur-302013 in Oct, 2023. |
| The capital investment on energy conservation equipments | Cost of installation of 200 KW solar plant is around ₹ 1.45 crore to the Company |

B. TECHNOLOGY ABSORPTION

- (i) Efforts in brief, made towards Technology absorption, adaptation and innovation:
The Technology used for manufacturing of products of the Company is fully absorbed and new innovations in process control, product development, cost reduction and quality improvements are being made on continuous basis.
- (ii) Benefits derived as a result of the above Efforts:
Improvement in overall productivity, quality of the products and reduced process scrap and cost.
- (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: The Company has not imported any technology during last three financial years. Hence, the prescribed details are not applicable.
- (iv) The expenditure incurred on Research and Development
Company has incurred expenditure on Research and Development which are mentioned below:

| Particulars | (₹ in Lakhs) | |
|---|--------------|---------|
| | 2023-24 | 2022-23 |
| Investment in Plant and Machinery & Equipment for R & D | 6.25 | 5.37 |
| Recurring R & D Expenditure | 30.90 | 16.38 |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:
- b) Total foreign exchange used and earned:
Used : ₹ 1,748.21 Lakhs
Earned : ₹ 3,087.67 Lakhs

By the order of the Board
For **Lehar Footwears Limited**

Raj Kumar Agarwal
Chairman & Managing Director
DIN: 00127215

Place: Jaipur
Date: 09.08.2024

Management Discussion and Analysis

ECONOMIC OVERVIEW

Global Economy

In 2023, the global economy faced numerous challenges, including geopolitical tension, supply chain disruptions, rising inflation, and higher interest rates, impacting overall growth. Despite these challenges, the global economy demonstrated remarkable resilience. According to the International Monetary Fund (IMF), the global economy achieved an estimated growth of 3.2% in 2023. This growth was driven by resilience in the United States and several large emerging markets and developing economies, as well as fiscal support in China.

Major economies continue to grapple with the challenge of high inflation. In response, central banks worldwide, including the US Federal Reserve, implemented synchronised rate hikes. This prolonged period of tightened monetary policy has successfully reduced inflation faster than anticipated. As a result, global headline inflation averaged 6.8% annually in 2023, down from 8.7% in 2022. It is projected to further decline to 5.9% in 2024 and to 4.5% in 2025.

Looking ahead, the IMF has projected global growth rates of 3.2% for both 2024 and 2025. Advanced economies are expected to grow at 1.7% in 2024 and 1.8% in 2025. In contrast, Emerging and Developing Economies (EMDEs) are anticipated to be the fastest-growing region, with a projected growth rate of 4.2% for both years. This growth in EMDEs will be primarily driven by Emerging and Developing Asia, which is forecasted to grow at 5.2% in 2024 and 4.9% in 2025, led by India and China.

(Source: IMF World Economic Outlook, April 2024)

Indian Economy

Despite the volatile global economic environment, the Indian economy showcased robust resilience. As the world's fifth-largest economy, India is projected to maintain its position as the fastest-growing major economy. According to the Ministry of Statistics and Programme Implementation (MOSPI), the Indian economy exhibited a robust growth rate of 7.6% in FY2023-24, up from 7.0% in FY2022-23. This growth was driven by easing inflation, with CPI inflation declining from 6.7% in FY2022-23 to 5.4% in FY2023-24. Additionally, strong domestic demand, increasing private consumption, and supportive government policies are fuelling India's economic expansion.

The outlook for the Indian economy in the upcoming financial year is promising. The Reserve Bank of India (RBI) has projected a growth rate of 7% for FY2024-25. Meanwhile, the IMF predicts that the Indian economy will grow by 6.8% in 2024 and 6.5% in 2025. This growth is supported by a substantial increase in capital expenditure, with ₹ 11.11

trillion allocated for infrastructure development projects in FY2024-25. Moreover, various government initiatives, such as the Production Linked Incentive (PLI) scheme, the Make in India campaign, and streamlined policies to facilitate trade and investment, including raised FDI limits and enhanced infrastructure facilities, will further bolster the Indian economy.

(Source: Ministry of Statistics and Programme Implementation (MOSPI), IMF World Economic Outlook, April 2024, Budget Speech, Business Standard)

INDUSTRY STRUCTURE AND DEVELOPMENT

Global Footwear Industry

The global footwear market, a dynamic and diverse sector encompassing everything from athletic shoes to high-fashion footwear, was valued at approximately USD 386.73 billion in 2023, up from USD 370.08 billion in 2022, reflecting a 4.5% growth. This increase was driven by a seismic shift in the industry, spurred by a blend of technological innovation and evolving consumer preferences. Furthermore, the industry has enhanced its focus on developing eco-friendly materials and processes to meet the rising consumer demand for sustainable products. The rise of e-commerce and digital platforms has revolutionised customer engagement and sales, offering personalised shopping experiences. Additionally, emerging markets have shown robust growth, fuelled by rising disposable incomes and urbanisation.

Looking ahead, the market is projected to reach approximately USD 549.97 billion by 2031, growing at a CAGR of 4.5%. Key factors driving this growth include changing fashion trends, a continuous evolution of footwear designs, and the influence of social media and digital platforms. Additionally, sports and fitness trends are crucial in driving demand for athletic footwear. With an increasing emphasis on health and wellness, there is a growing interest in sports activities, leading to a rise in sales of performance-oriented athletic shoes. Technological advancements in athletic footwear, such as enhanced cushioning and lightweight materials, also contribute to market growth. E-commerce has revolutionised the way consumers shop for footwear, further propelling the market's expansion.

Indian Footwear Industry

The Indian footwear industry ranks as the second-largest global producer, following China, and contributes 13% to worldwide production while holding a 2.2% share in global exports. Furthermore, this industry is a significant employment generator in India, providing jobs for 4.42 million individuals, with women comprising approximately 40% of the workforce. As one of the largest retail segments in the country, the Indian footwear market was valued at around ₹ 123.5 thousand crore in FY2023-24. However, the revenue growth of the organised

footwear industry's, which saw a significant increase of 28% in FY2022-23, was expected to remain moderate to approximately 7-8% in FY2023-24. This moderation will be driven by slowdown in volume growth and with no significant increase in average selling price (ASP).

Additionally, during the reporting year, the industry encountered compliance-related challenges with regards to the BIS QCO mandate certification for sports shoes, sandals, and slippers. This mandate, initially effective from January 1, 2024, was introduced in July 2023, with the compliance deadline extended to August 2024. As the BIS certification implementation approaches, non-BIS inventory is expected to flood the markets which might impact the margins in the short term. Additionally, exports have shown signs of a slowdown, dropping to 12% in FY2022-23 compared to a 25% growth in the previous financial year. This decline in exports is attributed to high global inflation, which has reduced demand from Europe and the US – markets that constitute three-fourths of India's footwear exports.

The industry is also observing a growing trend of collaborations between fashion and luxury brands with athletic footwear companies. This, coupled with the rise of sneaker culture, has led to an increase in limited edition releases and a thriving resale market.

In contrast to global markets, the Indian footwear industry is predominantly controlled by unorganised local players, with 70% of the market falling into this category. This dominance of unorganised sectors presents significant challenges for organised players, making it difficult for them to compete effectively in terms of pricing and market presence within local and regional markets. However, over the last few years, the Indian footwear industry has experienced a significant shift, with the organised retail segment outperforming the unorganised sector. This shift is driven by the evolving perception of footwear from a utilitarian commodity to a fashion statement, higher aspiration levels, increased participation of women in the workforce, rising demand for branded footwear, exposure to global fashion brands, and the growing popularity of online shopping.

Outlook

The Indian footwear industry is looking at a brighter spot in the near future. The industry is set for substantial growth, expected to reach ₹ 191 thousand crore by 2028 according to a research report by market research firm 1Lattice. This expansion will be fuelled by a surge in demand for non-leather footwear, which is projected to grow from 25% to 75% of the market share. Additionally, there may be a shift in leather shoe production from small-scale, cottage industries to organised entities. Other key drivers include rising disposable incomes, technological advancements, the premiumisation of the industry, changing consumer preferences, and increasing urbanisation.

Despite multiple headwinds like intense competition from the unorganised sector, inadequate logistics and distribution

networks, especially in rural areas hindering market penetration, increasing government regulations, and delayed payment cycles, the organised footwear industry is well positioned to perform well in the future.

During the year of reporting, the Council of Scientific and Industrial Research–Central Leather Research Institute (CSIR–CLRI), which comes under the Ministry of Commerce has submitted recommendations to the Department of Promotion of Industry and Internal Trade (DPIIT) under the Union Ministry of Commerce, for adoption of India's own shoe sizing system. By adopting 'Bha', both users and manufacturers could benefit significantly. Manufacturers would only need to produce eight sizes, eliminating the complexity of half-sizes and improving production efficiency.

On the contrary, shoe moulds and fixtures that already exist with footwear makers according to the UK or US sizes will have to be discarded and an initial investment will have to be made to get them in the 'Bha' sizes. Additionally, manufacturers and retailers will have to potentially destock existing inventory and ramp up production to return back to desired inventory levels. Resistance and confusion among customers due to unfamiliarity might also impact the industry in the short term.

(Source: <https://retail.economicstimes.indiatimes.com/news/apparel-fashion/footwear/india-footwear-market-to-grow-to-rs-191k-cr-by-fy28-report/109125334>)

Emerging Trends in The Footwear Industry

Sustainability & eco-friendly materials: With rising consumer awareness of the environmental impact of their purchases, footwear companies are increasingly exploring sustainable alternatives. These include using recycled materials, vegan leather, animal welfare and sustainable manufacturing processes to minimise their ecological footprint and meet the growing demand for eco-friendly and non-leather products.

E-commerce and Direct-to-Consumer: Online sales and direct-to-consumer models are on the rise in the footwear industry. Many brands are now focussing on building their online presence and bypassing traditional retail channels, allowing them to reach customers directly and efficiently. This shift is reshaping the market dynamics, offering brands greater control over their sales and customer relationships.

Innovation and comfort-first designs: Comfort and functionality are becoming increasingly important to consumers. This trend is reflected in the growing popularity of sports footwear and the incorporation of comfort features in various shoe styles. Brands are responding by designing shoes that not only look good but also provide the support and ease that customers are seeking.

Factors Driving the Footwear Industry Growth

Reducing imports of finished footwear and promoting domestic production: The Indian government has

implemented several measures to reduce footwear imports and promote domestic production. These measures include increasing import duties on finished footwear, proposing an extension of the Production Linked Incentive (PLI) scheme, and supporting the Make in India initiative. Additionally, the establishment of the Footwear Design and Development Institute (FDDI) has enhanced skills and quality in the industry.

Establishing footwear design and R&D centres, especially for non-leather shoes: Indian manufacturers often replicate existing designs instead of creating new ones. To compete globally, they need to enhance their design and product development skills. China has invested in cutting-edge design and R&D centres, leading to new designs, materials, and technologies for shoe production. Similarly, investing in design and R&D centres in India would align local designs with global trends towards sustainability and eco-friendliness. Additionally, R&D can help shift from traditional manufacturing to advanced, automated, and large-scale production techniques. We are managing imports under Free Trade Agreements and regulating low-cost imports.

Rise in disposable income & premiumisation: With the rise in disposable income, consumers are increasingly inclined to spend more on premium products. This trend is particularly evident in the footwear industry, where an emphasis on premiumisation is expected to drive growth. As a result, the market share for premium footwear is projected to increase from approximately 47% in FY2020-21 to around 49% by FY2024-25. This shift highlights the growing preference for high-quality, premium footwear among consumers, reflecting their desire for better quality and more exclusive products.

Increased acceptance of brands: The increased acceptance of brands in the footwear industry has significantly transformed consumer behaviour. As brand consciousness rises, consumers prioritise quality, style, and durability, leading to a surge in demand for branded footwear. This shift has driven growth for established brands and encouraged new entrants to innovate and differentiate their offerings. Brand loyalty also fosters repeat purchases and enhances market stability, making the industry more competitive and dynamic.

Technological Advancement: Investment in research and development, along with the introduction of new technologies and materials that enhance performance, is transforming the footwear industry. A significant advancement is the rise of smart shoes, which are equipped with capabilities to track fitness metrics, monitor health parameters, provide feedback on posture, and even offer GPS navigation for runners. These innovations are not only improving the functionality of footwear but also offering consumers added value through advanced technological features.

Growing Population and Urbanisation. By 2030, India's population is projected to reach approximately 151 crores, creating a substantial opportunity for the footwear

market. This growth is expected to drive a surge in demand, particularly for branded and premium footwear. Also, urbanisation is driving significant changes in the footwear industry, with a growing urban population demanding more diverse and fashionable options as the concentration of retail outlets and e-commerce hubs in urban areas makes it easier for consumers to access a wide range of products, further boosting the industry's growth.

Challenges of the Indian Footwear Industry

Complex inventory management: Effective inventory management is crucial for profit maximisation, as it ensures efficient resource allocation and minimises costs. Excess inventory, on the other hand, leads to higher holding costs, including storage, insurance, and finance charges. By maintaining optimal inventory levels, businesses can reduce overheads, improve cash flow, and enhance overall profitability.

Unorganised sector: Approximately, 70% of the footwear industry is unorganised, presenting significant challenges for organised retailers. This dominance by unorganised local businesses makes it difficult for organised players to compete effectively in terms of pricing and market presence, as they struggle to match the lower costs and extensive reach of their unorganised counterparts.

Low margins due to intense competition: The footwear industry is highly competitive, featuring numerous established brands and new entrants. This intense competition often leads to price wars and puts pressure on profit margins, as companies strive to attract and retain customers in a crowded market.

Labour-intensive manufacturing process: Manufacturing footwear often involves labour-intensive processes, such as cutting, sewing, and assembly. Effectively managing the workforce and the associated costs is crucial to maintaining profitability in this demanding industry.

Company Overview

With over 29 years of experience, Lehar Footwears Limited (referred to as 'Your Company' or LFL) is one of North India's leading mass footwear manufacturers. Your Company specialises in producing trendy and eye-catching designs, offering high-quality products across 1,300+ active SKUs. These include non-leather footwear such as lightweight open-footwear, EVA/PVC/PU injected footwear, Hawaii slippers, school shoes, canvas shoes, sports shoes, and PVC shoes, catering to men's wear, women's wear, and kids' wear segments. Your Company has a market presence in 20+ states through its robust distribution network of 500+ dealers across the nation. Additionally, LFL exports its products to multiple countries in Africa, the Middle East and South East Asia region.

Your Company operates four manufacturing facilities in Rajasthan and two retail stores (factory outlets) in Jaipur, Rajasthan. These integrated manufacturing facilities meet

global standards and are equipped with cutting-edge technology and machinery. By consistently investing in infrastructure, your Company has been able to expand its manufacturing capacity to ~ 6.94 crore pairs per year effectively.

Segment-Wise or Product-Wise Performance

In FY2023-24, your Company sold 1.9 crore pairs of footwear, compared to 2.0 crore pairs in FY2022-23. Revenue is derived from three main sources, with trade distributors being the largest contributor, accounting for 49% of revenue in 2023-24, followed by revenue from government tenders and exports, contributing ~30% and ~21% respectively.

Operational Performance

During the year of reporting, the company witnessed ~120% growth in export sales while the domestic distribution channel remained stable on the back of regulatory changes, a decline in discretionary spending in rural and semi-urban geographies, higher competition, demonstrating resilience in adverse market conditions. Additionally, the government sales channel experienced a decline of approximately 20% in FY2023-24, particularly in the second half of the year, attributed to the state and central elections.

Following are the key operational highlights during the year:

- Your Company's export sales grew by ~120% in FY2023-24, reaching ~₹ 37 crores. Our presence expanded into the

Middle East and Africa, unlocking a sizeable new TAM. We have increased our market share in these regions through partnerships with distributors, retailers, and wholesalers, and by developing targeted products for international clients

- Domestic distribution sales remained stable in FY2023-24 on account of stagnant discretionary spending in rural and semi-urban markets
- Operating margins improved by 240 bps, rising from 7.0% in FY2022-23 to 9.4% in FY2023-24, driven by cost optimisation, stable raw material prices, and a favourable sales mix
- The 'Chalti Chale Lehar' campaign, featuring Govinda, continues to boost customer outreach, brand visibility, and emotional connection
- The government sales channel saw a dip of approximately 20% in FY2023-24, particularly in the second half of the year, due to state and central elections
- The Government of India has granted your company financial aid totalling ₹ 3.6 crores for publicity campaigns and brand promotion. This funding, part of a larger assistance package of ₹ 9 crores to be received over three years, is provided under the 'Brand Promotion of Indian Brands in Footwear and Leather Sector' sub-scheme of the Indian Footwear and Leather Development Programme (IFLDP).

Financial Performance (₹ in Lakhs)

| Particulars | FY2023-24 | FY2022-23 | Variance (%) |
|--------------------------|-----------|-----------|--------------|
| Operating Revenue | 19,426.04 | 20,254.87 | -4.09% |
| Total Income | 19,508.81 | 20,330.87 | -4.04% |
| EBITDA | 1,907.92 | 1,500.70 | 27.14% |
| Interest | 584.89 | 502.14 | 16.48% |
| Depreciation | 432.83 | 346.12 | 25.05% |
| Profit/(Loss) Before Tax | 890.20 | 652.44 | 36.44% |
| Tax | 234.57 | 139.45 | 68.21% |
| Net Profit/(Loss) | 655.81 | 512.99 | 27.84% |

Key Financial Ratios

| Particulars | FY2023-24 | FY2022-23 |
|---------------------------|-----------|-----------|
| Debtors Days | 97 days | 135 days |
| Inventory Days | 119 days | 104 days |
| Creditor Days | 101 days | 135 days |
| Current Ratio (times) | 2.3x | 3.3x |
| Debt Equity Ratio (times) | 0.7x | 0.7x |
| Operating Margin (%) | 9.4% | 7.1% |
| ROE (%) | 6.4% | 5.8% |
| ROCE (%) | 8.2% | 7.0% |

In the FY 2023-24, your Company saw significant growth in various financial metrics. Revenue from operations stands at ₹ 194.3 crores from ₹ 202.6 crores, marking a decline of 4.1%. On the other hand, the EBITDA has showcased a robust growth of 31.7%, reaching ₹ 18.3 crores compared to ₹ 13.9 crores in the previous year. This growth indicates the operational efficiency of your Company. The EBITDA margins improved by 250 bps in FY2023-24 and stand at 9.4% against 6.9% in the previous fiscal year which is led by improved product mix, operational efficiency and higher contribution from export sales.

Profit Before Tax rose to ₹ 8.9 crores from ₹ 6.5 crores in the preceding year, showing a robust growth of 37%. While, Profit After Tax for FY2023-24 was ₹ 6.6 crores, compared to ₹ 5.1 crores in FY2022-23, demonstrating a growth of 29.4%.

Additionally, during FY2023-24, your Company has raised ₹ 7.9 crores by way of conversion of 20,14,000 equity share warrants to an equal number of equity shares to warrant allottees.

Outlook

Lehar Footwear is poised for robust growth and enhanced market presence in the upcoming fiscal year, driven by strategic initiatives and a commitment to innovation. Your Company is undertaking a comprehensive remodelling of its sales and distribution strategy, focusing on the identification of key markets, regular reviews of the distribution network, and expanding its on-field sales team. This proactive approach ensures that Lehar Footwear can efficiently reach its target customers and adapt swiftly to market changes.

Additionally, your Company is actively participating in government tenders, leveraging opportunities to secure large-scale contracts that will bolster its revenue stream and establish a stronger foothold in the institutional market. This strategic engagement aligns with Lehar Footwear's goals of diversifying its portfolio and capitalising on stable and recurring business opportunities.

Product innovation remains at the core of Lehar Footwear's strategy, with a specific emphasis on catering to the evolving requirements of export as well as domestic customers. By developing tailored products that meet globally accepted standards and preferences, Lehar Footwear aims to expand its total addressable market and drive business growth from existing as well as new geographies. This focus on customisation and quality positions the company as a competitive player in the industry, ready to seize emerging opportunities and achieve sustained success.

Risks and Concerns

Effective risk management is integral to implementing successful strategies and achieving operational objectives. Your Company recognises the inherent nature of certain risks and strives to balance managing these risks with capitalising on opportunities. Operating in the footwear industry, your

Company faces risks such as intense competition from both local players and international brands. The wide range of product offerings provides a competitive advantage. Additionally, your Company is expanding its market presence by strengthening its retail presence and distribution network.

Your Company is also exposed to the risk of fast-changing consumer trends, where an inability to respond to customer expectations can adversely impact the business. To mitigate this, your Company ensures its products are trendy, featuring eye-catching designs updated with the latest fashion trends. Furthermore, LFL faces the risk of talent retention in a highly competitive market and must protect its data from the risk of loss or theft as technology advances. To counter these risks, LFL offers attractive and competitive compensation packages, provides clear career progression paths, and has implemented robust cybersecurity protocols.

