

Date: May 30, 2024

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

Scrip Code: 532829

Subject: Press Release for the Quarter and Financial Year ended March 31, 2024.

Dear Sir/Madam,

Please find enclosed copy of Press Release on the audited financial results of the Company for the quarter and financial year ended March 31, 2024.

We request you to take the same on record.

Thanking You

Yours faithfully,
for **Lehar Footwears Limited**

RITIKA PODDAR
COMPANY SECRETARY & COMPLIANCE OFFICER
ICSI 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

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



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Doctor of Your Feet

- **Poised for sustainable growth, focussing across all sales channels**
- *Export growth of 70% during FY24, growth efforts to continue*
- *Domestic distribution enhancing amidst subdued demand environment*
- *Government channels slowed due to elections, to bounce back in Q1*

May 30, 2024, Jaipur: Lehar Footwears Limited ('Lehar'), announced its result for quarter and financial year ended 31st March 2024 in its Board Meeting held on Thursday, May 30, 2024.

Financial Performance: (Rs. Crores)

Particulars	Q4FY24	Q4FY23	Q3FY24	FY24	FY23
Revenue	38.1	50.4	35.8	194.3	202.6
Operating Profit	3.7	4.1	3.9	18.3	14.3
Operating Margin	9.8%	8.1%	11.0%	9.4%	7.0%
Finance Cost	1.5	1.5	1.4	5.9	5.0
Depreciation	1.1	0.9	1.1	4.3	3.5
Other Income	0.5	0.6	0.1	0.8	0.8
PBT	1.6	2.3	1.5	8.9	6.5
Income Tax	0.4	0.6	0.5	2.3	1.4
PAT	1.2	1.7	1.0	6.6	5.1

Declaring the quarter results, Mr. Raj Kumar Agarwal, Chairman & Managing Director of Lehar Footwears Limited commented: "The company witnessed encouraging business opportunity in export market and held its ground in the domestic retail distribution segment in a stagnant demand scenario. The Government sales channel slowed down during the last 6 months of the financial year due to imminent central & state elections. However, this drop in Government sales channel is temporary in nature and will bounce back from Q1 FY25. While consolidating our market position, we have focused on increasing our profitability enabled by cost optimization and favorable sales mix.

We saw demand scenario in low ticket discretionary consumption items stagnating, particularly in rural & semi-urban markets, due to inflationary pressure and uncertain climatic conditions. We took this opportunity to focus on innovating and strengthening our systems and process to get ready for the next phase of growth, as we foresee a positive shift in momentum on back of uptick in rural demand. We have proactively initiated improvisation of our selling and distribution strategy in our core markets. These strategic initiatives are aimed at identification of key growth markets, bolstering the on-field team, and enhancing our dealer distribution network thereby optimizing our distribution channels and ensuring effective penetration into our target markets.

In closing, we would like to extend our sincere gratitude to our stakeholders for their unwavering support and confidence in our endeavors. We are optimistic about the upcoming opportunities and remain fully committed to delivering sustainable value for our customers, shareholders and partners alike.

In line with our dividend payout strategy, the board has approved a final dividend of Rs. 0.30/- per share."



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Business Highlights & Outlook

- Exports:
Our export sales grew 70% in FY 24 to reach ~Rs.40 crores. The major markets explored by the company are Middle East and Africa. This opens a whole new sizeable TAM for the company. We are consistently increasing our market share in these regions by engaging with distributors, retailers & wholesalers and developing targeted products for our international clients. We expect healthy growth & a higher contribution from this business segment in future.
- Domestic Distribution:
The company was able to sustain its domestic distribution sales in FY24 while discretionary spending in the rural and semi-urban markets stagnated. We have seen initial signs of demand uptick and expect positive business momentum in this segment in the forthcoming years.
- Government Sales Channel:
The government sales channel saw a dip of ~20% in FY24, especially in the second half of the year owing to the state and central elections. We expect a bounce in this segment as government is likely to increase its focus on education and rural development at the outset of the new tenure.
- Increase in operating margins:
The company's operating margins improved by **240** bps from 7.0% in FY23 to 9.4% in FY24. The margins were largely driven by company's cost optimization initiatives, stable raw material prices and favorable sales mix.
- Brand promotion & grant from GOI:
Branding initiatives with through our 'Chalti Chale Lehar' campaign, featuring artists such as 'Govinda', 'Mahima Chaudhary' and 'Charu Asopa' ambassadors resulted in improved customer outreach, brand visibility and emotional connect

The company has been granted financial aid totaling Rs. 3.6 crores by the Government of India for Publicity Campaign and Brand Promotion purposes. This funding is part of a larger assistance package amounting to Rs. 9 crores (to be received over 3 years), as per the guidelines under the 'Brand Promotion of Indian Brands in Footwear and Leather Sector' sub-scheme of Indian Footwear and Leather Development Programme (IFLDP).

- Operating measures:
Company's operational initiatives such as ERP implementation, etc. resulted in optimization of cost and improve margins. Also, company focused on improving



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productivity as a result of which contribution of in-house manufacturing increased from ~66% in FY23 to ~78% in FY24.

Receivables cycle improved from ~75 days to ~50 days, leading to improved working capital cycle and positive cash flow from operations.

➤ **Bureau of Indian Standards (BIS) Certification:**

The Department of Industry and Internal Trade has implemented enhanced quality control measures, mandating Bureau of Indian Standards (BIS) certification for the manufacturing and sale of footwear. This regulation is anticipated to benefit organized players as unorganized players come under higher scrutiny over QC and related matters.

Warrant Conversion

During FY24, the company raised Rs. 7.9 crores by way of conversion of 20,14,000 equity share warrants to equal number of equity shares to warrant allottees. Out of the 20,14,000 equity shares warrants converted, the promoters were allotted 17,95,000 equity shares, due to which the promoters stake stood increase from 70.82% to 72.90%.

About Lehar Footwears Ltd.

Lehar Footwears Ltd. is one of the leading regional mass-footwear manufacturers of high quality and stylish non-leather footwears since 1995. Company is selling its products under 'Lehar' brand through trade distribution channel, retail multi brand outlets, export markets, government schemes and ecommerce marketplaces. The Company has 4 manufacturing plants situated at Jaipur and Kaladera (Chomu).

Disclaimer:

Certain statements in this press release may be forward-looking statements and/or based on management's current expectations and beliefs concerning future developments and their potential effects upon Lehar Footwears Limited. The forward-looking statements are not a guarantee of future performance and involve risks and uncertainties and there are important factors that could cause actual results to differ, possibly materially, from expectations reflected in such forward-looking statements. Lehar Footwears Limited does not intend, and is under no obligation, to update any forward-looking statement contained in this press release.



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