Your Company regularly monitors its major risks and concerns, taking appropriate steps, in consultation with relevant Board committees, to identify and mitigate these risks.

Human Resources/Industrial Relations

LFL believes that robust Human Resource Management ensures success through high performance and a customer-centric culture with happy, value-oriented employees. Its HR strategy and plans are deeply rooted in its organisational goals, emphasising the overall development of its employees. Consequently, employee training is aimed at the systematic development of knowledge, skills, aptitude, and teamwork. Training is designed to develop personal skills necessary for current job performance and to prepare employees for future growth. Recruitment processes within your Company are maintained according to established procedures and business requirements. Additionally, your Company has implemented various initiatives to enhance employee engagement and commitment. As of March 31, 2024, its total employees including contractual employees stood at 318 people.

Internal Control Systems and Their Adequacy

Your Company has an adequate and structured internal control system suited to the size, nature, and complexity of its business. This system includes authorisation levels, supervision, checks and balances, and procedures detailed through documented policy guidelines and manuals. It ensures that all transactions are authorised, recorded, and reported correctly, adhering to applicable policies and regulations. Operational managers exercise control over business processes through operational systems, procedural manuals, and financial limits of authority manuals, which are regularly reviewed and updated to enhance systems and operational efficiency. Your Company places prime importance on an effective internal audit system.

The internal control system is supplemented by internal audits, regular management reviews, and well-documented policies. Your Company's independent internal audit system monitors all operations and services. Its observations and recommendations are reviewed by the management and

the Audit Committee of the Board, which takes appropriate corrective measures as necessary.

Cautionary Statement

Statements in this report describing the Company's objectives, projections, estimates and expectations may constitute 'forward-looking statements' within the meaning of applicable laws and regulations that involve risks and

uncertainties. Such statements represent the intention of the management and the efforts being put in place by them to achieve certain goals. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Therefore, the investors are requested to make their own independent assessments and judgements by considering all relevant factors before making any investment decision.

Corporate Governance Report

In accordance with Regulation 34(3) read with Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations') the details of compliance by the Company with the norms on Corporate Governance are as under:

The Corporate Governance standards established (and updated from time to time) by the Board of the Company provide a structure within which directors and the Management can effectively pursue the Company's objectives for the benefit of its stakeholders.

COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Corporate Governance is an integral part of Company's philosophy. Corporate Governance is the application of best management practices, compliance of laws and adherence to ethical standards to achieve the Company's objective of enhancing shareholders and stakeholders' value. The Company's philosophy on the 'Code of Governance' is based on compliance of applicable provisions and requires exchange of relevant information and appropriate disclosures to each group of stakeholders, connected with the area of common interest/stake between the Company and the Stakeholder. Apart from complying with the statutory requirements, effective systems and practices towards improving transparency and internal controls have been institutionalised. The Company firmly believes that

corporate governance standards should go beyond the law and must satisfy the spirit of law and not just the letter of the law. This is a way of life at Lehar Footwears Limited and is driven relentlessly across the organisation.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

The details of 'Lehar Footwear' board structure and the various committees that constitute the governance structure of the organisation are covered in detail in this report.

COMPOSITION OF BOARD OF DIRECTORS

As on 31st March, 2024, the Company has Six Directors. Out of the Six Directors, three (i.e., 50 percent) are Non-Executive Directors Independent Directors including woman director. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and 152 of the Act.

The Board is at the core of our Corporate Governance practice and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. We believe that an active, well - informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

a) Composition of the Board:

As on 31st March, 2024, the Composition of Board of Directors is as follows:

COMPOSITION OF BOARD AND DIRECTORSHIP/COMMITTEE MEMBERSHIPS AS ON 31ST MARCH, 2024

| S. No. | Name of Directors | Category | No. of Directorship(s) held in other Public Limited Companies (including this)* | No. of Committee(s) position held in other Companies (including this)* | | Directorship in other listed entity (Category of Directorship) |
|--------|----------------------|------------------------------------|---|--|--------|---|
| | | | | Chairman | Member | |
| 01. | Raj Kumar Agarwal | Chairman & Managing Director | 01. Lehar Footwears Limited | 0 | 1 | 0 |
| 02. | Pramod Kumar Agarwal | Executive Director | 01. Lehar Footwears Limited | 0 | 0 | 0 |
| 03. | Naresh Kumar Agarwal | Whole Time Director | 01. Lehar Footwears Limited | 1 | 2 | 0 |
| 04. | Sandeep Kumar Jain | Non-Executive Independent Director | 01. Lehar Footwears Limited 02. Shree Rajasthan Syntex Ltd | 3 | 6 | 1 (Non-Executive Independent Director)- Shree Rajasthan Syntex Ltd. |

| S. No. | Name of Directors | Category | No. of Directorship(s) held in other Public Limited Companies (including this)* | No. of Committee(s) position held in other Companies (including this)* | | Directorship in other listed entity (Category of Directorship) |
|--------|-------------------|------------------------------------|--|--|--------|---|
| | | | | Chairman | Member | |
| 05. | Preeti Goyal | Non-Executive Independent Director | 01. Lehar Footwears Limited | 0 | 3 | 0 |
| 06. | Dileep Kumar Jain | Non-Executive Independent Director | 01. Lehar Footwears Limited 02. Rajasthan Consultancy Organisation Limited 03. Supriya Lifescience Ltd 04. Manglam Build-Developers Limited | 1 | 3 | 1 (Non-Executive Independent Director)- Supriya Lifescience Ltd |

*Excludes directorships in (1) Private Limited Companies (2) Section 8 Companies (3) Companies incorporated outside India and (4) Alternate Directorships.

b) Disclosure of Relationships between Directors inter-se:

| SI No. | Name of the Director | Category | Relationship between Directors inter-se* |
|--------|--------------------------------|------------------------------------|---|
| 1. | Raj Kumar Agarwal | Chairman & Managing Director | Brother of Mr. Pramod Kumar Agarwal and Uncle of Mr. Naresh Kumar Agarwal |
| 2. | Pramod Kumar Agarwal | Executive Director | Brother of Mr. Raj Kumar Agarwal and Uncle of Mr. Naresh Kumar Agarwal |
| 3. | Naresh Kumar Agarwal | Whole Time Director | Nephew of Mr. Raj Kumar Agarwal and Mr. Pramod Kumar Agarwal |
| 4. | Sandeep Kumar Jain | Non-Executive Independent Director | NA |
| 5. | Preeti Goyal | Non-Executive Independent Director | NA |
| 6. | Dileep Kumar Jain ¹ | Non-Executive Independent Director | NA |

* Relative as per Section 2(77) of the Act.

¹ Mr. Dileep Kumar Jain has been appointed as a non-executive independent director for the term of five years w.e.f. 27th September, 2023.

Apart from the relations mentioned hereinabove, there is no inter-se relation among the Directors of the Company.

NUMBER OF BOARD MEETING AND ATTENDANCE OF DIRECTORS

During the year under review, Nineteen Board Meetings were held on 05th April, 2023; 03rd May, 2023; 23rd May, 2023; 12th June, 2023; 19th July, 2023; 28th July, 2023; 07th August, 2023; 23rd August, 2023; 01st September, 2023; 03rd October, 2023; 06th November, 2023; 15th November, 2023; 30th November, 2023; 18th December, 2023; 19th January, 2024; 07th February, 2024; 29th February, 2024; 07th March, 2024; and 27th March, 2024 and the time gap between two meetings did not exceed 120 days. All statutory and other important items/information placed before the Board for approval/review.

| Directors' Attendance Record for the year ended 31 st March, 2024 | | | | | | | |
|--|------------------------------------|----------|------------------------------------|--|--|--------------------------------|--|
| S. No. | Name of Directors | DIN | Designation of Director | No. of Board Meetings held during the year | No. of Board Meetings entitled to attend | No. of Board Meetings attended | Attended the last AGM held on 27.09.2023 |
| 1 | Mr. Raj Kumar Agarwal ¹ | 00127215 | Chairman & Managing Director | 19 | 19 | 16 | Yes |
| 2 | Mr. Pramod Kumar Agarwal | 00108167 | Executive Director | 19 | 19 | 19 | Yes |
| 3 | Mr. Naresh Kumar Agarwal | 00106649 | Wholetime Director | 19 | 19 | 18 | Yes |
| 4 | Mr. Sandeep Kumar Jain | 01116047 | Non-Executive Independent Director | 19 | 19 | 6 | Yes |

Directors' Attendance Record for the year ended 31st March, 2024

| S. No. | Name of Directors | DIN | Designation of Director | No. of Board Meetings held during the year | No. of Board Meetings entitled to attend | No. of Board Meetings attended | Attended the last AGM held on 27.09.2023 |
|--------|-------------------------------------|----------|------------------------------------|--|--|--------------------------------|--|
| 5 | Mrs. Preeti Goyal | 07109775 | Non-Executive Independent Director | 19 | 19 | 14 | No |
| 6 | Mr. Dileep Kumar Jain ² | 00380311 | Non-Executive Independent Director | 19 | 10 | 6 | NA |
| 7 | Mr. Saral Sudhir Saraf ³ | 08216764 | Non-Executive Independent Director | 19 | 9 | 0 | No |

¹Designated as chairman of the Company in continuation of their existing post i.e., Managing Director w.e.f. 01.09.2023.

²Appointed w.e.f.27.09.2023 in the annual general meeting.

³Resigned due to preoccupation w.e.f. 30.09.2023 and there were no other material reasons other than those provided by him.

The number of Directorships, Committee Membership(s)/Chairmanship(s) of all Directors is within the limits as prescribed under the Act and the SEBI Listing Regulations.

The Board is primarily responsible for the overall direction of the Company's activities. All the Directors have a good understanding of important business aspects.

INFORMATION SUPPLIED TO THE BOARD AMONG OTHERS

The day to day business is conducted by the officers and the managers of the Company under the control & supervision of Managing Director/Executive Director of the Company. The Board generally meets every quarter to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company. The Board performs the following specific functions in addition to its other functions:

- Review, monitor and approve major financial and business strategies and corporate actions.
- Assess critical risks facing the Company, review options for their mitigation.
- Provide counsel on the selection, evaluation, development and compensation of senior management.

The Board has complete access to all the relevant information of the Company. The quantum and quality of information supplied by the management to the Board goes well beyond the minimum requirement stipulated under Companies Act, 2013, Secretarial Standard on the meetings of the Board issued by Institute of Company Secretaries of India and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Directors may seek necessary clarification from the management on any information provided to them and also have the right to seek external legal advice as may be required for the performance of their duties.

SKILLS/EXPERTISE COMPETENCE OF BOARD OF DIRECTORS

| SI No. | Skills/Expertise/Competencies identified by the board of directors as required in the context of the business and sector(s) to function effectively | Status of availability with the Board | |
|--------|---|---|---|
| 1 | Understanding of Business/Industry | Experience and knowledge of Manufacturing and Recycling associated businesses | P |
| 2 | Strategy and strategic planning | Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's policies and priorities. | P |
| 3 | Critical and innovative thoughts | The ability to critically analyse the information and develop innovative approaches and solutions to the problems. | P |
| 4 | Financial Understanding | Ability to analyse and understand the key financial statements, assess financial viability of the projects and efficient use of resources. | P |

| SI No. | Skills/Expertise/Competencies identified by the board of directors as required in the context of the business and sector(s) to function effectively | Status of availability with the Board |
|--------|--|---------------------------------------|
| 5 | Market Understanding Understanding of market scenario related to the business segment in which company is working. | P |
| 6 | Risk and compliance oversight Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance and monitor risk and compliance management frameworks. | P |

| Name of Director | Areas of Expertise | | | | | |
|----------------------|-------------------------------------|---------------------------------|----------------------------------|-------------------------|----------------------|-------------------------------|
| | Understanding of Business/ Industry | Strategy and strategic planning | Critical and innovative thoughts | Financial Understanding | Market Understanding | Risk and compliance oversight |
| Raj Kumar Agarwal | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Pramod Kumar Agarwal | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Naresh Kumar Agarwal | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Sandeep Kumar Jain | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Preeti Goyal | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Dileep Kumar Jain | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code for Independent Directors under Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, a separate meeting of the Independent Directors of the Company was held on 07.02.2024 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties. The Independent Directors found the performance of Non-Independent Directors (including Chairman) and the Board as well as flow of information between the Management and the Board to be satisfactory. All independent directors were present in the meeting.

FORMAL LETTER OF APPOINTMENT TO THE INDEPENDENT DIRECTORS

The Company has issued appointment letters as per provisions of Schedule IV of the Act to the Independent Directors on their appointment containing the detailed terms and conditions of their appointment, role, duties and liabilities, evaluation process, code of conduct, etc. The format of letter of appointment issued to the Independent Directors has been posted on the Company's website at www.leharfootwear.com. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Companies Act, 2013, SEBI Regulations and are independent of the management.

INDUCTION & TRAINING OF BOARD MEMBERS (FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS)

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, during the financial year 2023-24, the Company imparted

Familiarisation Programme to Independent Directors to familiarise them about their roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, review of investments of the Company, business model of the Company, Prohibition of Insider Trading Regulations, SEBI Listing Regulations, etc. The details of the familiarisation programme are available on the website of the Company.

Each newly appointed Director is taken through a formal induction program including the presentation from the Chairman, Managing Director, CEO & Executive Director on the Company's manufacturing, marketing, finance and other important aspects and information is available at www.leharfootwear.com.

BRIEF NOTE ON THE DIRECTOR SEEKING RE-APPOINTMENT AT THE AGM

As required under Regulation 36(3) of SEBI Listing Regulations, the Company has furnished information relating to the Director retiring by rotation and seeking re-appointment in the Notice convening the 30th AGM. Shareholders may kindly refer to the same. The names of the companies in which the Director hold directorships and the details of membership of committees of the Board are given separately in the Notice convening the 30th AGM.

EVALUATION OF THE BOARD'S PERFORMANCE

The Board has a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest,

adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

COMMITTEE OF THE BOARD

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and needs a closer review. The Board Committees are formed with approval of the Board and function under their respective defined roles. These Board Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. To ensure good governance, the minutes of the Committee meetings are placed before the Board for its review.

The Board has constituted the following Committees:

Audit Committee

Your Company has a duly constituted Audit Committee and its composition meets the requirement of Section 177 of Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The audit Committee of the Company comprised Two Non-Executive Independent Director and One Executive Director and Chairperson of the Committee is Independent Director. All members of the Committee are financially literate and have accounting or related financial management expertise as mandated by Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure correct, sufficient and credible financial information.
2. Recommending to the Board appointment, remuneration and terms of appointment of auditors of the listed entity.
3. Approving payment to statutory auditors for any other services rendered by them.
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgement by the management;

- iv) Significant adjustments made in financial statements arising out of audit findings;
 - v) Compliance with listing and other legal requirements relating to financial statements;
 - vi) Disclosure of any related party transactions; and
 - vii) Qualifications in draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
 6. Monitoring and reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
 7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
 8. Approval or any subsequent modification of transactions of the Company with related parties
 9. Scrutiny of inter-corporate loans and investments
 10. Valuation of undertakings or assets of the Company, wherever it is necessary
 11. Evaluation of internal financial controls and risk management systems
 12. Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems
 13. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit
 14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
 15. Discussion with internal auditors of any significant findings and follow-up thereon
 16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
 17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern

18. To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
 19. To review the functioning of the Vigil Mechanism and Whistle Blower mechanism and Approval of appointment of the CFO (i.e., the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 21. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries
 22. Reviewing the following information:
 - i) The Management Discussion and Analysis of financial condition and results of operations;
 - ii) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- iii) Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - iv) Internal audit reports relating to internal control weaknesses; and
 - v) Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor/internal auditor(s)

The Audit Committee has the following powers:

- I. To investigate any activity within its terms of reference.
- II. To seek information from any employee.
- III. To obtain outside legal or other professional advice.
- IV. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Composition, Meetings & Attendance:

As on 31st March, 2024, the Audit Committee comprised of 1 (One) Executive Director and 2 (two) Non-Executive Independent Directors. The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Audit Committee attended the last 29th AGM held on 27th September, 2023.

The details of the composition, meetings and attendance of the members of the Audit Committee are as follows:

| Sl No. | Name of the Directors | Position | No. of meetings attended | Date of meetings |
|--------|--------------------------|-------------|--------------------------|--|
| 1. | Mr. Sandeep Kumar Jain | Chairperson | 5 out of 5 | 03.05.2023; |
| 2. | Mr. Naresh Kumar Agarwal | Member | 5 out of 5 | 23.05.2023; |
| 3. | Mrs. Preeti Goyal | Member | 5 out of 5 | 07.08.2023; 06.11.2023; 07.02.2024 |

Nomination And Remuneration Committee

The Company has a duly constituted Nomination & Remuneration Committee, which amongst others is responsible for identifying and recommending persons who are qualified to become directors or appointed as part of senior management of the Company and laying down remuneration policy.

Terms of Reference:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal
2. To carry out evaluation of every Director's performance
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
4. To formulate the criteria for evaluation of Independent Directors and the Board
5. To devise a policy on Board diversity
6. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria
7. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable
8. To perform such other functions as may be necessary or appropriate for the performance of its duties.

Composition & Meeting:

As on 31st March, 2024, the Nomination and Remuneration Committee comprised of 3 (Three) Non-Executive Directors, 3 (three) of whom are Independent Directors. The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Nomination and Remuneration Committee attended the last 29th AGM held on 27th September, 2023.

The details of the composition, meetings and attendance of the members of the Nomination and Remuneration Committee are as follows:

| SI No. | Name of the Directors | Position | No. of meetings attended | Date of meetings |
|--------|-------------------------------------|-------------|--------------------------|------------------|
| 1. | Mr. Sandeep Kumar Jain | Chairperson | 1 out of 1 | 01.09.2023 |
| 2. | Mr. Saral Sudhir Saraf ¹ | Member | 0 out of 1 | |
| 3. | Mrs. Preeti Goyal | Member | 1 out of 1 | |
| 4. | Mr. Dileep Kumar Jain ² | Member | NA | |

¹ Ceased to be a member w.e.f. 30th September, 2023.

² Appointed as member w.e.f. 03rd October, 2023.

Performance Evaluation Criteria

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Directors which are as under-

Areas of Evaluation

- Fulfilment of responsibilities as a director as per the Companies Act, 2013, SEBI Listing Regulations, 2015 and applicable Company policies and practices.
- In case of the concerned Director being Independent Director, Executive Director, Chairperson of the Board or Chairperson or Member of the Committees with reference to such status and role.
- Board and/or Committee meetings attended.
- General Meetings attended.

Remuneration To Directors

- a) There was no pecuniary relationship or transaction between the Non-Executive Directors and the company during the financial year 2023-24.
- b) The Non-executive Directors does not have any other material pecuniary relationship or transactions with the Company during the year. The Company does not pay any Remuneration to the Non-Executive Directors
 - i. The Non-executive Directors did not have any other material pecuniary relationship or transactions with the Company during the year.
 - ii. No Remunerations was paid to the Non-Executive Directors during the Financial Year 2023-24.
 - iii. Sitting fees were paid to the Non-Executive Directors for attending Board Meetings or Committee Meetings during the Financial Year 2023-24: -
 - Mr. Sandeep Kumar Jain- ₹ 1.20 lakhs
 - Mr. Dileep Kumar Jain- ₹ 0.60 lakhs
 - iv. No commission has been paid to any Director.
 - v. Severance Fees: NIL
 - vi. Number of Equity Shares held by Non-Executive Directors: NIL
 - vii. An Independent Director shall not be entitled to any stock option of the Company.
 - viii. The appointment is subject to termination by giving notice in writing on either side.
- c) Details Of the Remuneration Paid to Directors for The Year Ended on 31st March, 2024

The details of the remuneration paid during the year 2023-24 to the Managing/Executive Director(s) are as follows:

Directors' Remuneration for the year ended 31st March, 2024

| Name of Director | Relationship with directors | Business Relationship with the company | Remuneration paid during 2023-24 (Amount In lakh) | | | |
|--------------------------|---|--|--|--|--|-------------------------------|
| | | | All element of remuneration package i.e. salary, benefit, bonuses, pensions etc. | Fixed components and performance linked incentives along with performance criteria | Service contract, Notice Period, severance fee | Stock options details, if any |
| Mr. Raj Kumar Agarwal | Brother of Mr. Pramod Kumar Agarwal and Uncle of Naresh Kumar Agarwal | Managing Director | 41.32 | - | - | - |
| Mr. Pramod Kumar Agarwal | Brother of Mr. Raj Kumar Agarwal & Uncle of Mr. Naresh Kumar Agarwal | Executive Director | 36.29 | - | - | - |
| Mr. Naresh Kumar Agarwal | Nephew of Mr. Pramod Kumar Agarwal & Mr. Raj Kumar Agarwal | Whole Time Director | 41.32 | - | - | - |

- The appointment is subject to termination by giving notice in writing on either side.
- The Company does not have at present any scheme for grant of Stock Options to its Directors or Employees.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is responsible amongst others to resolve the grievances of the security holders of the Company.

Composition & Meeting:

As on 31st March, 2024, the Stakeholders' Relationship Committee comprised of 3 (Three) Non-Executive Directors, 3 (three) of whom are Independent Directors. The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Stakeholders' Relationship Committee attended the last 29th AGM held on 27th September, 2023.

The details of the composition, meetings and attendance of the members of the Stakeholders' Relationship Committee are as follows:

| Sl No. | Name of the Directors | Position | No. of meetings attended | Date of meetings |
|--------|-------------------------------------|-------------|--------------------------|------------------|
| 1. | Mr. Sandeep Kumar Jain | Chairperson | 1 out of 1 | 07.02.2024 |
| 2. | Mr. Saral Sudhir Saraf ¹ | Member | 0 out of 0 | |
| 3. | Mrs. Preeti Goyal | Member | 1 out of 1 | |
| 4. | Mr. Dileep Kumar Jain ² | Member | 1 out of 1 | |

¹ Ceased to be a member w.e.f. 30th September, 2023.

² Appointed as member w.e.f. 03rd October, 2023.

All the appointment made by the company are as required under the SEBI Listing Regulations. Ms. Ritika Poddar is the Company Secretary and Compliance Officer of the Company.

Queries and Complaints received during the financial year ended 31st March, 2024

| Nature of Query/Complaint | No. of Queries/Complaints | | |
|---|---------------------------|----------|---------|
| | Received | Attended | Pending |
| Received from security holders for non- receipt of balance sheet/ dividends/shares in demat suspense account etc | Nil | Nil | Nil |
| Received from regulatory bodies such as Ministry of Corporate Affairs, Securities and Exchange Board of India and Stock Exchanges | Nil | Nil | Nil |

Corporate Social Responsibility Committee

The CSR Committee has been constituted by the Board of Directors on 23rd May, 2023. The details of the composition, meetings and attendance of the members of the Corporate Social Responsibility Committee are as follows:

| Sl No. | Name of the Directors | Position | No. of meetings attended | Date of meetings |
|--------|--------------------------|-------------|--------------------------|------------------|
| 1. | Mr. Naresh Kumar Agarwal | Chairperson | 1 out of 1 | 07.02.2024 |
| 2. | Mr. Raj Kumar Agarwal | Member | 1 out of 1 | |
| 3. | Mr. Sandeep Kumar Jain | Member | 1 out of 1 | |

Terms of Reference:

- (a) To formulate and recommend to the Board a Corporate Social Responsibility Policy, which shall be placed before the Board for its approval;
- (b) To formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -
 - (i) The list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
 - (ii) The manner of execution of such projects or programs as specified in sub-rule (1) of rule 4 of the CSR Rules
 - (iii) The modalities of utilisation of funds and implementation schedules for the projects or programs,
 - (iv) Monitoring and reporting mechanism for the projects or programs, and
 - (v) Details of need and impact assessment, if any, for the projects undertaken by the company.
- (c) To review and recommend the amount of expenditure to be incurred on the activities referred herein-above:
- (d) To monitor the Corporate Social Responsibility Policy of the company from time to time;
- (e) Adhere to Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force).
- (f) All other activities as informed or delegated by the Board of Directors from time to time.

Risk Management Committee

The Board of Directors has framed a Risk Management Policy for identification, assessment, monitoring, mitigation and reporting of risks and minimisation procedures. The provision of the formation of Risk Management Committee is applicable only to 1000 listed companies by market capitalisation.

GENERAL BODY MEETINGS

Details of Annual General Meetings held during last three years, are as follows:

LOCATION AND TIME OF ANNUAL GENERAL MEETINGS

| Financial Year | Venue | Date | Time | Special Resolution Passed for |
|----------------|--|--------------------|-----------|--|
| 2022-23 | A-243 A Road No 6, V. K. I. Area, Jaipur- 302013 RJ. | September 27, 2023 | 10.30 A.M | <ol style="list-style-type: none"> 1. Re-appoint of Mr. Naresh Kumar Agarwal (DIN: 00106649) as Whole Time Director of the Company. 2. Revision of Remuneration Payable to Executive Directors 3. Appointment of Mr. Dileep Kumar Jain (DIN: 00380311) as an Independent Director |
| 2021-22 | A-243 A Road No 6, V. K. I. Area, Jaipur- 302013 RJ. | September 29, 2022 | 10.30 A.M | <ol style="list-style-type: none"> 1. Increase in authorised share capital and alternation in Clause No. V of the Memorandum of Association of the company. 2. Appointment of Mr. Sandeep Kumar Jain (DIN: 01116047) as an Independent Directors of the Company. 3. Appointment of Mr. Saral Sudhir Saraf (DIN: 08216764) as an Independent Directors of the Company. |
| 2020-21 | A-243 A Road No 6, V. K. I. Area, Jaipur- 302013 RJ. | September 28, 2021 | 10.30 A.M | <ol style="list-style-type: none"> 1. Re-Appointment of Mr. Raj Kumar Agarwal as Managing Director of The Company 2. Revision of Remuneration Payable to Executive Directors |

EXTRAORDINARY GENERAL MEETING

No Extraordinary General Meeting held in the F.Y. 2023-24.

POSTAL BALLOT

During the year pursuant the provision of the section 110 of the company's act, 2013, read with Companies (Management and Administration) Rules, 2014, no resolution has been passed through Postal Ballot in the Company.

MEANS OF COMMUNICATION

The Company interacts with its investors through multiple forms of corporate and financial communications such as annual reports, result announcements. Quarterly results are usually published in English and Hindi daily newspapers, viz., Financial Express, Nafa Nuksaan and Business Remedies. These results are also made available on the website of the Company www.leharfootwear.com and also posted at the online portal of BSE. No presentation has been made to Institutional Investors / Analysts by the Company. The Management Discussion and Analysis (MD&A) forms part of the Annual Report.

GENERAL SHAREHOLDERS INFORMATION

| Financial Year | Date of meetings |
|--|--|
| 30 th Annual General Meeting Day, Date and Time | Tuesday, September 10, 2024 at 11:00 A.M. |
| Venue | A-243 (A) Road No: 6 V.K.I. Area, Jaipur 302013 |
| Financial Year | The Financial Year of the Company starts from April 1 of every year to March 31 of the next year |
| Book Closure | Wednesday, September 04, 2024 to Tuesday, September 10, 2024 |
| Dividend Payment date | The Company will remit the dividend within a period of 30 days from the date of declaration and the required funds will be transferred to the Dividend Account within 5 days from the date of the AGM. |
| Listing on Stock Exchange(s) | BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001. |
| Stock Code (BSE) | 532829 |
| ISIN No. | INE976H01018 |
| Depository Connectivity | NSDL and CDSL |
| Annual Listing Fees and Custodial Fees | The listing fees and custodial fees for the Financial Year 2023-24 have been paid by the Company within the stipulated time. |
| Registrar and share Transfer Agent | Bigshare Services Pvt. Ltd. Registered Office-E-3 Ansa Industrial, Estatesaki Vihar Road Sakinaka Mumbai -400072 MH Corporate Office- Office No S6-2, 6 th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai, Maharashtra, 400093 |

DIVIDEND REMITTANCE

Dividend on equity shares as recommended by the Board for the year ended 31st March 2024, when declared at the ensuing 30th AGM will be paid:

- i. In respect of shares held in electronic form, to those persons whose names appear as beneficial owners in the statement(s) furnished by the Depositories as on the close of the market day prior to start of book closure and

Members may please note that the dividend warrants shall be payable at par at the designated branches of the bank for an initial period of three months. The Members are therefore advised to encash dividend warrants within the initial validity period of three months. After expiry of initial validity period, bank draft will be issued against cancellation of warrants upon request of the shareholders, if any.

DISCLOSURES

1. There were no transactions of material nature with related parties during the year that had potential conflict with the interest of the Company at large.
2. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;
Company has complied with the requirements of the Stock Exchange(s)/SEBI and statutory authorities on all matters related to capital markets. There were no penalties or strictures imposed on the Company by the Stock Exchange(s), SEBI or any statutory authority in any matter related to capital markets.
3. The Company has adopted Vigil Mechanism and Whistle Blower Policy and the same is uploaded on the website of the Company at www.leharfootwear.com. All the personnel of the Company have the access to the Audit Committee.
4. The Company has framed Related Party Transaction Policy and available on the website of the Company <https://www.leharfootwear.com/policies-codes>.
5. During the financial year ended 31st March, 2024 the company did not engage in commodity hedging activities.

6. The Company is in compliance with corporate governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
7. Proceeds from Public Issues, Rights Issue, Preferential Issues, Qualified Institutional Placement etc: The Company has not raised any money through issue of Securities by means of Public Issue, Rights Issue, Qualified Institutions Placement etc. during the financial year ended 31st March 2024 except conversion of warrants into equity shares.
9. All the recommendations of the committees are accepted by the Board.
10. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'- Not Applicable on the Company.
11. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

The details of utilisation of funds are given hereunder:

| Particulars | Amount in Lakhs |
|---|-----------------|
| Funds raised through allotment of 6,66,500 fully paid-up equity shares against conversion of equal number of warrants on 12 th June, 2023 (A) | 259.94 |
| Funds raised through allotment of 4,85,000 fully paid-up equity shares against conversion of equal number of warrants on 19 th January, 2024 (B) | 189.15 |
| Funds raised through allotment of 8,62,500 fully paid-up equity shares against conversion of equal number of warrants on 27 th March, 2024 (C) | 336.38 |
| Total Funds raised till 31 st March 2024 (A+B+C) | 785.46 |
| Funds utilised during the year ended 31 st March 2024 | 785.46 |

There is no deviation or variation in the use of proceeds from the preferential issue of warrants, from the objects as stated in the Explanatory Statement to the Notice of the EGM dated 12th October, 2022.

Further, the purpose for which these proceeds were raised has been fulfilled as of 31st March, 2024. As of the same date, there are no outstanding convertible warrants and no remaining proceeds.

Pursuant to the approval of the Board at its meeting held on 16th September, 2022 and approval of the members of the Company at their Extra-Ordinary General Meeting ('EGM') held on 12th October, 2022, upon receipt of 25% of the issue price per warrant (i.e., ₹ 13 per warrant) as upfront payment ("Warrant Subscription Price"), the Company, on 11th November, 2022 has allotted 40,00,000 (Forty Lakh) warrants, on preferential basis to the Promoter/Promoter Group of the Company and certain identified non-promoter persons/entity, at a price of ₹ 52 each payable in cash ("Warrant Issue Price"). Each warrant, so allotted, is convertible into one fully paid-up equity share of the Company having face value of ₹ 10 (Rupee Ten only) each in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, on payment of the balance consideration of ₹ 39 per warrant ("Warrant Exercise Price"), being 75% of the issue price per warrant from the Allottees pursuant to exercise of conversion option against each such warrant, within 18 months from the date of allotment of warrants.

During the financial year 2022-23 the Company has allotted 19,86,000 fully paid-up equity shares against conversion of equal no. of warrants exercised by the warrant holder upon receipt of balance 75% of the issue price (i.e., ₹ 39 per warrant).

Subsequently during the financial year 2023-24, the Company on 12th June 2023, 19th January, 2024 and 27th March, 2024 upon receipt of balance 75% of the issue price (i.e., ₹ 39 per warrant) for 20,14,000 warrants, has allotted equal no. of fully paid-up equity shares against conversion of said warrants exercised by the warrant holder.

There is no deviation or variation in the use of proceeds from the preferential issue of warrants, from the objects as stated in the Explanatory Statement to the Notice of the EGM dated 12th October, 2022.

8. Certificate from a Company Secretary in Practice confirming that the directors are not debarred or disqualified by SEBI/MCA or any statutory authority is published as an "Annexure-(a)" to this Report.

12. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

| | |
|--|-----|
| Number of complaints filed during the Financial Year | Nil |
| Number of complaints disposed of during the Financial Year | Nil |
| Number of complaints pending as on end of the Financial Year | Nil |

COMPLIANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Discretionary Requirements

A. The Board

Since the Company does not have a Non-Executive Chairman, it does not maintain such office.

B. Shareholder Rights

Yearly financial results are forwarded to the Stock Exchanges and uploaded on the website of the Company on www.leharfootwear.com like quarterly results, shareholding patterns etc.

C. Modified opinion(s) in audit report

During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements.

D. Separate posts of chairperson and chief executive officer

The post of the Chairman of the Company and the CEO are held by different persons.

E. Reporting of internal auditor

The Chief Internal Auditor of the Company attends the meeting of the Audit Committee on regular basis. Internal audit findings are reported directly to the Audit Committee.

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day-to-day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings/behaviours of any form and the Board has laid down the directives to counter such acts. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with

MARKET PRICE DATA (BSE)*

Details of high and low price and the number of shares traded during each month in the last financial year on BSE Limited are as under:

| Month | Volume (Nos.) | High Price | Low Price |
|--------|---------------|------------|-----------|
| Apr-23 | 1,88,431 | 99.50 | 75.00 |
| May-23 | 14,01,183 | 143.35 | 91.25 |
| Jun-23 | 2,82,745 | 142.00 | 120.00 |
| Jul-23 | 4,33,072 | 159.35 | 122.10 |
| Aug-23 | 6,15,977 | 179.00 | 130.40 |
| Sep-23 | 3,32,388 | 178.95 | 155.85 |
| Oct-23 | 5,00,554 | 178.90 | 146.65 |
| Nov-23 | 2,81,846 | 169.50 | 140.00 |
| Dec-23 | 2,78,997 | 158.00 | 132.00 |
| Jan-24 | 6,01,324 | 155.00 | 133.35 |
| Feb-24 | 5,14,716 | 145.00 | 123.65 |
| Mar-24 | 4,59,602 | 138.80 | 122.25 |

*Source: www.bseindia.com

stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

A declaration signed by the Chief Executive Officer to this effect is enclosed at the end of this Report as "**Annexure-(b).**" The Code of Conduct for the Independent Directors is in line with the provisions of Section 149(8) and Schedule IV of the Act and contains brief guidance for professional conduct by the Independent Directors.

DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements. There are no audit qualifications in the Company's financial statements for the year under review.

DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year-1/400
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year- Nil
- Number of shareholders to whom shares were transferred from suspense account during the year- Nil
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year-1/400
- That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2024

| Particulars | No. of Shares held | % of shareholding |
|--|--------------------|-------------------|
| Promoters | 12888625 | 72.9044 |
| Financial Institutions, Banks and Mutual Funds | 0 | 0.00 |
| Trusts/Clearing Members | 2765 | 0.0156 |
| Corporate Bodies other than promoters | 626940 | 3.5463 |
| Indian Public | 4081244 | 23.0855 |
| NRI/OCBs | 78825 | 0.4459 |
| Unclaimed or Suspense or Escrow Account | 400 | 0.0023 |
| Total | 17678799 | 100.00 |

INVESTORS' SERVICE AND SHARE TRANSFER SYSTEM

Bigshare Services Pvt. Ltd. is the registrar and transfer agent of the Company. All share transfers and related operations are conducted by registrar and transfer agent of the Company, which is registered with Securities and Exchange Board of India. The Company has a Stakeholders' Relationship Committee for redressing the complaints/queries of shareholders and investors.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

Pursuant to Regulation 76 of SEBI (Depositories and Participants) Regulation, 2018, a Practising Company Secretary shall carry out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon are submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

DISTRIBUTION OF SHAREHOLDING (IN RUPEES) AS ON 31ST MARCH, 2024

| Shareholding of Nominal (₹) | Number of shareholders | % of Total Holders | Total Holding | % of Total |
|-----------------------------|------------------------|--------------------|-----------------|-----------------|
| 001-500 | 5215 | 83.0018 | 670464 | 3.7925 |
| 501-1000 | 468 | 7.4487 | 376808 | 2.1314 |
| 1001-2000 | 276 | 4.3928 | 400758 | 2.2669 |
| 2001-3000 | 86 | 1.3688 | 217379 | 1.2296 |
| 3001-4000 | 42 | 0.6685 | 149873 | 0.8478 |
| 4001-5000 | 39 | 0.6207 | 183108 | 1.0357 |
| 5001-10000 | 53 | 0.8435 | 378648 | 2.1418 |
| 10001 & above | 104 | 1.6553 | 15301761 | 86.5543 |
| | 6283 | 100.0000 | 17678799 | 100.0000 |

DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are currently traded only in dematerialised form at The Bombay Stock Exchange Limited to facilitate trading in dematerialised form, the Company has tied up arrangements with both the present depositories viz. National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL). As on 31st March, 2024 about 100.00% of the Company's shares were held in dematerialised form.

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

There are no outstanding warrants pending as on 31st March, 2024 and The Company has not issued any American depository receipts or global depository receipts.

CERTIFICATION OF CORPORATE GOVERNANCE REPORT

Certificate from Practising Company Secretaries on Corporate Governance, as required by Regulation 34 of SEBI (LODR), Regulations, 2015, is annexed to this report as "Annexure-(c)".

CEO/CFO CERTIFICATION

The Certificate required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015, duly signed by the Chief Executive Officer and Chief Financial Officer of the Company was placed before the Board of Directors of the Company. The Certificate is annexed to this report as "Annexure-(d)".

FEES TO STATUTORY AUDITOR

Total fees for all services paid by the listed entity, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part was ₹ 9.66 lakhs /- plus taxes for the year under review.

CREDIT RATINGS

During the financial year 2023-24, on the basis of recent development including operational and financial performance of the Company, Credit Rating Agency- CRISIL has assigned stable rating as follows:

| Facilities | Ratings |
|---------------------------|--------------------|
| Long Term Bank Facilities | CRISIL BBB-/Stable |

PLANT LOCATION

The Company has the following manufacturing and operating divisions

UNIT 1 A-243 (A), Road No. 6, V. K. I. Area, Jaipur – 302013

UNIT 2 G-1-685, Road No. 9F2, V. K. I. Area, Jaipur – 302013

UNIT 3 F-263, Road No.13, V. K. I. Area, Jaipur – 302013

UNIT 4 SP-41D, Kaladera Industrial Area, Tehsil Chomu, District Jaipur

UNIT 5 A 85 A, Road No. 9, VKI Area, Jaipur, Rajasthan, 302013

ADDRESS FOR CORRESPONDENCE FOR SHARE TRANSFER AND RELATED MATTERS

For any assistance regarding dematerialisation of Shares, Transfer/Transmission of shares, change of address or any other query relating to shares, the investors may please contact with the Registrar & Share Transfer Agent of the Company at the following address:

Big Share Services Pvt Ltd (RTA)

Registered Office-E-3 Ansa Industrial, Estatesaki Vihar Road Sakinaka, Mumbai-400072 MH

Corporate Office- Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai, Maharashtra, 400093

Ph.91-22-4043 0200 Fax No: 91-22-2847 5207

E-mail: investor@bigshareonline.com

For any other query the investors may please contact to:

Company Secretary & Compliance Officer

Lehar Footwears Limited

CIN: L19201RJ1994PLC008196

Registered Office: - A-243(A) Road No.6 V.K.I. Area, Jaipur - 302013 (Rajasthan)

Tel No: 91-141-415 7777

E-mail: csco@leharfootwear.com

By the order of the Board

For **Lehar Footwears Limited**

Raj Kumar Agarwal

Chairman & Managing Director

DIN: 00127215

Place: Jaipur

Date: 09.08.2024

Annexure-(a) of the Corporate Governance Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
Members

Lehar Footwears Limited

A-243 (A) Road No.6 , V.K.I. Area Jaipur Rajasthan 302013

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Lehar Footwears Limited having CIN: L19201RJ1994PLC008196 and having registered office at A-243 (A) Road No.6 , V.K.I. Area Jaipur Rajasthan 302013 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| S. No. | Name of Director | DIN | Date of appointment in Company |
|--------|----------------------|----------|--------------------------------|
| 1. | NARESH KUMAR AGARWAL | 00106649 | 31/03/1994 |
| 2. | RAJ KUMAR AGARWAL | 00127215 | 31/03/1994 |
| 3. | PREETI GOYAL | 07109775 | 26/03/2015 |
| 4. | PRAMOD KUMAR AGARWAL | 00108167 | 29/09/2022 |
| 5. | SANDEEP KUMAR JAIN | 01116047 | 29/09/2022 |
| 6. | SARAL SUDHIR SARAF* | 08216764 | 29/09/2022 |
| 7. | DILEEP KUMAR JAIN** | 00380311 | 27/09/2023 |

*Resigned from close of business hours on September 30, 2023

**Appointed w.e.f. September 27, 2023

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Gaurav Goyal

Practicing Company Secretary
UDIN: F013147F000634713
FCS 13147 C.P. No.22052
Peer Review No. 2799/2022

Place: Jaipur
Date: 28.06.2024

Annexure-(b) of the Corporate Governance Report

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To
Members
Lehar Footwears Limited

Dear Sir/Madam,

Sub: Declaration by the Chief Executive Officer under Regulation 34(3) read with Schedule V (D) of SEBI (LODR) Regulations, 2015

I, Mr. Sanjay Kumar Agarwal, Chief Executive Officer of the Company do and hereby acknowledge and confirm that during the financial year 2023-24, to the best of my knowledge and belief, the Board of Directors and senior management have not violated any of the provisions of the Code of Conduct as applicable to the Executive Directors and Members of Senior Management of the Company or any policies or legal/regulatory requirement of the Company, directly or indirectly applicable to the job or responsibility.

By the order of the Board
for **Lehar Footwears Limited**

Sanjay Kumar Agarwal
Chief Executive Officer

Place: Jaipur
Date: 09.08.2024

Annexure-(c) of the Corporate Governance Report

CERTIFICATE ON COMPLIANCE WITH THE REGULATIONS OF CORPORATE GOVERNANCEFor the Financial Year Ended 31st March, 2024

To
Members
Lehar Footwears Limited
A-243 (A) Road No.6 , V.K.I. Area Jaipur Rajasthan 302013

1. I, Gaurav Goyal, Company Secretary in Practice, the Secretarial Auditor of Lehar Footwears Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time (the "Listing Regulations").

MANAGEMENT'S RESPONSIBILITY FOR COMPLIANCE WITH THE CONDITIONS OF SEBI LISTING REGULATIONS

2. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations

AUDITOR'S RESPONSIBILITY

3. My responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. I have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. I have conducted our examination in accordance with the Guidance Note on Corporate Governance Certificate and the Guidance Manual on Quality of Audit & Attestation Services issued by the Institute of Company Secretaries of India ("ICSI").

OPINION

6. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned SEBI Listing Regulations during the year ended 31st March 2024.
7. I Further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

RESTRICTION ON USE

8. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Place: Jaipur
Date: 28.06.2024

CS Gaurav Goyal
Practicing Company Secretary
UDIN: F013147F000634724
FCS 13147 C.P. No.22052
Peer Review No. 2799/202

Annexure-(d) of the Corporate Governance Report

CEO/CFO Certification

To
The Board of Directors
Lehar Footwears Limited

We, Sanjay Kumar Agarwal, Chief Executive Officer and Rakesh Kumar Soni, Chief Financial Officer of Lehar Footwears Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed Financial Statements and Cash Flow Statements for the Financial Year ended 31st March, 2024.
2. To the best of our knowledge and information:
 - i. These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to auditors and the audit committee:
 - a. Significant Changes in internal control over financial reporting during the year, if any.
 - b. Significant changes in accounting policies during the year, if any and same have been disclosed in the notes to the financial statements.
 - c. Any instances of significant fraud of which we are aware, that involve the management or other employees who have a significant role in the company's internal control system.
6. We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistle blowers from unfair termination and other unfair or prejudicial employment practices.
7. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

By the order of the Board
for **Lehar Footwears Limited**

Sanjay Kumar Agarwal
Chief Executive Officer

Rakesh Kumar Soni
Chief Financial Officer

Place: Jaipur
Date: 09.08.2024

Independent Auditor's Report

To
The Members of
Lehar Footwears Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the Standalone Financial Statements of **Lehar Footwears Limited** ("the Company"), which comprise the balance sheet as at 31st March, 2024 and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Financials Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024 and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

| Key Audit Matter | Auditor's Response |
|---|--|
| <p>Revenue Recognition:</p> <p>Revenue is one of the key profit drivers. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year</p> | <p>Our audit procedures with regard to revenue recognition included testing controls, around dispatches / deliveries, inventory reconciliations and substantive testing for cut-offs and analytical review procedures.</p> |
| <p>Discounts and Incentives:</p> <p>Discounts and incentives to dealers / customers are administered through various schemes including incentives. These are material items of business cost. The calculation of the amount of expense to be recognized is both voluminous, complex and involves significant judgement. There is a risk that such expense for discounts and incentives may be inaccurately recognized.</p> | <p>Our audit procedures included assessment of the design and implementation of controls, in addition to testing the effectiveness of key controls in respect of recognition of the expenses for such discounts and incentives. We have considered each significant type of discount recognized and assessed the appropriateness of the judgement applied while recognizing the expenses including the methodology and inputs used in calculating the amount and in some cases, re-performed the calculation. Our audit procedures also included verification of appropriate authorization, analytical review and actual charge for the year and review of historical trends in respect.</p> |

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this audit report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact, since these reports are expected to be made available to us after the date of this audit report hence currently, we have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue

as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company to express an opinion on the statement.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure I** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to adequacy of Internal Financial Controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure II**. Our report expresses an Unmodified Opinion on the adequacy and operating effectiveness of the company internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 39 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that Refer Note No 43.5 to the financial statements, to the best of its knowledge and belief, no funds have

been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b) The management has represented Refer Note No. 43.5 to the financial statements, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing

has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (A) and (B) above contain any material misstatement.

- v. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has continuously from 8th April, 2023 to for all relevant transactions recorded in the software. However the feature that Edit Log cannot be disabled is currently not available in software version used by the company. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

For **A. Bafna & Co.**
Chartered Accountants
FRN:- 003660C

(CA Vivek Gupta)

Partner

M.No. 400543

UDIN: 24400543BKCXRS1298

Place: Jaipur

Date: 30th May, 2024

Annexure I to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Lehar Footwears Limited on the standalone financial statements for the year ended 31st March, 2024, we report that:

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of Intangible assets.
 - b) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, Plant & Equipment are verified at least once in three years. Pursuant to this program, Property, Plant and Equipment were physically verified by the Management during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanation given to us and on the basis of our examination of records of the company, the title deed of the immovable properties (Other than properties where the company is a lessee & the lease agreement is dully executed in favor of the lessee) disclosed in the financial statements are held in the name of the company as at the balance sheet date.
 - d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. a) The inventory has been physically verified during the year by the management. In our opinion, the frequency together with coverage & procedure

of verification are reasonable, further the management has not found discrepancies of more than 10% or more in the aggregate for each class of inventory.

- b) According to the information and explanation given to us and on the basis of our examination of records of the company, the company has been sanctioned working capital limits in excess of five crores, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the company with such bank or financial institutions are generally in agreement with the books of accounts of the company and no material deviations were observed.
3. The Company has not made investment in any other company during the year and has not provided has provided loans to other entities, however it has not provided any guarantee or security for such loans, in this regards: -
 - (A) The Company has not Provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to subsidiaries, joint ventures and associates.
 - (B) (a) The company has not made investment in, provided any guarantee or security, secured or unsecured to companies, firms, LLP or any other parties, however it has provided loans to other parties, details for the same are given below:

| S. No. | Amount Given and received back | Aggregate Maximum O/s of loan given during the Year | O/s balance as on 31.03.2024 |
|--------|--------------------------------|---|------------------------------|
| 1. | 1000.00 Lacs | 1000.00 Lacs | 34.37 Lacs |

- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally being regular as per stipulation.

- (d) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and securities.
5. The company has not accepted any deposits under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, and as such the question of compliance under the Companies Act or any other directives or orders does not arise.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
7. In respect of statutory dues:
- a) In our opinion, the Company has been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2024 for a period of more than six months from the date they become payable.
- b) According to the information and explanation given to us the dues referred to in sub-clause (a) which have not been deposited on 31st March, 2024 on account of any dispute, are as follows:
8. According to the explanations and information given to us by the management and as verified by us, there are no transactions which were not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9. a) According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any financial institution or banks or lender.
- b) According to the records of the company examined by us and as per the information and explanations given to us, The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) According to the records of the company examined by us and as per the information and explanations given to us, term loans availed by the company have been used for the purpose for which they were raised.
- d) According to the records of the company examined by us and as per the information and explanations given to us, on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) According to the records of the company examined by us and as per the information and explanations given to us, on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate companies.
- f) According to the records of the company examined by us and as per the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause (ix) (f) of the Order is not applicable to the Company.
10. (a) The Company has not raised money(s) by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable. (b) During the year, the company has

not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year, however during the year under review the company has allotted shares against share warrants issued in earlier years as per pre-determined conversion price as applicable at the time of issuance of concerned warrants on a preferential basis and the requirements of the Companies Act, 2013 in this regard have been complied with and the funds raised have been used for the purposes for which the funds were raised.

11. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
 - a) We have considered the internal audit reports of the company issued till date, for the period under audit.
15. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. According to information & explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934
 - a) According to information & explanation given to the company has not conducted any NBFC business during the year, hence, reporting under clause 3(xvi)(b) of the Order is not applicable.
 - b) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
 - c) The group does not have more than one CIC.
17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither, give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. According to the information and explanations given to us by the management, and on the basis of our examination of the records of the company, the company has spent the entire amount as per the requirement of section 135 of the Companies Act, 2013, and therefore sub-clauses (a) and (b) of clause (xx) of para 3 are not applicable.
21. The reporting under clause 3(xxi) is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **A. Bafna & Co.**
Chartered Accountants
FRN: 003660C

(CA Vivek Gupta)
Partner

Place: Jaipur
Date: 30th May, 2024

M. No. 400543
UDIN: 24400543BKCXRS1298

Annexure II To The Independent Auditor's Report

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Lehar Footwears Limited (hereinafter referred to as "the Company") as of 31st March, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of

internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial

Reporting issued by the Institute of Chartered Accountants of India.

For **A. Bafna & Co.**
Chartered Accountants
FRN: 003660C

(CA Vivek Gupta)

Partner

M. No. 400543

UDIN: 24400543BKCXRS1298

Place: Jaipur

Date: 30th May, 2024

Balance Sheet

as at 31st March, 2024

| | | (₹ in Lakhs) | | |
|------------|---|--------------|------------------------------------|------------------------------------|
| S. No. | Particulars | Note No. | As at 31 st March, 2024 | As at 31 st March, 2023 |
| I | ASSETS | | | |
| (1) | Non-current assets | | | |
| | (a) Property, Plant & Equipment | 3 | 8,017.58 | 7,238.46 |
| | (b) Capital work-in-progress | 4 | 0.00 | 410.86 |
| | (c) Intangible Asset | 5 | 18.50 | 0.31 |
| | (d) Right to Use | 6 | 63.63 | 102.38 |
| | (e) Financial Assets | | | |
| | (i) Other Financial Assets | 8 | 38.69 | 53.30 |
| | (f) Investments | 9 | 0.10 | - |
| | (g) Other non-current assets | 10 | 84.58 | 147.74 |
| | Total Non-current Asset | | 8,223.08 | 7,953.04 |
| (2) | Current assets | | | |
| | (a) Inventories | 11 | 6,335.59 | 5,748.06 |
| | (b) Financial Assets | | | |
| | (i) Trade Receivable | 12 | 5,179.30 | 7,517.33 |
| | (ii) Cash and Cash Equivalents | 13 | 79.13 | 146.20 |
| | (iii) Bank Balances other than above | 14 | 253.55 | 346.39 |
| | (iv) Loans & Advances | 7 | 2.96 | 3.04 |
| | (v) Other Financial Asset | 8 | 446.88 | 168.46 |
| | (c) Other current assets | 10 | 1,495.70 | 563.37 |
| | Total Current Asset | | 13,793.11 | 14,492.85 |
| | Total Assets | | 22,016.19 | 22,445.89 |
| II. | EQUITY AND LIABILITIES | | | |
| (1) | EQUITY | | | |
| | (a) Equity Share capital | 15 | 1,767.88 | 1,566.48 |
| | (b) Other Equity | 16 | 8,462.10 | 7,319.75 |
| | Total Equity | | 10,229.98 | 8,886.23 |
| (2) | Non-current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 17 | 1,077.86 | 1,488.18 |
| | (ii) Lease Liabilities | 18 | 31.65 | 67.56 |
| | (b) Provisions | 19 | - | 0.02 |
| | (c) Deferred tax liabilities (Net) | 20 | 847.32 | 845.18 |
| | Total Non-current Liabilities | | 1,956.83 | 2,400.94 |
| (3) | Current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 21 | 5,602.11 | 4,960.26 |
| | (ii) Lease Liabilities | 18 | 38.26 | 38.26 |
| | (iii) Trade Payables | | | |
| | Total outstanding dues of Micro Small and Medium Enterprises | 22 | 465.61 | 194.78 |
| | Total outstanding dues of other than Micro Small and Medium Enterprises | 22 | 2,961.10 | 5,226.50 |
| | (iv) Other Financial Liabilities | 23 | 364.18 | 225.62 |
| | (b) Provisions | 19 | 262.80 | 203.46 |
| | (c) Other current liabilities | 24 | 135.32 | 309.84 |
| | Total Current Liabilities | | 9,829.38 | 11,158.72 |
| | Total Liabilities | | 11,786.21 | 13,559.66 |
| | Total Equity and Liabilities | | 22,016.19 | 22,445.89 |

Notes forming part of Financial Statements

1 to 46

As per our Report of even date

For A.Bafna & Company

Chartered Accountants

FRN: 003660C

(CA Vivek Gupta)

Partner

M.No. 400543

Date: 30th May, 2024

Place: Jaipur

For and on behalf of Board of Directors

LEHAR FOOTWEARS LIMITED

Raj Kumar Agarwal

(Managing Director)

DIN: 00127215

Sanjay Agarwal

(CEO)

Naresh Kumar Agarwal

(Executive Director)

DIN: 00106649

Rakesh Kumar Soni

(CFO)

Ritika Poddar

(Company Secretary)

Statement of Profit & Loss

for the year ended 31st March, 2024

| (₹ in Lakhs) | | | | |
|--------------|--|----------|--|---|
| S. No. | Particulars | Note No. | Year ended 31 st March 2024 | Year ended 31 st March, 2023 |
| I. | Revenue from operations | 25 | 19,426.04 | 20,254.87 |
| II. | Other income | 26 | 82.77 | 76.00 |
| III. | Total Revenue (I + II) | | 19,508.81 | 20,330.87 |
| IV. | Expenses: | | | |
| | Cost of Materials Consumed | 27 | 9,837.83 | 10,325.12 |
| | Purchases of Stock-in-Trade | | 2,744.43 | 4,925.40 |
| | Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 28 | (182.37) | (596.29) |
| | Employee Benefits Expense | 29 | 1,121.72 | 953.50 |
| | Finance costs | 30 | 584.89 | 502.74 |
| | Depreciation and amortization expense | 31 | 432.83 | 346.12 |
| | Other expenses | 32 | 4,079.28 | 3,221.84 |
| | Total expenses | | 18,618.61 | 19,678.43 |
| V. | Profit before exceptional items and tax (III-IV) | | 890.20 | 652.44 |
| VI. | Exceptional items | | - | - |
| VII. | Profit before tax (V- VI) | | 890.20 | 652.44 |
| VIII. | Tax expense: | | | |
| | (1) Current tax | 33 | 232.26 | 164.28 |
| | (2) Deferred tax | 33 | 2.13 | (24.83) |
| | Total Tax Expenses | | 234.40 | 139.45 |
| IX | Profit (Loss) for the period | | 655.81 | 512.99 |
| | Other Comprehensive Income | | | |
| (a) | (i) Items that will not be reclassified subsequently to profit or loss | | | |
| | Remeasurement of Defined Employee Benefit Plans | | 1.45 | 5.85 |
| | Revaluation of Land | | - | - |
| | (ii) Income tax relating to items that will not be reclassified subsequently to profit or loss | | (0.37) | (1.54) |
| (b) | (i) Items that will be reclassified subsequently to profit or loss | | - | - |
| | (ii) income tax relating to items that will be reclassified subsequently to profit or loss | | - | - |
| | Total Other Comprehensive income | | 1.08 | 4.31 |
| | Total Comprehensive Income for the year | | 656.89 | 517.30 |
| X | Earnings per equity share: | | | |
| | (1) Basic | 34 | 4.02 | 3.72 |
| | (2) Diluted | 34 | 4.02 | 3.72 |
| | Notes forming part of Financial Statements | 1 & 46 | | |

As per our Report of even date

For A.Bafna & Company

Chartered Accountants

FRN: 003660C

(CA Vivek Gupta)

Partner

M.No. 400543

Date: 30th May, 2024

Place: Jaipur

For and on behalf of Board of Directors

LEHAR FOOTWEARS LIMITED

Raj Kumar Agarwal

(Managing Director)

DIN: 00127215

Sanjay Agarwal

(CEO)

Naresh Kumar Agarwal

(Executive Director)

DIN: 00106649

Rakesh Kumar Soni

(CFO)

Ritika Poddar

(Company Secretary)

Cash Flow Statement

for the year ended 31st March, 2024

| Particulars | (₹ in Lakhs) | |
|---|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| A. Cash flow from Operating Activities | | |
| Profit before income tax | 890.20 | 652.44 |
| Adjustment for | | |
| Depreciation and amortisation expenses | 432.83 | 346.12 |
| Finance Costs | 584.89 | 502.74 |
| Adjustment on Sale / Discard of Asset | 2.93 | (11.04) |
| IDLS Subsidy Income | (25.47) | (30.39) |
| Brand Promotion Subsidy | - | |
| Acturial Gain/Loss | 1.45 | 5.85 |
| Interest Income | (53.50) | (11.88) |
| Change in operating assets and liabilities | | |
| (Increase)/Decrease in inventories | (587.53) | (1,268.59) |
| (Increase)/Decrease in trade receivables | 2,338.03 | (3,522.20) |
| (Increase)/Decrease in financial assets | (263.72) | (87.86) |
| (Increase)/Decrease in current assets | (932.33) | 103.70 |
| Increase/(Decrease) Provisions | 2.83 | (11.65) |
| Increase/(Decrease) other current liabilities | (2,030.97) | 3,237.84 |
| Cash generated from operations | 359.64 | (94.92) |
| Income Tax paid | (175.77) | (119.82) |
| Net cash flow from operating activities | 183.87 | (214.74) |
| B. Cash flow from Investing Activities | | |
| Purchase for property, plant and equipments | (822.15) | (1,230.24) |
| Sale of Property, Plant and Equipments | 38.39 | 20.05 |
| Advance Paid for Capital Goods | 63.16 | (29.05) |
| Change in other bank balance and cash not available for immediate use | 92.84 | (176.99) |
| Investment in Subsidiary | (0.10) | - |
| Interest Income | 53.50 | 11.88 |
| Net cash flow from investing activities | (574.36) | (1,404.35) |
| C. Cash flow from financing activities | | |
| Proceeds realised from issue of shares and share warrents | 785.46 | 1,294.54 |
| Increase in Short Term Borrowings | 584.16 | 607.36 |
| Increase in Long Term Borrowings | (352.63) | 87.43 |
| Finance Costs | (576.41) | (500.13) |
| Dividend Paid | (72.91) | - |
| Interest Liability on Lease | (8.48) | (2.61) |
| Payment of Principal portion of Lease Liability | (35.77) | (11.60) |
| Net cash flow from financing activities | 323.42 | 1,474.99 |
| Net increase / (decrease) in cash and cash equivalents | (67.07) | (144.11) |
| Cash and cash equivalents at the beginning of the year | 146.20 | 290.31 |
| Cash and cash equivalents at the end of the year | 79.13 | 146.20 |

As per our Report of even date

For A.Bafna & Company

Chartered Accountants

FRN: 003660C

For and on behalf of Board of Directors

LEHAR FOOTWEARS LIMITED
(CA Vivek Gupta)

Partner

M.No. 400543

Raj Kumar Agarwal

(Managing Director)

DIN: 00127215

Naresh Kumar Agarwal

(Executive Director)

DIN: 00106649

 Date: 30th May, 2024

Place: Jaipur

Sanjay Agarwal

(CEO)

Rakesh Kumar Soni

(CFO)

Ritika Poddar

(Company Secretary)

Statement of Changes in Equity

for the year ended 31st March, 2024

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particular | Note | As at | As at |
|--|------|------------------------------|------------------------------|
| | | 31 st March, 2024 | 31 st March, 2023 |
| Balance as at the Beginning of the Period | | 1,566.48 | 1,367.88 |
| Changes in Equity Share Capital due to Prior Period errors | | - | - |
| Restated Balance as at the beginning of the Period | | 1,566.48 | 1,367.88 |
| Changes in equity share capital during the year | 10 | 201.40 | 198.60 |
| Balance as at the end of the Period | | 1,767.88 | 1,566.48 |

B. OTHER EQUITY

(₹ in Lakhs)

| Particular | Reserve & Surplus | | | | Items of Other Comprehensive income | | Money received against Share Warrants | TOTAL |
|---|--------------------------|-----------------|------------------|-----------------|-------------------------------------|--|---------------------------------------|-----------------|
| | Security Premium Reserve | General Reserve | Retained Earning | Deferred Income | Revaluation Surplus | Remeasurement of net defined benefit Plans | | |
| Balance as at 1st April, 2022 | 660.53 | 100.15 | 2,156.19 | 241.31 | 2,556.83 | 21.89 | - | 5,736.90 |
| Changes in accounting policy or prior period errors | - | - | 22.01 | - | - | (22.01) | - | - |
| Restated balance as the beginning of the period | 660.53 | 100.15 | 2,178.20 | 241.31 | 2,556.83 | (0.12) | - | 5,736.90 |
| Dividends | - | - | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | 512.99 | - | - | - | - | 512.99 |
| Revaluation Reserve Created During the Year | - | - | - | - | - | - | - | - |
| Receipt of Capital Subsidy from FDDI | - | - | - | - | - | - | - | - |
| Deferred Income recognition during the period | - | - | - | (30.39) | - | - | - | (30.39) |
| Remeasurement of Defined Benefit Plans Made during the year | - | - | - | - | - | 5.85 | - | 5.85 |
| Share Premium on Issue of Shares against Share Warrant | 834.12 | - | - | - | - | - | - | 834.12 |
| Money Received Against Share warrant during the year | - | - | - | - | - | - | 261.82 | 261.82 |
| Amount transfer from Deferred Tax Liability to Revaluation Reserve | - | - | - | - | - | - | - | - |
| Amount transfer from Deferred Tax Liability on Remeasurement of Defined Benefit Plans | - | - | - | - | - | (1.54) | - | (1.54) |
| Balance as at 31st March, 2023 | 1,494.65 | 100.15 | 2,691.19 | 210.92 | 2,556.83 | 4.18 | 261.82 | 7,319.75 |
| Balance as at 1st April, 2023 | 1,494.65 | 100.15 | 2,691.19 | 210.92 | 2,556.83 | 4.18 | 261.82 | 7,319.75 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - |
| Restated balance as the beginning of the period | 1,494.65 | 100.15 | 2,691.19 | 210.92 | 2,556.83 | 4.18 | 261.82 | 7,319.75 |
| Dividends | - | - | (73.49) | - | - | - | - | (73.49) |
| Transfer to retained earnings | - | - | 655.81 | - | - | - | - | 655.81 |

Statement of Changes in Equity

for the year ended 31st March, 2024

| Particular | (₹ in Lakhs) | | | | | | | TOTAL |
|---|--------------------------|-----------------|------------------|-----------------|-------------------------------------|--|---------------------------------------|-----------------|
| | Reserve & Surplus | | | | Items of Other Comprehensive income | | Money received against Share Warrants | |
| | Security Premium Reserve | General Reserve | Retained Earning | Deferred Income | Revaluation Surplus | Remeasurement of net defined benefit Plans | | |
| Revaluation Reserve Created During the Year | - | - | - | - | - | - | - | - |
| Receipt of Subsidy | - | - | - | - | - | - | - | - |
| Deferred Income recognition during the period | - | - | - | (25.47) | - | - | - | (25.47) |
| Remeasurement of Defined Benefit Plans made during the year | - | - | - | - | - | 1.45 | - | 1.45 |
| Share Premium on Issue of Shares against Share Warrant | 845.88 | - | - | - | - | - | - | 845.88 |
| Money Received Against Share warrant during the year | - | - | - | - | - | - | 785.46 | 785.46 |
| Amount transfer from Money Received against Share Warrants to Equity Share Capital and Security Premium | - | - | - | - | - | - | (1,047.28) | (1,047.28) |
| Amount transfer from Deferred Tax Liability on Remeasurement of Defined Benefit Plans | - | - | - | - | - | - | - | - |
| Balance as at 31st March, 2024 | 2,340.53 | 100.15 | 3,273.51 | 185.45 | 2,556.83 | 5.63 | - | 8,462.10 |

As per our Report of even date
For A.Bafna & Company
 Chartered Accountants
 FRN: 003660C

For and on behalf of Board of Directors
LEHAR FOOTWEARS LIMITED

(CA Vivek Gupta)
 Partner
 M.No. 400543

Raj Kumar Agarwal
 (Managing Director)
 DIN: 00127215

Naresh Kumar Agarwal
 (Executive Director)
 DIN: 00106649

Date: 30th May, 2024
 Place: Jaipur

Sanjay Agarwal
 (CEO)

Rakesh Kumar Soni
 (CFO)

Ritika Poddar
 (Company Secretary)

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

1. CORPORATE INFORMATION

"Lehar Footwears Limited" (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The company is engaged in manufacturing and selling of a reputed brand "LEHAR" footwear in domestic and overseas market.

The Board of Directors approved the Financial Statements for the year ended 31st March, 2024 and authorised for issue on 30th May, 2024.

2. MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period and land has been carried at revalued amount, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Functional and Presentation Currency

The financial statements are prepared in Indian Rupees ("INR") which is the Company's presentation currency and the functional currency for its operations. All financial information presented in INR has been rounded to the nearest lakhs with two decimal places unless stated otherwise.

2.3 Use of Estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgments and estimates relating to carrying value of assets and liabilities include useful lives of Property, plant and equipment, impairment of Property, plant and equipment, investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

2.4 Classification of Assets and Liabilities as Current and Non Current

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realization in cash and cash equivalent, the Company has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5 Recognition of Revenue and Expenditure

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Sale of Goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate method. Interest income is included under the head "Other Income" in statement of profit and loss.

Export Incentive

Duty drawback is recognized on the accrual basis whereas MEIS/Rodtep credit income is recognized on receipt basis.

Expenses

All expenses are charged in statement of profit and loss as and when they are incurred.

2.6 Property, Plant & Equipment

Property, plant and equipment (except land) are stated at cost comprising of purchase price and any initial directly attributable cost of bringing the asset to its working condition for its intended use, less accumulated depreciation (other than land) and impairment loss, if any. The Land has been carried at revalued amount and revaluation is carried out at reasonable period.

Depreciation is provided for property, plant and equipment on a straight line method so as to expenses the cost less residual value over their useful lives assets as prescribed in Schedule II of the Companies Act, 2013 except Dies & Moulds. The useful life of Dies & Moulds has been assessed as per the technical assessment of the management. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

Depreciation is not recorded on capital work-in progress until construction and installation is completed and the asset is for intended use.

2.7 Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of software licenses which are amortised over license period which equates the useful life on a straight line basis over the period of its economic useful life.

2.8 Inventory

Inventories consists of Raw Material, Work In Progress, Finished Goods, Stores & Spares and Packing Materials.

Inventories are valued at the lower of cost or net realisable value. Cost is determined on weighted average basis.

Raw materials, Stores & Spares & Packing material: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition on the weighted average basis.

Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity on a weighted average basis. Cost of finished goods includes other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.9 Employee benefits

a) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined Contribution Plan

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

c) Defined Benefit Plan

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

d) **Compensated absences**

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

2.10 Income Tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

2.11 Lease

Assets taken on lease are accounted as right-of-use assets and the corresponding lease liability is recognised at the lease commencement date.

Initially the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, as reduced by any lease incentives received.

The lease liability is initially measured at the present value of the lease payments, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, or a change in the estimate of the guaranteed residual value, or a change in the assessment of purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is measured by applying cost model i.e. right-of-use asset at cost less accumulated depreciation and cumulative impairment, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or useful life of the underlying asset whichever is earlier. Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

2.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent Liability is disclosed in case of a present obligation arising from past events, when it is not

probable that an outflow of resources will be required to settle the obligation or where no reliable estimate is possible. Contingent liabilities are not recognised in financial statements but are disclosed in notes.

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised in financial statements and are disclosed in notes when it is virtually certain that economic benefits will inflow to the Company.

2.13 Foreign Currency Transactions

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting date are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recognised using the exchange rate at date of initial transactions, are not retranslated.

In respect of forward contracts, the premium or discount on these contracts is recognized as income or expenditure over the period of the contract. Any profit or loss arising on the cancellation or the renewal of such contracts is recognized as income or expense for the year.

2.14 Impairment

Non-financial assets

The carrying amount of non- financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised as an expenses in the Statement of Profit and Loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix.

2.15 Government Grant

Government grants are recognised when there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants relating to an expense item is recognised in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate are expensed. Government grants relating to asset is recognised as income in equal amounts over the useful life of the asset.

2.16 Earning Per Share (EPS)

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. The Company did not have any potentially dilutive securities in any of the years presented.

2.17 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.18 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset, until such time as the assets are substantially ready for the intended use or sale. Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. The borrowing costs other than attributable to qualifying assets are recognised in the profit or loss in the period in which they incurred.

2.19 Financial Instruments

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and loss.

Financial assets

All regular way purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

(i) *Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) *Financial assets at fair value through other comprehensive income*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) *Financial assets at fair value through profit or loss*

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) *Financial liabilities*

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) *Equity instrument*

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(vi) *Derecognition*

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(vii) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.20 Insurance Claim

Insurance Claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The company consider footwear and accessories as its single segment in which company operates.

2.22 Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.23 Recent Accounting Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

NOTE 3 - PROPERTY, PLANT & EQUIPMENTS

Following are the changes in the carrying value of property, plant and equipment for the year ended 31st March, 2024

| Particulars | Tangible Assets | | | | | | | Total | |
|---|-----------------|-------------------------|--------------|----------------------|--|-------------------------|---------------|---------------|----------------------|
| | Land | Building (Free Hold) | Road | Plant & Machinery | Dies & Moulds and Misc. Fixed & Fixtures | Furniture & Fixtures | Vehicles | | Office Equipments |
| Gross Carrying value as at 1st April, 2023 | 3,574.12 | 1,928.41 | 15.11 | 1,909.82 | 2,056.78 | 28.84 | 365.50 | 96.65 | 9,975.23 |
| Additions during the year | - | 577.57 | - | 91.80 | 485.76 | 5.22 | 36.16 | 18.00 | 1,214.50 |
| Disposals / Deletion during the year | - | - | - | 36.36 | 280.81 | - | 0.39 | - | 317.56 |
| Addition / Deletion due to Revaluation | - | - | - | - | - | - | - | - | - |
| Gross Carrying value as at 31st March, 2024 | 3,574.12 | 2,505.98 | 15.11 | 1,965.25 | 2,261.73 | 34.06 | 401.27 | 114.65 | 10,872.17 |
| Accumulated depreciation as at 1st April, 2023 | - | 508.76 | 5.70 | 661.56 | 1,295.10 | 14.32 | 172.07 | 79.26 | 2,736.77 |
| Depreciation | - | 72.24 | 1.44 | 133.37 | 133.16 | 2.36 | 45.39 | 6.13 | 394.08 |
| Accumulated depreciation on deletions | - | - | - | 9.70 | 266.56 | - | - | - | 276.26 |
| Accumulated depreciation as at 31st March, 2024 | - | 581.00 | 7.14 | 785.23 | 1,161.70 | 16.68 | 217.46 | 85.39 | 2,854.59 |
| Carrying Value as at 31st March, 2024 | 3,574.12 | 1,924.99 | 7.97 | 1,180.03 | 1,100.02 | 17.38 | 183.80 | 29.26 | 8,017.58 |
| Gross Carrying value as at 1st April, 2022 | 3,555.71 | 1,928.41 | 15.11 | 1,298.50 | 1,967.52 | 24.85 | 331.99 | 89.60 | 9,211.69 |
| Additions | 18.41 | - | - | 611.32 | 95.26 | 3.99 | 93.71 | 7.05 | 829.74 |
| Disposals / Deletion during the year | - | - | - | - | 6.00 | - | 60.19 | - | 66.19 |
| Addition / Deletion due to Revaluation | - | - | - | - | - | - | - | - | - |
| Gross Carrying value as at 31st March, 2023 | 3,574.12 | 1,928.41 | 15.11 | 1,909.82 | 2,056.78 | 28.84 | 365.50 | 96.65 | 9,975.24 |
| Accumulated depreciation as at 1st April, 2022 | - | 436.97 | 4.27 | 561.17 | 1,171.34 | 12.43 | 201.54 | 74.25 | 2,461.97 |
| Depreciation | - | 71.79 | 1.43 | 100.39 | 123.76 | 1.89 | 27.71 | 5.01 | 331.99 |
| Accumulated depreciation on deletions | - | - | - | - | - | - | 57.19 | - | 57.19 |
| Accumulated depreciation as at 31st March, 2023 | - | 508.76 | 5.70 | 661.56 | 1,295.10 | 14.32 | 172.07 | 79.26 | 2,736.78 |
| Carrying Value as at 31st March, 2023 | 3,574.12 | 1,419.65 | 9.41 | 1,248.26 | 761.68 | 14.52 | 193.43 | 17.39 | 7,238.46 |

(a) The revised useful life, as assessed by Management, are in line with those specified in Part C of Schedule II of the Companies Act, 2013 for all classes of assets other than Dies and Moulds. The useful life of Dies and Moulds has been assessed as per the assessment of the management which has 6 years of useful life. Management believes that the assessed useful life of the assets reflect the periods over which these assets are expected to be used.

(b) The company has adopted Revaluation Model for entire class of Land assets and cost model for other class of assets and consequently the value of Land is higher by ₹ 1800 Lakh due to revaluation done is the financial year 2016-17 and ₹ 1165.49 Lakh in financial year 2021-22

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

NOTE 4 - CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

| Particular | As at 31 st March, 2024 | | As at 31 st March, 2023 | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Property, Plant and Equipment | Intangible Asset Under Development | Property, Plant and Equipment | Intangible Asset Under Development |
| Gross Carrying value as at the beginning of the period | 397.83 | 13.03 | - | 10.35 |
| Additions (Subsequent Expenditure) | 179.71 | 5.47 | 397.83 | 2.68 |
| Capitalized during the Year | 577.54 | 18.50 | - | - |
| Carrying Value as at the end of the period | 0.00 | 0.00 | 397.83 | 13.03 |

 Capital Work-in-progress ageing schedule for the year ended 31st March, 2024 and 31st March, 2023

(₹ in Lakhs)

| Particular | Amount in CWIP for a Period of | | | | Total |
|--------------------------------------|--------------------------------|----------|----------|------------------|--------|
| | Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 year | |
| Property, Plant and Equipment | | | | | |
| 31st March, 2024 | | | | | |
| Projects in Progress | - | - | - | - | - |
| Projects Temporarily suspended | - | - | - | - | - |
| 31st March, 2023 | | | | | |
| Projects in Progress | 397.83 | - | - | - | 397.83 |
| Projects Temporarily suspended | - | - | - | - | - |

(₹ in Lakhs)

| Particular | Amount in CWIP for a Period of | | | | Total |
|---|--------------------------------|----------|----------|------------------|-------|
| | Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 year | |
| Intangible Asset Under Development | | | | | |
| 31st March, 2024 | | | | | |
| Projects in Progress | - | - | - | - | - |
| Projects Temporarily suspended | - | - | - | - | - |
| 31st March, 2023 | | | | | |
| Projects in Progress | 2.68 | 10.35 | - | - | 13.03 |
| Projects Temporarily suspended | - | - | - | - | - |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

NOTE 5 - INTANGIBLE ASSET

(₹ in Lakhs)

| Particular | As at | As at |
|---|------------------------------|------------------------------|
| | 31 st March, 2024 | 31 st March, 2023 |
| | Software | Software |
| Gross Carrying value as at the beginning of the period | 6.12 | 6.12 |
| Additions during the year | 18.50 | - |
| Disposals / Deletion during the year | - | - |
| Gross Carrying value as at the end of the period | 24.62 | 6.12 |
| Accumulated depreciation as at the beginning of the period | 5.81 | 3.06 |
| Depreciation | 0.31 | 2.75 |
| Accumulated depreciation on deletions | - | - |
| Accumulated depreciation as at the end of the period | 6.12 | 5.81 |
| Carrying Value as at the end of the period | 18.50 | 0.31 |

NOTE 6 - RIGHT TO USE

(₹ in Lakhs)

| Particular | As at | As at |
|---|------------------------------|------------------------------|
| | 31 st March, 2024 | 31 st March, 2023 |
| | Lease Bulding | Lease Bulding |
| Gross Carrying value as at the beginning of the period | 136.12 | 42.28 |
| Additions during the year | - | 93.84 |
| Deletion during the year | - | - |
| Gross Carrying value as at the end of the period | 136.12 | 136.12 |
| Accumulated depreciation as at the beginning of the period | 33.75 | 22.38 |
| Depreciation | 38.74 | 11.37 |
| Accumulated depreciation on deletions | - | - |
| Accumulated depreciation as at the end of the period | 72.49 | 33.75 |
| Carrying Value as at the end of the period | 63.63 | 102.38 |

NOTE 7 - FINANCIAL ASSET : LOANS & ADVANCES

(₹ in Lakhs)

| Particular | Long Term | | Short Term | |
|-----------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | As at | As at | As at | As at |
| | 31 st March, 2024 | 31 st March, 2023 | 31 st March, 2024 | 31 st March, 2023 |
| Unsecured considered goods | | | | |
| Loans to Employees | - | - | 2.96 | 3.04 |
| Total | - | - | 2.96 | 3.04 |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

NOTE 8 - FINANCIAL ASSET : OTHER FINANCIAL ASSET

(₹ in Lakhs)

| Particular | Long Term | | Short Term | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2024 | As at 31 st March, 2023 | As at 31 st March, 2024 | As at 31 st March, 2023 |
| Security Deposits | 38.69 | 53.30 | 215.48 | 106.70 |
| Duty Drawback Receivable | - | - | 7.32 | 3.70 |
| IGST Refundable on Export | - | - | 212.59 | 51.98 |
| Guaranteed Emergency Credit Line Loan Receivable | - | - | 0.69 | 0.69 |
| MEIS Credit Receivable | - | - | 0.30 | 0.30 |
| RODTEP Credit Receivable | - | - | 7.78 | 0.01 |
| Accrued Interest | - | - | 2.71 | 5.07 |
| Insurance Policies for Compensated Absence | - | - | 0.01 | 0.01 |
| Total | 38.69 | 53.30 | 446.88 | 168.46 |

NOTE 9 - INVESTMENT

(₹ in Lakhs)

| Particular | Long Term | | Short Term | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2024 | As at 31 st March, 2023 | As at 31 st March, 2024 | As at 31 st March, 2023 |
| (a) Investments in Equity Instruments | | | | |
| (i) Subsidiary | | | | |
| Shares in Lehar Foundation (Non-profit Section 8 Company) | 0.10 | - | - | - |
| Total | 0.10 | - | - | - |

NOTE 10 - OTHER ASSET

(₹ in Lakhs)

| Particular | Long Term | | Short Term | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2024 | As at 31 st March, 2023 | As at 31 st March, 2024 | As at 31 st March, 2023 |
| GST Input Tax Credit and Electronic Cash Ledger Balance | - | - | 195.72 | 304.53 |
| Advance to Suppliers & Other Parties | 84.58 | 147.74 | 1,094.60 | 158.00 |
| Advance Income Tax & TDS Receivable | - | - | 179.11 | 79.52 |
| Advance Custom Duty Paid | - | - | - | - |
| Prepaid Expenses | - | - | 25.35 | 19.24 |
| TDS Refundable from Financial Institutions | - | - | 0.92 | 2.08 |
| Total | 84.58 | 147.74 | 1,495.70 | 563.37 |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

NOTE 11 - INVENTORIES

(₹ in Lakhs)

| Particular | As at 31 st March, 2024 | As at 31 st March, 2023 |
|---|---------------------------------------|---------------------------------------|
| (Valued at lower of cost and net realizable value) | | |
| Raw materials | 1,988.46 | 1,592.40 |
| Stock in Transit | - | - |
| Work-in-progress; | 1,729.10 | 1,806.25 |
| Finished goods; | 2,305.20 | 1,886.79 |
| Packing Material | 74.12 | 64.38 |
| Stock-in-trade (in respect of goods acquired for trading) | 64.09 | 222.98 |
| Stores and spares; | 174.38 | 175.26 |
| Diesel/Pet Cock | 0.24 | - |
| Total | 6,335.59 | 5,748.06 |

NOTE 12 - TRADE RECEIVABLE

(₹ in Lakhs)

| Particular | As at 31 st March, 2024 | As at 31 st March, 2023 |
|---|---------------------------------------|---------------------------------------|
| Unsecured, considered good unless stated otherwise | | |
| Undisputed Trade Receivables | 5,161.47 | 7,471.05 |
| Undisputed Trade Receivables which have significant increase in credit risk | - | - |
| Undisputed Trade Receivables- Credit Impaired | - | - |
| Less : Provision for Doubtful Debts | 79.05 | 90.14 |
| Total Undisputed Trade Receivables | 5,082.42 | 7,380.91 |
| Disputed Trade Receivables | 193.75 | 159.09 |
| Disputed Trade Receivables which have significant increase in credit risk | - | - |
| Disputed Trade Receivables- Credit Impaired | - | - |
| Less : Provision for Doubtful Debts | 96.87 | 22.67 |
| Total Disputed Trade Receivables | 96.88 | 136.42 |
| Total Trade Receivables | 5,179.30 | 7,517.33 |
| Trade Receivables related to: | | |
| Related Parties | - | - |
| Others | 5,355.22 | 7,630.15 |
| Less : Provision for Doubtful Debts | 175.92 | 112.81 |
| Total | 5,179.30 | 7,517.33 |

Additional information on Trade Receivable

As on 31st March 2024

(₹ in Lakhs)

| | Outstanding for following periods from due date of payment as on Balance Sheet Date | | | | | |
|---|---|-----------------------|----------------------|-----------|-----------|----------------------|
| | Not Due | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 Years | More than 3 Years |
| Undisputed Trade Receivables | 3,154.74 | 963.63 | 696.56 | 62.99 | 50.97 | 232.57 |
| Undisputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade Receivables- Credit Impaired | - | - | - | - | - | - |
| Disputed Trade Receivables | - | 0.97 | 5.14 | 23.59 | 29.09 | 134.96 |
| Disputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - |

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2024

(₹ in Lakhs)

| | Outstanding for following periods from due date of payment as on Balance Sheet Date | | | | | |
|---|---|--------------------|-------------------|--------------|--------------|-------------------|
| | Not Due | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 Years | More than 3 Years |
| Disputed Trade Receivables- Credit Impaired | - | - | - | - | - | - |
| Total | 3,154.74 | 964.59 | 701.70 | 86.58 | 80.06 | 367.53 |
| Total Undisputed Trade Receivables | | | | | | 5,161.46 |
| Total Disputed Trade Receivables | | | | | | 193.75 |
| Total Trade Receivables | | | | | | 5,355.21 |
| Less : Provision for Doubtful Debts | | | | | | 175.92 |
| Net Trade Receivable | | | | | | 5,179.30 |

As on 31st March 2023

(₹ in Lakhs)

| | Not Due | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 Years | More than 3 Years |
|---|-----------------|--------------------|-------------------|---------------|--------------|-------------------|
| Undisputed Trade Receivables | 5,184.69 | 1,738.95 | 92.45 | 114.10 | 74.09 | 266.77 |
| Undisputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed Trade Receivables- Credit Impaired | - | - | - | - | - | - |
| Disputed Trade Receivables | 1.61 | 40.14 | 6.12 | 22.55 | 5.60 | 83.07 |
| Disputed Trade Receivables which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade Receivables- Credit Impaired | - | - | - | - | - | - |
| Total | 5,186.30 | 1,779.10 | 98.57 | 136.65 | 79.69 | 349.84 |
| Total Undisputed Trade Receivables | | | | | | 7,471.04 |
| Total Disputed Trade Receivables | | | | | | 159.09 |
| Total Trade Receivables | | | | | | 7,630.14 |
| Less : Provision for Doubtful Debts | | | | | | 112.81 |
| Net Trade Receivable | | | | | | 7,517.33 |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

NOTE 13 - CASH & CASH EQUIVALENT

(₹ in Lakhs)

| Particular | As at | |
|----------------------------------|------------------------------|------------------------------|
| | 31 st March, 2024 | 31 st March, 2023 |
| Cash and Cash Equivalents | | |
| Balances with banks | 75.05 | 118.39 |
| Cash on Hand | 4.08 | 27.81 |
| Total | 79.13 | 146.20 |

NOTE 14 - BANK BALANCES OTHER THAN ABOVE

(₹ in Lakhs)

| Particular | As at | |
|---|------------------------------|------------------------------|
| | 31 st March, 2024 | 31 st March, 2023 |
| As margin money / under lien | 252.97 | 346.39 |
| In term Deposit with original maturity more than 3 months but less than 12 months | - | - |
| Dividend Accounts | 0.58 | - |
| Total | 253.55 | 346.39 |

NOTE 15 - EQUITY SHARE CAPITAL

(₹ in Lakhs)

| Particular | As at | |
|---|------------------------------|------------------------------|
| | 31 st March, 2024 | 31 st March, 2023 |
| Authorised | | |
| 20000000 Equity Shares of ₹ 10 each (Previous year 20000000 Equity Shares of ₹ 10 each) | 2,000.00 | 2,000.00 |
| Issued, Subscribed & Paid-up | 1,767.88 | 1,566.48 |
| (1,76,78,799 Equity Shares of ₹ 10/-each, fully paid up) | | |
| (Previous year 1,56,64,799 Equity Shares of ₹ 10/-each, fully paid up) | | |
| Total | 1,767.88 | 1,566.48 |

NOTE 15.1 - RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

(₹ in Lakhs)

| Equity Shares | As at 31 st March, 2024 | | As at 31 st March, 2023 | |
|---|------------------------------------|-----------------|------------------------------------|-----------------|
| | Number | Amount | Number | Amount |
| At the beginning of the period | 1,56,64,799 | 1,566.48 | 1,36,78,799 | 1,367.88 |
| Issued during the period | 20,14,000 | 201.40 | 19,86,000 | 198.60 |
| Bought back during the period | - | - | - | - |
| Outstanding at the end of the period | 1,76,78,799 | 1,767.88 | 1,56,64,799 | 1,566.48 |

NOTE 15.2 - TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The company has only one class of Equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

NOTE 15.3 - DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% EQUITY SHARES IN THE COMPANY

(₹ in Lakhs)

| Shareholder | As at 31 st March, 2024 | | As at 31 st March, 2023 | |
|-------------------------------------|------------------------------------|--------------|------------------------------------|--------------|
| | Number | % Holding | Number | % Holding |
| Promoters and Promoter Group | | | | |
| Naresh Kumar Agarwal | 15,18,566 | 8.59 | 12,68,566 | 8.10 |
| Raj Kumar Agarwal | 17,42,618 | 9.86 | 16,17,618 | 10.33 |
| Santra Devi Agarwal | 11,37,813 | 7.26 | 11,37,813 | 7.26 |
| Pramod Kumar Agarwal | 14,63,632 | 8.28 | 14,13,632 | 9.02 |
| Ramesh Chand Agarwal* | 20,19,170 | 12.89 | 20,19,170 | 12.89 |
| Naveen Kumar Agarwal | 9,20,960 | 5.21 | 7,95,960 | 5.08 |
| Total | 88,02,759 | 52.09 | 82,52,759 | 52.68 |

*Deceased on 15.09.2022

NOTE 15.4 - DETAILS OF SHARES HELD BY PROMOTERS IN THE COMPANY

(₹ in Lakhs)

| Promoter Name | As at 31-03-2024 | | | As at 31-03-2023 | | |
|-------------------------------------|--------------------|-----------------------------|--------------------------|--------------------|-----------------------------|--------------------------|
| | No of Shares Held | % of Holding of Total Share | % Change During the Year | No of Shares Held | % of Holding of Total Share | % Change During the Year |
| Mohan Lal Agarwal HUF | 1,40,000 | 0.79% | -0.10% | 1,40,000 | 0.89% | -0.13% |
| Raj Kumar Agarwal HUF | 67,600 | 0.38% | -0.05% | 67,600 | 0.43% | -0.06% |
| Ramesh Chand Agarwal HUF | 1,40,000 | 0.79% | -0.10% | 1,40,000 | 0.89% | -0.13% |
| Pramod Kumar Agarwal | 14,63,632 | 8.28% | -0.74% | 14,13,632 | 9.02% | 0.88% |
| Megha Agarwal | 2,85,655 | 1.62% | 0.43% | 1,85,655 | 1.19% | -0.17% |
| Santra Devi Agarwal | 11,37,813 | 6.44% | -0.82% | 11,37,813 | 7.26% | -1.06% |
| Sushila Devi Agarwal | 1,40,000 | 0.79% | -0.10% | 1,40,000 | 0.89% | -0.13% |
| Ramesh Chand Agarwal | 20,19,170 | 11.42% | -1.47% | 20,19,170 | 12.89% | -1.87% |
| Manisha Agarwal | 63,625 | 0.36% | -0.05% | 63,625 | 0.41% | -0.06% |
| Sanjay Kumar Agarwal | 6,00,722 | 3.40% | 1.16% | 3,50,722 | 2.24% | -0.32% |
| Lalita Devi Agarwal | 50,000 | 0.28% | -0.04% | 50,000 | 0.32% | -0.05% |
| Naresh Kumar Agarwal | 15,18,566 | 8.59% | 0.49% | 12,68,566 | 8.10% | -1.17% |
| Naveen Kumar Agarwal | 9,20,960 | 5.21% | 0.13% | 7,95,960 | 5.08% | 0.17% |
| Raj Kumar Agarwal | 17,42,618 | 9.86% | -0.47% | 16,17,618 | 10.33% | -0.58% |
| Pankaj Agarwal | 4,26,365 | 2.41% | 0.57% | 2,88,865 | 1.84% | 0.73% |
| Prateek Agarwal | 3,94,722 | 2.23% | 0.88% | 2,12,222 | 1.35% | 1.13% |
| Lawreshwar Footcare Private Limited | 2,68,750 | 1.52% | -0.20% | 2,68,750 | 1.72% | -0.24% |
| Navita Goyal | 50,000 | 0.28% | -0.04% | 50,000 | 0.32% | 0.32% |
| Saroj Devi | 1,50,000 | 0.85% | -0.11% | 1,50,000 | 0.96% | 0.96% |
| Savita Kumari Agarwal | 1,50,000 | 0.85% | 0.37% | 75,000 | 0.48% | 0.48% |
| Dinesh Kumar Gupta | 76,200 | 0.43% | -0.06% | 76,200 | 0.49% | 0.49% |
| Manju Gupta | 81,000 | 0.46% | -0.06% | 81,000 | 0.52% | 0.52% |
| Lata Devi Gadia | 3,03,800 | 1.72% | 0.74% | 1,53,800 | 0.98% | 0.98% |
| Pooja Agarwal | 2,24,083 | 1.27% | -0.16% | 2,24,083 | 1.43% | 1.43% |
| Nitesh Gupta | 5,001 | 0.03% | 0.00% | 5,001 | 0.03% | 0.03% |
| Divya Gupta | 1,58,825 | 0.90% | 0.52% | 58,825 | 0.38% | 0.38% |
| Lakshita Agarwal | 1,01,017 | 0.57% | 0.24% | 51,017 | 0.33% | 0.33% |
| Pooja Gupta | 2,500 | 0.01% | -0.01% | 2,500 | 0.02% | 0.02% |
| Nandan Agarwal | 6,001 | 0.03% | -0.01% | 6,001 | 0.04% | 0.04% |
| Shally Agarwal | 1,00,000 | 0.57% | 0.57% | - | - | - |
| Megha Agarwal | 1,00,000 | 0.57% | 0.57% | - | - | - |
| Total | 1,28,88,625 | 72.90% | 2.08% | 1,10,93,625 | 70.82% | 2.92% |

Change in holding due to conversion of share warrents to equity shares

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

NOTE 16 - OTHER EQUITY

(₹ in Lakhs)

| Particular | Reserve & Surplus | | | | Items of Other Comprehensive income | | Money received against Share Warrants | TOTAL |
|---|--------------------------|-----------------|------------------|-----------------|-------------------------------------|--|---------------------------------------|-----------------|
| | Security Premium Reserve | General Reserve | Retained Earning | Deferred Income | Revaluation Surplus | Remeasurement of net defined benefit Plans | | |
| Balance as at 1st April, 2022 | 660.53 | 100.15 | 2,156.19 | 241.31 | 2,556.83 | 21.89 | - | 5,736.90 |
| Changes in accounting policy or prior period errors | - | - | 22.01 | - | - | (22.01) | - | - |
| Restated balance as the beginning of the period | 660.53 | 100.15 | 2,178.20 | 241.31 | 2,556.83 | (0.12) | - | 5,736.90 |
| Dividends | - | - | - | - | - | - | - | - |
| Transfer to retained earnings | - | - | 512.99 | - | - | - | - | 512.99 |
| Revaluation Reserve Created During the Year | - | - | - | - | - | - | - | - |
| Receipt of Capital Subsidy from FDDI | - | - | - | - | - | - | - | - |
| Deferred Income recognition during the period | - | - | - | (30.39) | - | - | - | (30.39) |
| Remeasurement of Defined Benefit Plans Made during the year | - | - | - | - | - | 5.85 | - | 5.85 |
| Amount transfer from Deferred Tax Liability to Revaluation Reserve | - | - | - | - | - | - | - | - |
| Amount transfer from Deferred Tax Liability on Remeasurement of Defined Benefit Plans | - | - | - | - | - | (1.54) | - | (1.54) |
| Balance as at 31st March, 2023 | 1,494.65 | 100.15 | 2,691.19 | 210.92 | 2,556.83 | 4.18 | 261.82 | 7,319.75 |
| Balance as at 1st April, 2023 | 1,494.65 | 100.15 | 2,691.19 | 210.92 | 2,556.83 | 4.18 | 261.82 | 7,319.75 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - |
| Restated balance as the beginning of the period | 1,494.65 | 100.15 | 2,691.19 | 210.92 | 2,556.83 | 4.18 | 261.82 | 7,319.75 |
| Dividends | - | - | (73.49) | - | - | - | - | (73.49) |
| Transfer to retained earnings | - | - | 655.81 | - | - | - | - | 655.81 |
| Revaluation Reserve Created During the Year | - | - | - | - | - | - | - | - |
| Receipt of Capital Subsidy from FDDI | - | - | - | - | - | - | - | - |
| Deferred Income recognition during the period | - | - | - | (25.47) | - | - | - | (25.47) |
| Remeasurement of Defined Benefit Plans made during the year | - | - | - | - | - | 1.45 | - | 1.45 |
| Share Premium on Issue of Shares against Share Warrant | 845.88 | - | - | - | - | - | - | 845.88 |
| Money Received Against Share warrant during the year | - | - | - | - | - | - | 785.46 | 785.46 |
| Amount transfer from Money Received against Share Warrants to Equity Share Capital and Security Premium | - | - | - | - | - | - | (1,047.28) | (1,047.28) |
| Amount transfer from Deferred Tax Liability on Remeasurement of Defined Benefit Plans | - | - | - | - | - | - | - | - |
| Balance as at 31st March, 2024 | 2,340.53 | 100.15 | 3,273.51 | 185.45 | 2,556.83 | 5.63 | - | 8,462.10 |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Description and nature of other equity:

Security premium account : The security premium account is created on issue of share at premium.

Revaluation surplus: The revaluation surplus is crated out of the revaluation of land owned by the company.

General Reserve: The general reserve comprises of transfer of profits from retained earnings for appropriate purposes. The reserve can be distributed/ utilised by the company in accordance with the Companies Act, 2013.

Profit and Loss Account: It represents the surplus amount available in profit and loss as retained earnings. The reserve can be distributed/ utilised by the company in accordance with the Companies Act, 2013.

Deferred Income : It represent the capital receipt of government grant from FDDI against the investment of Plant and machinery.

NOTE 17 - LONG TERM BORROWINGS

(₹ in Lakhs)

| Particular | Non Current Portion | | Current Maturities | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 31-03-2024 | As at 31-03-2023 | As at 31-03-2024 | As at 31-03-2023 |
| Term Loan-HDFC 84229932* | 38.76 | 104.03 | 65.11 | 59.46 |
| Term Loan-HDFC 84229948* | 104.56 | 156.86 | 52.08 | 47.54 |
| Term Loan-HDFC 84139705* | - | - | - | - |
| Term Loan-HDFC 84229943* | - | - | - | 19.84 |
| Term Loan-HDFC 84390346* | 42.07 | 75.93 | 33.87 | 31.21 |
| GECL HDFC Term Loan-8888876* | - | 169.38 | 168.44 | 248.80 |
| GECL HDFC Term Loan-452557707* | 228.36 | 327.17 | 98.81 | 7.83 |
| Term Loan SIDBI Solar | 78.28 | 21.80 | 26.40 | 13.20 |
| Term Loan SIDBI Plant & Machinery | 296.97 | 404.74 | 107.76 | 80.82 |
| Deferred Vehicle Loans from various banks | 82.91 | 103.62 | 53.35 | 39.43 |
| Other Intercorporate Loan | 205.95 | 124.65 | - | - |
| Total | 1,077.86 | 1,488.18 | 605.82 | 548.13 |
| The above amount includes | | | | |
| Secured borrowings | 871.91 | 1,363.53 | 605.82 | 548.13 |
| Unsecured Borrowings | | | | |
| From Related Parties | 205.95 | 124.65 | - | - |
| From Others | - | - | - | - |
| Amount Disclosed under Current Maturity of Long term Borrowing Under Note No. 20 Short Term Borrowings | - | - | (605.82) | (548.13) |
| Total | 1,077.86 | 1,488.18 | - | - |

* All the loans from HDFC Bank Limited are secured against hypothecation of Raw Material, Finished Goods, Stock in Process, Store & Spares, Packing Material and book debts, mortgage over fixed assets of the Company & mortgage of certain fixed assets of the related parties and personal guarantees of Directors and other related parties and residual charge over the immovable property of the company which are mortgaged for the term loans from HDFC Bank Limited carrying interest rate of @ 8.79% to 9.25%. Details of immovable asset which are mortgaged are as follows :-

(i) A-243(A), Road No.6, V.K.I. Area, Jaipur-302013

(ii) SP-41D, RIICO Industrial Area, Kaladera, Tehsil Chomu, District Jaipur-303801

(iii) E-20A, Kaushalya Path, Basant Marg, Bani Park, Jaipur-302016

(iv) G-1-685, Road No.9F2, V.K.I. Area, Jaipur-302013 (Owned in the name of Lawreshwar Footwears prop concern of Mr. Naveen Kumar Agarwal who is related party.)

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2024

- (I) Term Loan-HDFC 84229932 is financed for ₹ 314.80 lakhs which is repayable in 67 equal monthly installment of ₹ 5,98,772 including interest started from Jan. 2020.
- (II) Term Loan-HDFC 84229948 is financed for ₹ 222.86 lakhs which is repayable in 85 equal monthly installment of ₹ 5,34,497 including interest started from Jan. 2020.
- (III) Term Loan-HDFC 84139705 is financed for ₹ 318.48 lakhs which is repayable in 33 equal monthly installment of ₹ 12,18,747 including interest started from Jan. 2020.
- (IV) Term Loan-HDFC 84229943 is financed for ₹ 159.51 lakhs which is repayable in 41 equal monthly installment of ₹ 4,59,334 including interest started from Jan. 2020.
- (V) Term Loan-HDFC 84390346 is financed for ₹ 150.00 lakhs which is repayable in 72 equal monthly installment of ₹ 3,28,049 including interest starting from Apr. 2020.
- (VI) GECL TERM LOAN HDFC-8888876* is financed for ₹ 745.56 Lakhs which is repayable in 37 equal monthly installment of ₹ 23,17,459 including interest starting from Nov. 2021.
- (VII) GECL TERM LOAN HDFC-452557707* is financed for ₹ 335.00 Lakhs which is repayable in 38 equal monthly installment of ₹ 10,41,290 including interest starting from March 2024.
- (VIII) Term Loan SIDBI Solar* is financed for ₹ 117.88 Lakhs and secured against hypothecation respective solar plant, which is repayable in 53 equal monthly installment of ₹ 2,20,000 and 1 installemnt of ₹ 1,28,000 excluding interest starting from October 2023.
- (IX) Term Loan SIDBI Plant & Machinery* is financed for ₹ 485.03 Lakhs and secured against hypothecation of respective plant & machinery, which is repayable in 53 equal monthly installment of ₹ 8,98,000 and 1 installemnt of ₹ 9,09,000 excluding interest starting from July 2023.
- (X) Deferred Vehicle Loans are secured against hypothecation of respective vehicles carrying interest rate in the range of @ 8.50% to 13%.

NOTE 18 - LEASE LIABILITY

(₹ in Lakhs)

| Particular | Long Term | | Short Term | |
|-----------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2024 | As at 31 st March, 2023 | As at 31 st March, 2024 | As at 31 st March, 2023 |
| Lease Liability | 31.65 | 67.56 | 38.26 | 38.26 |
| Total | 31.65 | 67.56 | 38.26 | 38.26 |

Lease liability represent the operating lease which has been classified as per the Ind AS 116 related to property taken on lease situated at : G-1-685, Road No.9F2, V.K.I. Area, Jaipur-302013 and A-85, Road No. 9, V.K.I. Area, Jaipur-302013.

NOTE 19 - PROVISIONS

(₹ in Lakhs)

| Particular | Long Term | | Short Term | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2024 | As at 31 st March, 2023 | As at 31 st March, 2024 | As at 31 st March, 2023 |
| (a) Provision for Employees Benefit | | | | |
| (i) Provision for Gratuity | - | 0.02 | - | 3.52 |
| (ii) Provision for Compensated Absence | - | - | - | - |
| (iii) Provision for Bonus | - | - | 38.75 | 33.23 |
| (b) Provision for Income Tax | - | - | 219.18 | 162.70 |
| (c) Provision for Expenses | - | - | 4.87 | 4.01 |
| Total | - | 0.02 | 262.80 | 203.46 |

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2024

The company has taken partly gratuity policy against which premium has been paid to LIC, and partly made provision for gratuity on actuarial valuation basis.

NOTE 20 - DEFERRED TAX LIABILITY (NET)

(₹ in Lakhs)

| Particular | As at 31 st March, 2024 | As at 31 st March, 2023 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Deferred Tax Liability | | |
| Related to Fixed Assets | 276.86 | 251.41 |
| Related to Revaluation of Land | 613.53 | 622.22 |
| Related to Employee Benefit Expenses | 1.21 | |
| Deferred Tax Assets | | |
| Related to Employee Benefit Expenses | - | 0.05 |
| Related to Expected Credit Loss | 44.28 | 28.40 |
| Total | 847.32 | 845.18 |

NOTE 21 - SHORT-TERM BORROWINGS

(₹ in Lakhs)

| Particular | As at 31 st March, 2024 | As at 31 st March, 2023 |
|--|---------------------------------------|---------------------------------------|
| Cash Credit from HDFC Bank Ltd. (Secured)* | 4,996.29 | 4,412.13 |
| Current Maturities of Long Term Borrowing | 605.82 | 548.13 |
| Total | 5,602.11 | 4,960.26 |

*Cash Credit Limit from HDFC Bank Ltd. is secured against hypothecation of Raw Material, Finished Goods, Stock in Process, Store & Spares, Packing Material and book debts, mortgage over fixed assets of the Company & mortgage of certain fixed assets of the related parties and personal guarantees of Directors and other related parties and residual charge over the immovable property of the company which are mortgaged for the term loans from HDFC Bank Limited carrying interest rate of @ 9.09%.

NOTE 22 - TRADE PAYABLE

(₹ in Lakhs)

| Particular | As at 31 st March, 2024 | As at 31 st March, 2023 |
|---|---------------------------------------|---------------------------------------|
| Trade Payable Due to Micro and Small Enterprises | | |
| Sundry Creditors for Raw Material and Packing Material | 411.26 | 192.26 |
| Sundry Creditors for Consumable Store and Traded Goods | 4.35 | - |
| Sundry Creditors for Expenses | 49.99 | 2.52 |
| Total Due to Micro and Small Enterprises | 465.61 | 194.78 |
| Trade Payable Due to others | | |
| Sundry Creditors for Raw Material and Packing Material | 2,317.35 | 3,384.03 |
| Sundry Creditors for Consumable Store and Traded Goods | 92.07 | 1,398.81 |
| Sundry Creditors for Expenses | 551.68 | 443.66 |
| Total Due to others | 2,961.10 | 5,226.50 |
| Total Trade Payables | 3,426.70 | 5,421.28 |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Micro and Small Enterprises

(₹ in Lakhs)

| Particular | As at 31 st March, 2024 | As at 31 st March, 2023 |
|---|---------------------------------------|---------------------------------------|
| Dues Remaining unpaid | | |
| The Principal amount remaining unpaid to any supplier as at the end of the year | 464.85 | 142.04 |
| Interest due on the above amount | 3.41 | 27.31 |
| Amount of Interest accrued and remaining unpaid at the end of the year | 0.76 | 9.85 |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

(₹ in Lakhs)

| Additional information on Trade Payables | Outstanding for following periods from due date of payment as on Balance Sheet Date | | | | | |
|--|---|-----------------|------------------|-------------|-----------|-------------------|
| | Unbilled Dues | Not Due | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years |
| As on 31st March 2024 | | | | | | |
| (i) MSME | | 384.06 | 81.55 | - | - | - |
| (ii) Others | 90.81 | 1,624.54 | 1,242.42 | 3.27 | - | 0.06 |
| (iii) Disputed Dues : MSME | | - | - | - | - | - |
| (iv) Disputed Dues : Others | | - | - | - | - | - |
| Total | 90.81 | 2,008.60 | 1,323.98 | 3.27 | - | 0.06 |

(₹ in Lakhs)

| As on 31 st March 2023 | Unbilled Dues | Not Due | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years |
|-----------------------------------|---------------|-----------------|------------------|-------------|-------------|-------------------|
| (i) MSME | - | 72.71 | 137.38 | - | - | - |
| (ii) Others | 100.04 | 2,387.46 | 2,717.09 | 4.28 | 1.39 | 0.93 |
| (iii) Disputed Dues : MSME | - | - | - | - | - | - |
| (iv) Disputed Dues : Others | - | - | - | - | - | - |
| Total | 100.04 | 2,460.17 | 2,854.47 | 4.28 | 1.39 | 0.93 |

NOTE 23 - FINANCIAL LIABILITY - OTHER

(₹ in Lakhs)

| Particular | As at 31 st March, 2024 | As at 31 st March, 2023 |
|-----------------------------------|---------------------------------------|---------------------------------------|
| Trade Payable for Capital Goods | 305.80 | 183.55 |
| Dividend Payable | 0.58 | - |
| Other Current Financial Liability | 57.80 | 42.07 |
| Total | 364.18 | 225.62 |

NOTE 24 - OTHER CURRENT LIABILITY

(₹ in Lakhs)

| Particular | As at 31 st March, 2024 | As at 31 st March, 2023 |
|-------------------------|---------------------------------------|---------------------------------------|
| Advances from customers | 129.68 | 287.75 |
| Statutory Liabilities | 5.64 | 22.09 |
| Total | 135.32 | 309.84 |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

NOTE 25 - REVENUE FROM OPERATION

| Particular | (₹ in Lakhs) | |
|---------------------------------------|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| Sale of products | | |
| Finished Goods & Traded Goods | 15,940.64 | 18,849.33 |
| Export Sales | 3,703.04 | 1,687.18 |
| Other Operating Revenue | 238.84 | 223.95 |
| Revenue from Operation (Gross) | 19,882.52 | 20,760.47 |
| Less: Discount | 456.48 | 505.60 |
| Revenue from Operation (Net) | 19,426.04 | 20,254.87 |

NOTE 26 - OTHER INCOME

| Particular | (₹ in Lakhs) | |
|--------------------------------|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| Interest Income on | | |
| Bank Deposits | 15.31 | 8.20 |
| Other Interest | 38.19 | 3.68 |
| Exchange Fluctuation Gain | - | - |
| Discount Received | 1.07 | 22.40 |
| Subsidy from FDDI | 25.47 | 30.39 |
| Profit on Sale of Fixed Assets | 2.68 | 11.04 |
| Miscellaneous Income | 0.05 | 0.28 |
| Total | 82.77 | 76.00 |

NOTE 27 - COST OF MATERIAL CONSUMED

| Particular | (₹ in Lakhs) | |
|--|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| Raw Materials Consumed | | |
| Opening Stock | 1,592.40 | 895.47 |
| ADD: Purchases | 9,398.42 | 10,062.01 |
| | 10,990.82 | 10,957.48 |
| Less: Closing Stock | 1,988.46 | 1,592.40 |
| Total [A] | 9,002.36 | 9,365.08 |
| Packing Materials Consumed | | |
| Opening Stock | 64.38 | 64.83 |
| ADD: Purchases | 845.21 | 959.59 |
| | 909.59 | 1,024.42 |
| Less: Closing Stock | 74.12 | 64.38 |
| Total [B] | 835.47 | 960.04 |
| Cost of Material Consumed Total [A+B] | 9,837.83 | 10,325.12 |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

NOTE 28 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakhs)

| Particular | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
|---|--|--|
| Opening Stock | | |
| Finished Goods | 1,886.79 | 1,318.94 |
| Work-in-Progress | 1,806.25 | 1,924.05 |
| Stock-in-Trade | 222.98 | 76.74 |
| Total [I] | 3,916.02 | 3,319.73 |
| Closing Stock | | |
| Finished Goods | 2,305.20 | 1,886.79 |
| Work-in-Progress | 1,729.10 | 1,806.25 |
| Stock-in-Trade | 64.09 | 222.98 |
| Total [III] | 4,098.39 | 3,916.02 |
| Change in inventories Total [I-II-III] | (182.37) | (596.29) |

NOTE 29 - EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

| Particular | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
|---|--|--|
| Salaries, Wages and Bonus | 1,046.64 | 887.41 |
| Contribution to Provident and Other Funds | 64.48 | 54.78 |
| Staff Welfare Expenses | 10.60 | 11.31 |
| Total | 1,121.72 | 953.50 |

NOTE 30 - FINANCE COST

(₹ in Lakhs)

| Particular | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
|---------------------------|--|--|
| Bank Charges | 35.20 | 37.65 |
| Interest on Term Loan | 143.88 | 137.71 |
| Interest to Bank & others | 405.81 | 327.38 |
| Total | 584.89 | 502.74 |

NOTE 31 - DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

| Particular | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
|--------------|--|--|
| Depreciation | 432.83 | 346.12 |
| Total | 432.83 | 346.12 |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

NOTE 32 - OTHER EXPENSES

| Particular | (₹ in Lakhs) | |
|--|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| Manufacturing Expenses | | |
| Cartage | 66.14 | 111.86 |
| Consumable stores | 180.43 | 100.53 |
| Diesel / Pet Cock consumption | 0.88 | 2.20 |
| Job Charges | 1,798.02 | 1,560.78 |
| Power & Electricity | 344.83 | 298.11 |
| Repairs & Maintenance (P & M) | 123.54 | 81.51 |
| Work Shed Rent | 55.65 | 55.12 |
| Designing Expenses | 7.50 | 6.10 |
| TOTAL [A] | 2,576.99 | 2,216.20 |
| Administrative & Other Expenses | | |
| Annual Listing Fees | 4.15 | 6.90 |
| Conveyance, Vehicle Running Expense | 61.66 | 57.64 |
| CSR Expenses | 8.00 | - |
| Demand Expenses | 1.21 | - |
| Directors Remuneration | 108.00 | 73.48 |
| Directors Seating Fees | 1.80 | 0.60 |
| Donation | 11.97 | 5.68 |
| Electricity and Water Expenses | 11.23 | 10.81 |
| Festival Expenses | 11.63 | 0.52 |
| General Expenses | 20.29 | 11.59 |
| Insurance Expenses | 16.62 | 17.34 |
| Interest on TDS | 2.08 | 1.45 |
| Interest on GST | 0.96 | 0.01 |
| Interest to MSME Entities | 3.41 | 27.31 |
| Loss on Sale of Asset | 5.59 | - |
| Late Fee GST | 0.00 | 0.04 |
| Late Delivery Charges | 64.92 | - |
| Legal and Professional Fees | 51.25 | 42.42 |
| Membership fees & Subscription Fees | 2.07 | 2.33 |
| Payment to Auditors (Refer details below) | 10.01 | 9.13 |
| Penalty & Fine | 2.25 | 5.18 |
| Communication Expenses | 11.24 | 10.87 |
| Printing & Stationery | 7.89 | 6.60 |
| Repairs & Maintenance | 43.59 | 11.89 |
| Recruitment & Training Expenses | 0.04 | - |
| Security Charges | 27.35 | 25.24 |
| Software and Website Expenses | 5.14 | 2.53 |
| Sundry Balances written off | 6.79 | 14.48 |
| Travelling Expenses | 112.18 | 94.72 |
| TOTAL [B] | 613.32 | 438.76 |
| SELLING & DISTRIBUTION EXPENSES | | |
| Advertisement and Sales Promotion Expense | 291.80 | 132.02 |
| Commission on Sales | 33.55 | 3.90 |
| Freight Outward | 472.04 | 315.40 |
| Bad Debts | 0.00 | 82.64 |
| Expected Credit Loss | 63.11 | 24.48 |
| Tender and Technical Testing Fees | 28.47 | 8.45 |
| TOTAL [C] | 888.97 | 566.88 |
| GRAND TOTAL [A+B+C] | 4,079.28 | 3,221.84 |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

NOTE 32.1 - PAYMENT TO STATUTORY AUDITOR

(₹ in Lakhs)

| Particular | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
|---------------------------|--|--|
| Audit Fees | 9.66 | 8.78 |
| Reimbursement of Expenses | 0.35 | 0.35 |
| Total | 10.01 | 9.13 |

NOTE 33 - INCOME TAX RECOGNISED IN STATEMENT OF PROFIT OR LOSS

(₹ in Lakhs)

| Particular | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
|-----------------------------------|--|--|
| Current Tax | | |
| In respect of Current year | | |
| Regular Tax | 219.19 | 162.70 |
| In respect of earlier year | 13.08 | 1.58 |
| Total Current tax | 232.26 | 164.28 |
| Deferred Tax | 2.13 | (24.83) |

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(₹ in Lakhs)

| Particular | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
|---|--|--|
| Profit before income taxes | 890.20 | 652.44 |
| Enacted tax rate in India | 25.17% | 25.17% |
| Computed expected tax expenses | 224.06 | 164.22 |
| Effect of Allowances for tax purpose | (140.30) | (95.70) |
| Effect of Non deductible expenses | 135.42 | 94.18 |
| Others | 13.08 | 1.58 |
| Tax expense recognised in Statement of Profit and Loss | 232.26 | 164.28 |

The movement of deferred tax assets and liabilities during the year ended 31st March, 2024

(₹ in Lakhs)

| Particular | As at 1 st April, 2023 | (Credit)/ Charge in statement of Profit and Loss | (Credit) / Charge in Other Comprehensive Income | As at 31 st March, 2024 |
|---|--------------------------------------|---|--|---------------------------------------|
| Deferred Tax Assets/ (Liabilities) | | | | |
| Depreciation | (251.41) | (25.45) | - | (276.86) |
| Gratuity & Compensated Absence | 0.05 | (1.26) | - | (1.21) |
| Expected Credit Loss | 28.40 | 15.89 | - | 44.28 |
| Revaluation of Land | (622.22) | 8.69 | | (613.53) |
| Total | (845.18) | -2.13 | 0.00 | (847.31) |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

NOTE 34 - EARNING PER SHARE

| Particular | (₹ in Lakhs) | |
|--|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| Profit after tax | 655.81 | 512.99 |
| Weighted average no. of Equity Share Outstanding | 16308702 | 13783273 |
| Nominal value of Ordinary share(INR) | 10 | 10 |
| Basic & diluted earning per share in rupees | 4.02 | 3.72 |

NOTE 35 - LEASE

| Particular | (₹ in Lakhs) | |
|---|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| As Lessee:- | | |
| Disclosure in respect of premises taken on operating lease by the company : | | |
| The company has entered into operating lease for its warehouses which are renewable on a periodic basis and cancelled at the company's option | | |
| (a) Lease payment done during the year | 44.24 | 14.21 |
| (b) Future Lease payments: | - | - |
| Not later than 1 year | 38.26 | 35.91 |
| Later than 1 year but not later than 5 years | 31.65 | 69.91 |
| More than 5 years | - | - |

NOTE 36 - EMPLOYEE BENEFIT

(A) Defined Contribution Plan:

The Company operates defined contribution retirement benefit plans for all qualifying employees. Contributions are made to registered provident fund and Employee state insurance administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

| Particular | (₹ in Lakhs) | |
|--|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| Contribution to provident fund and other fund recognised in Statement of Profit and Loss | 41.96 | 35.46 |

(B) Defined Benefit Plan:

Gratuity

In accordance with the provisions of Payment of Gratuity Act, 1972, the company has defined benefit plan which provides for gratuity payment. The plan provides a lump sum gratuity payment to eligible employees at retirement or termination of their employment. The amounts are based on the respective employee's last drawn salary and the year of employment with the company. The gratuity plan is a partially funded plan.

These plans typically expose the Company to actuarial risks such as: Investment, Interest rate, longevity and salary risk:

Investment risk: The present value of the defined benefit obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2024

Salary escalation risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to the employees.

The actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31st March, 2024 by a certified actuary of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Compensated Absence

Compensated absence liability recognised at the year end is ₹ Nil (Previous Year ₹ Nil). The above is based on actuarial valuation report. The report considers assumptions with respect to discount rates, salary escalation, retirement age, mortality, rate of leaving service, leave availment pattern, disability and other relevant factors. The method used is Projected unit Credit Method.

Assumptions:

The principal assumptions used for the purposes of the actuarial valuations are given below:

(₹ in Lakhs)

| Particulars | Compensated Absence | | Gratuity | |
|-------------------------------|--|---|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March 2023 | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| Discount Rate | 7.50% | 7.25% | 7.25% | 7.25% |
| Future Salary growth rate | 5.00% | 5.00% | 5.00% | 5.00% |
| Rate of Return on Plan Assets | 7.36% | 7.35% | 7.36% | 7.35% |
| Mortality table used | IALM 2012-14 | IALM 2012-14 | IALM 2012-14 | IALM 2012-14 |

Projected Benefit Obligation

(₹ in Lakhs)

| Particulars | Compensated Absence | | Gratuity | |
|--|--|---|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March 2023 | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| Projected benefit Obligation at beginning of the year | - | 1.36 | 55.60 | 49.09 |
| Interest Cost | - | - | 4.17 | 3.56 |
| Current Service Cost | - | - | 14.10 | 12.18 |
| Actuarial (Gain)/Loss | - | - | (6.53) | (6.07) |
| Benefits paid | - | (1.36) | (1.55) | (3.16) |
| Projected benefit Obligation at end of the year | - | - | 65.79 | 55.60 |

Amount recognised in the Balance Sheet:

(₹ in Lakhs)

| Particulars | Compensated Absence | | Gratuity | |
|--|--|---|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March 2023 | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| Amount recognised in the Balance Sheet: | | | | |
| Projected benefit Obligation at end of the year | - | - | 65.79 | 55.60 |
| Fair Value of Plan Assets as at year end | - | - | 67.55 | 52.06 |
| Net (Asset)/Liability recognized in the Balance Sheet | - | - | (1.76) | 3.54 |

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2024

Cost of the defined benefit plan for the year:

(₹ in Lakhs)

| Particulars | Compensated Absence | | Gratuity | |
|--|--|---|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March 2023 | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| Current Service Cost | - | - | 14.10 | 12.18 |
| Interest Cost | - | - | 4.17 | 3.56 |
| Expected Return on plan Asset | - | - | (3.77) | (2.54) |
| Components of defined benefit cost recognised in the Statement of Profit & Loss | - | - | 14.50 | 13.20 |

Remeasurement on the net defined benefit liability:

(₹ in Lakhs)

| Particulars | Compensated Absence | | Gratuity | |
|--|--|---|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March 2023 | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| Actuarial (gain)/loss arising from changes in demographic assumptions | N.A. | N.A. | N.A. | N.A. |
| Actuarial (gain)/loss arising from changes in financial assumptions | - | - | 2.37 | (0.81) |
| Experience Adjustment (gain)/loss for Plan Liabilities | - | - | (3.92) | (5.25) |
| Components of defined benefit costs recognised in Other Comprehensive Income | - | - | (1.55) | (6.06) |
| Total cost of the defined benefit plan for the year | - | - | 12.95 | 7.14 |

Experience Adjustment

(₹ in Lakhs)

| Particulars | Compensated Absence | | Gratuity | |
|--|--|---|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March 2023 | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| Present value of defined benefit obligation | - | - | 65.79 | 55.60 |
| Fair Value of plan assets | - | - | 67.55 | 52.06 |
| Balance Sheet (Liability)/Asset | - | - | 1.76 | (3.54) |
| P&L (Income)/ expenses | - | - | 14.50 | 13.20 |
| Experience adjustment on plan liabilities (gain)/ loss | - | - | (3.92) | (5.25) |
| Experience adjustment on plan assets gain/ (loss) | - | - | (0.10) | (0.22) |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Sensitivity analysis in respect of the actuarial assumptions used in calculation of defined benefit obligation are given below:

(₹ in Lakhs)

| Particulars | Compensated Absence | | Gratuity | |
|----------------------------------|--|---|--|--|
| | Year ended 31 st March, 2024 | Year ended 31 st March 2023 | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
| Discount rate - 1% increase | - | - | 62.34 | 51.64 |
| Discount rate - 1% decrease | - | - | 69.64 | 60.14 |
| Salary Growth rate - 1% increase | - | - | 69.69 | 60.21 |
| Salary Growth rate - 1% decrease | - | - | 62.23 | 51.52 |
| Withdrawal rate - 1% increase | - | - | 65.84 | 55.94 |
| Withdrawal rate - 1% decrease | - | - | 65.71 | 55.17 |

NOTE 37 - CAPITAL MANAGEMENT

The capital structure of the Company consists of net debt and total equity of the Company. The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Company's risk management committee reviews the capital structure of the Company considering the cost of capital and the risks associated with each class of capital.

(₹ in Lakhs)

| Particular | Year ended 31 st March, 2024 | Year ended 31 st March, 2023 |
|--|--|--|
| Borrowings (Long Term and Short Term including Current Maturity of Long Term borrowing) | 6,679.97 | 6,448.44 |
| Other Payable (Current and non-current, excluding current maturity of long term borrowing) | 4,189.01 | 6,160.22 |
| Less : Cash and Cash Equivalents | (332.67) | (492.61) |
| Net Debt | 10,536.30 | 12,116.04 |
| Equity Share Capital | 1,767.88 | 1,566.48 |
| Other Equity | 5,905.27 | 4,762.92 |
| Total Capital | 7,673.15 | 6,329.40 |
| Capital and Net Debt | 18,209.45 | 18,445.44 |
| Gearing Ratio | 1.37 | 1.91 |

NOTE 38 - RELATED PARTY DISCLOSURES

The Company has made the following transactions with related parties as defined under the provisions of Indian Accounting Standard-24 issued by the Institute of Chartered Accountants of India.

List of related parties with whom transaction have taken place during the year along with the nature and volume of transaction is given below from 01.04.2023 to 31.03.2024

| Particulars | Relation |
|--|--|
| Directors & Key managerial persons & their associate concerns | |
| Ramesh Chand Agarwal* | Chairman of the company |
| Raj Kumar Agarwal | MD of the company |
| Pramod Agarwal | Executive Director of the company |
| Naresh Kumar Agarwal | Executive Director of the company |
| Sanjay Kumar Agarwal | Chief Executive Officer of the Company |
| Rakesh Kumar Soni | Chief Financial Officer |
| Ritika Poddar | Company Secretary cum Compliance Officer |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

| Particulars | Relation |
|--|--|
| Sandeep Kumar Jain | Independent Director |
| Saral Sudhir Saraf** | Independent Director |
| Dileep Kumar Jain*** | Independent Director |
| Preeti Goyal | Independent Director |
| Relatives | Relations with Directors |
| Megha Agarwal | Wife of Executive Director |
| Megha Lodha | Daughter in law of Managing Director |
| Naveen Agarwal | Brother of Executive Director |
| Pankaj Agarwal | Son of Managing Director |
| Shailly Agarwal | Daughter in law of Managing Director |
| Prateek Agarwal | Son of Executive Director |
| Lakshita Agarwal | Daughter of Executive Director |
| Jai Shree Agarwal | Brother's wife of Executive Director |
| Manav Agarwal | Nephew of Executive Director |
| Enterprises owned/controlled by directors & their relatives | Relations with Directors |
| Lawreshwar Footcare Pvt. Ltd. | Directors are shareholders of this company |
| Lawreshwar Footwear | Proprietorship concern of Chairman's son |
| Jai Narayan Mohan Lal & Sons | Proprietorship concern of Chairman's Brother |
| Lehar Foundation (Non Profit Section 8 Company) | Wholly Owned Subsidiary Company |
| Krishan Kripa Creation | Chairman is partner in firm |
| Raj Shoe Palace | Proprietorship concern of MD |
| P.K. Shoe Co. | Proprietorship concern of Executive Director |
| Naveen Footwear | Proprietorship concern of Executive Director's brother |
| N.K. Footwear | Proprietorship concern of EDs HUF |
| R.K. Boothouse | Proprietorship concern of MDs HUF |
| M.L. Boot House | Proprietorship concern of MD's Father's HUF |
| S. D. Footwear | Proprietorship concern of MD's mother |

*Deceased on 15.09.2022

**Resigned on 30.09.2023

*** Appointed on 27.09.2023

Transaction with key management persons

| Nature of transaction | (₹ in Lakhs) | |
|---|--------------|---------|
| | 2023-24 | 2022-23 |
| Remuneration | 176.82 | 141.95 |
| Out of the above items, transactions in excess of 10% of the total related party transactions are as under: | | |
| Ramesh Chand Agarwal | - | 13.76 |
| Raj Kumar Agarwal | 41.32 | 27.97 |
| Pramod Kumar Agarwal | 36.29 | 24.29 |
| Naresh Kumar Agarwal | 41.32 | 27.97 |
| Sanjay Kumar Agarwal | 24.79 | 18.10 |
| Rakesh Kumar Soni | 28.79 | 27.28 |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

Transaction with relatives

| Nature of transaction | (₹ in Lakhs) | |
|---|--------------|---------|
| | 2023-24 | 2022-23 |
| Salary | 123.42 | 84.60 |
| Out of the above items, transactions in excess of 10% of the total related party transactions are as under: | | |
| Naveen Agarwal | 21.50 | 13.39 |
| Pankaj Agarwal | 23.34 | 16.59 |
| Prateek Agarwal | 18.29 | 12.29 |
| Megha Agarwal | 12.00 | 9.00 |
| Megha Lodha | 12.00 | 9.00 |
| Shailly Agarwal | 12.29 | 9.00 |

Enterprises owned & controlled by the Directors and their relatives

| Nature of transaction | (₹ in Lakhs) | |
|-----------------------|--------------|----------|
| | 2023-24 | 2022-23 |
| Rent Paid | 63.92 | 56.42 |
| Donation | 11.21 | 5.39 |
| Sales | - | 15.70 |
| Loan Received | 653.83 | 1,688.90 |
| Loan Repaid | 580.06 | 1,650.10 |
| Investment | 0.10 | - |
| Interest Paid | 8.36 | 18.00 |

Out of the above items, transactions in excess of 10% of the total related party transactions are as under:

| Particulars | (₹ in Lakhs) | |
|---|--------------|----------|
| | 2023-24 | 2022-23 |
| Rent Paid | | |
| Lawreshwar Footwear | 9.92 | 9.92 |
| Lawreshwar Footcare Pvt. Ltd. | 54.00 | 46.50 |
| Donation | | |
| Jai Narayan Mohan Lal Charitable Trust | - | 0.05 |
| Lawreshwar Mahadev Mandir Trut | 11.21 | 5.34 |
| Sales | | |
| P.K. Shoe Co. | - | 15.70 |
| Loan Received | | |
| Lawreshwar Footcare Pvt. Ltd. | 653.83 | 1,688.90 |
| Loan Repaid | | |
| Lawreshwar Footcare Pvt. Ltd. | 580.06 | 1,650.10 |
| Investment | | |
| Lehar Foundation (Non Profit Section 8 Company) | 0.10 | - |
| Interest Paid | | |
| Lawreshwar Footcare Pvt. Ltd. | 8.36 | 18.00 |

NOTE 39 - CONTINGENT LIABILITIES AND COMMITMENTS

| Particulars | (₹ in Lakhs) | |
|---|--------------|---------|
| | 2023-24 | 2022-23 |
| Contingent Liabilities | | |
| Claims against the company / disputed liabilities not acknowledged as debts | - | 17.03 |
| Bank Guarantee | 311.63 | 460.42 |
| Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for in relation to the plant and machinery and for the installation of solar power plant | Nil | Nil |
| The company has imported plant and machinery under EPCG Scheme without paying custom duty, as a consequences in the event that certain terms and conditions are not fulfilled, the company is committed to pay the conquential taxes, levies etc. The additional export obligation is ₹ 264.68 Lakhs (USD \$ 3,28,467.21) over and above the average annual export of last three years ₹ 995.96 Lakhs | - | 39.75 |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

NOTE 40 - FINANCIAL INSTRUMENT : FAIR VALUE MEASUREMENT

(₹ in Lakhs)

| Particulars | 31-Mar-24 | | 31-Mar-23 | |
|-----------------------------------|------------------|------------------|------------------|------------------|
| | Amortised cost | Carrying value | Amortised cost | Carrying value |
| Financial Assets | | | | |
| (i) Trade receivables | 5,179.30 | 5,179.30 | 7,517.33 | 7,517.33 |
| (ii) Loans | 2.96 | 2.96 | 3.04 | 3.04 |
| (iii) Others | 485.57 | 485.57 | 221.76 | 221.76 |
| (iv) Cash & cash equivalents | 332.67 | 332.67 | 492.59 | 492.59 |
| Total | 6,000.49 | 6,000.49 | 8,234.72 | 8,234.72 |
| Financial Liabilities | | | | |
| (i) Borrowings | 6,679.97 | 6,679.97 | 6,448.44 | 6,448.44 |
| (ii) Trade payables | 3,426.71 | 3,426.71 | 5,421.28 | 5,421.28 |
| (iii) Other financial liabilities | 434.09 | 434.09 | 331.44 | 331.44 |
| Total | 10,540.77 | 10,540.77 | 12,201.16 | 12,201.16 |

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Long-term variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. Risk of other factors for the company is considered to be insignificant in valuation.

NOTE 41 - FINANCIAL INSTRUMENTS : RISK MANAGEMENT

Financial risk management policy and objectives

The key objective of the Company's financial risk management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company is focused on maintaining a strong equity base to ensure independence, security, as well as financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

Company's principal financial liabilities, comprise Borrowings from Banks, trade and other payables. The main purpose of these financial liabilities is to finance Company's operations and plant expansion. Company's principal financial assets include investments, trade and other receivables, deposits with banks and cash and cash equivalents, that derive directly from its operations.

Company is exposed to market risk, credit risk and liquidity risk.

The Company's Board oversees the management of these risks. The Company's Board is supported by senior management team that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance to the Company's Board that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and price risk. Financial

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2024

instruments affected by market risk include investments in equity shares, security deposits, trade and other receivables, deposits with banks and financial liabilities.

The sensitivity analysis in the following sections relate to the position as at 31st March, 2024 and 31st March, 2023. The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks.

a) Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The company is exposed to foreign exchange risk arising from foreign currency transactions primarily to EURO & USD. Company do not enter into any derivative instrument in order to hedge its foreign currency risks.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change by 5% in USD exchange rates, with all other variables held constant.

(₹ in Lakhs)

| Financial Exposure | 2023-24 | 2022-23 |
|-------------------------------|---------------|--------------|
| Financial Asset | | |
| Trade Receivable | | |
| USD Converted in Rupees | 811.10 | 430.94 |
| EURO Converted in Rupees | 154.20 | - |
| Financial liabilities: | | |
| Trade Payables | | |
| USD Converted in Rupees | 372.50 | 409.69 |
| Net exposure USD | 438.60 | 21.25 |
| Net exposure EURO | 154.20 | - |

Sensitivity Analysis

(₹ in Lakhs)

| Currency | Amount in INR | | 5% increase | | 5% decrease | |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | As at 31-03-2024 | As at 31-03-2023 | As at 31-03-2024 | As at 31-03-2023 | As at 31-03-2024 | As at 31-03-2023 |
| USD Converted in Rupees | 438.60 | 21.25 | 460.53 | 22.32 | 416.67 | 20.19 |
| EURO Converted in Rupees | 154.20 | - | 161.91 | 0.01 | 146.49 | - |

b) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to change in interest income and expense for the Company. In order to optimize the Company's position with regards to interest income & expense and to manage the interest risk, the Company performs comprehensive interest risk management by balancing the proportion of fix & variable rate financial instruments.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2024

(₹ in Lakhs)

| Particulars | As at | |
|----------------------------------|------------|------------|
| | 31-03-2024 | 31-03-2023 |
| Fixed rate instruments | | |
| Fixed deposit with Banks | 253.55 | 346.39 |
| Borrowings | | |
| Vehicle Loans | 136.27 | 143.05 |
| Inter Corporate Loans | 205.95 | 124.65 |
| Variable rate instruments | | |
| Borrowings | | |
| Term Loan (HDFC) | 832.07 | 1,248.05 |
| Cash Credit HDFC | 4,996.29 | 4,412.13 |
| Term Loan (SIDBI) | 509.41 | 520.56 |

Sensitivity analysis:

A change in 50 basis point in interest rate at the reporting date would have increase/(decrease) Profit or Loss by the amount shown below.

This analysis assumes that all other variables, remain constant.

(₹ in Lakhs)

| Particulars | 31-Mar-24 | | 31-Mar-23 | |
|---|-----------|----------|-----------|----------|
| | Increase | Decrease | Increase | Decrease |
| Interest rate - increase/decrease by 50 basis point | 31.69 | (31.69) | 30.90 | (30.90) |

c) Commodity Risk

Commodity risk is defined as the possibility of financial loss as a result of fluctuation in price of Raw Material/ Finished Goods and change in demand of the product and market in which the company operates. The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The company forecast annual business plan and execute on monthly business plan. Raw material procurement is aligned to its monthly/annual business plan and inventory position is monitored in accordance with future price trend.

ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk mainly from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks.

a) Trade Receivables

Credit risk on trade receivables is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has no concentration of risk as customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as financial condition, ageing of outstanding and the Company's historical experience for customers.

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Company monitors rating, credit spreads and financial strength of its counter parties. Company monitors ratings, credit spread and financial strength of its counter parties. Based on ongoing assessment Company adjust it's exposure to various counterparties. Company's maximum exposure to credit risk for the components of balance sheet is the carrying amount as disclosed in Note 39.

Credit risk exposure

The following table shows the maximum exposure to the credit risk at the reporting date :

| Particulars | as at 31 st March, 2024 | | as at 31 st March, 2023 | |
|-------------------------|------------------------------------|-----------------|------------------------------------|-----------------|
| | Non Current | Current | Non Current | Current |
| Loans | 38.69 | 2.96 | 53.30 | 3.04 |
| Trade Receivables | - | 5,179.30 | - | 7,517.33 |
| Cash equivalents | - | 332.67 | - | 492.59 |
| Other financials assets | - | 446.88 | - | 168.46 |
| Total | 38.69 | 5,961.80 | 53.30 | 8,181.42 |

(₹ in Lakhs)

iii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash flow obligations without incurring unacceptable losses. Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash requirements. Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft, debt from banks at optimised cost and cash flow from operations.

The table summarises the maturity profile of Company's financial liabilities based on contractual undiscounted payments.

| Particulars | As at 31 st March, 2024 | | | As at 31 st March, 2023 | | |
|-------------------------------|------------------------------------|----------|----------|------------------------------------|----------|----------|
| | Within 1 year | >1 years | Total | Within 1 year | >1 years | Total |
| Borrowings including interest | 708.75 | 956.38 | 1,665.13 | 703.03 | 1,627.86 | 2,330.89 |
| Other liabilities | 401.85 | 31.65 | 433.51 | 261.53 | 69.91 | 331.44 |
| Trade and other payable | 3,426.70 | - | 3,426.70 | 5,421.28 | - | 5,421.28 |

(₹ in Lakhs)

NOTE 42 - CODE ON SOCIAL SECURITY

The Code on Social Security, 2020 ('code') relating to employee benefits, during employment and post-employment, received Presidential assent on 28th September, 2020. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13th November, 2020, and has invited suggestions from stakeholders. The Company will assess the impact on its financial statements in the period in which the related rules to determine the financial impact are notified and the Code becomes effective.

NOTE 43 - OTHER STATUTORY INFORMATION

43.1 Details of Benami property held (Para a(ii)(XIII)(Y)(vi))- No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

43.2 Relationship with struck off Companies (Para a(ii)(XIII)(Y)(ix))-There are no transactions (Including Investment in Securities / Shares held by Struck off company & Other Outstanding balances) with companies struck off u/s 248 of the Companies Act 2013, or section 560 of the Companies Act, 1956.

Notes forming part of the Standalone Financial Statements for the year ended 31st March, 2024

43.3 Registration of charges and satisfaction with Registrar of Companies (Para a(ii)(XIII)(Y)(x))-There are no charges or satisfaction of charges which are yet to be registered with Registrar of Companies beyond the statutory period.

43.4 Details of Crypto Currency or Virtual Currency (Para a(iii)(xi))- The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

43.5 Utilization of Borrowed funds and share premium (Para a(ii)(XIII)(Y)(xiv)) - No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

43.6 Undisclosed Income (Para a(iii)(ix))- Company has not surrendered or disclosed any transaction which was not recorded in the books of accounts as income during the year in the tax assessment under the Income Tax Act.

43.7 Compliance with number of layers of companies (Para a(ii)(XIII)(Y)(xi)) - The company has not made violation of requirements related to number of layers of companies as prescribed under clause 87 of Section 2 read with Companies (Restriction of number of Layers) Rules 2017.

43.8 Willful Defaulter (Para a(ii)(XIII)(Y)(viii))- The company has not been declared as willful defaulter by any bank or financial institutions or other lenders.

43.9 Title deeds of Immovable Property not held in name of the Company (Para a(ii)(XIII)(Y)(i))- There are no immovable properties owned by the company whose title deeds are not held in its name.

43.10 Loan & Advance made to promoters, directors, KMPs and other related parties (Para a(ii)(XIII)(Y)(iii))- The Company has not provided any loans and advance to the parties covered under this clause

43.11 Compliance with approved Scheme(s) of Arrangements (Para a(ii)(XIII)(Y)(xiii)) - Not Applicable

43.12 The Company has been sanctioned working capital limit in excess of ₹ 5 Crore from Bank/ Financial Institution on the basis of security of current assets, the company has submitted the statement of stock and book debts which are in agreement with books of accounts, except minor immaterial discrepancies.

NOTE 44

The company consider footwear and accessories as its single segment in which company operates.

NOTE 45

The previous year figures have been regrouped, rearranged and reclassified wherever necessary.

NOTE 46 - IMPORTANT FINANCIAL RATIO

(₹ in Lakhs)

| Particulars | Numerator | Denominator | 2023-24 | 2022-23 | % Variance | Explanation |
|-------------------|----------------|----------------------|---------|---------|---------------|--|
| Current Ratio | Current Assets | Current Liabilities | 1.40 | 1.30 | 8.04% | As the variance is not more than +/- 25% hence, no explanation required. |
| Debt-Equity Ratio | Total Debt | Shareholder's Equity | 0.87 | 1.02 | -14.55% | As the variance is not more than +/- 25% hence, no explanation required. |

Notes forming part of the Standalone Financial Statements

for the year ended 31st March, 2024

(₹ in Lakhs)

| Particulars | Numerator | Denominator | 2023-24 | 2022-23 | % Variance | Explanation |
|---------------------------------|--|---|---------|---------|---------------|--|
| Debt Service Coverage Ratio | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments | 1.41 | 1.29 | 9.53% | As the variance is not more than +/- 25% hence, no explanation required. |
| Return on Equity Ratio | Net Profits after taxes – Preference Dividend (if Any) | Average Shareholder's Equity | 9.37% | 9.43% | -0.69% | Due to increase in the profitability of the company. |
| Inventory Turnover Ratio | Cost of goods sold | Average Inventory | 2.48 | 3.30 | -24.86% | As the variance is not more than +/- 25% hence, no explanation required. |
| Trade Receivable Turnover Ratio | Net credit sales | Average Trade Receivable | 3.04 | 3.52 | -13.60% | As the variance is not more than +/- 25% hence, no explanation required. |
| Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return | Average Trade Payables | 2.98 | 4.07 | -26.95% | Due to the institutional supply is at the higher credit period. |
| Net Capital Turnover Ratio | Net sales = Total sales - sales return | Working capital = Current assets – Current liabilities | 4.98 | 6.20 | -19.70% | As the variance is not more than +/- 25% hence, no explanation required. |
| Net Profit Ratio | Net Profit | Net sales = Total sales - sales return | 3.38% | 2.53% | 33.30% | Due to increase in the profitability of the company. |
| Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 12.14% | 10.30% | 17.86% | Due to increase in the profitability of the company. |
| Return on Investment | Interest (Finance Income) | Investment | Nil | Nil | Nil | N.A. |

As per our Report of even date

For A.Bafna & Company

Chartered Accountants

FRN: 003660C

(CA Vivek Gupta)

Partner

M.No. 400543

Date: 30th May, 2024

Place: Jaipur

For and on behalf of Board of Directors

LEHAR FOOTWEARS LIMITED**Raj Kumar Agarwal**

(Managing Director)

DIN: 00127215

Sanjay Agarwal

(CEO)

Naresh Kumar Agarwal

(Executive Director)

DIN: 00106649

Rakesh Kumar Soni

(CFO)

Ritika Poddar

(Company Secretary)



LEHAR FOOTWEARS LIMITED

CIN: L19201RJ1994PLC008196

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