



## **24<sup>th</sup> Annual Report 2017-18**

**LAWRESHWAR POLYMERS LIMITED**



Shri Rajkumar Agarwal Managing Director Lawreshar Polymers Limited,  
Receiving National Award from Hon. President of India



Shri Naresh Agarwal Executive Director Lawreshar Polymers Limited,  
Receiving National Award from Hon. President of India

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## **CORPORATE INFORMATION**

**Founder**

Late Mr. Mohan Lal Agarwal

**Board of Directors**

Mr. Ramesh Chand Agarwal  
(Chairman)

Mr. Raj Kumar Agarwal  
(Managing Director)

Mr. Naresh Kumar Agarwal  
(Executive Director)

**Independent Directors**

Mrs. Preeti Goyal  
Mr. Gauri Shankar Kandoi  
Mr. Sidharth Singh  
**(Resigned w.e.f 10.04.2018 )**

**Chief  
Financial  
Officer**

Mr. Rakesh  
Kumar Soni

**Company  
Secretary**

Ms. Geetika  
Bisht

**Secretarial Auditor**

Naredi Vinod and Associates  
Company Secretaries, Jaipur

**Internal Auditors**

M/s Garg Vipin & Co.  
Chartered Accountants,  
Jaipur

**Statutory Auditor**

M/s Ravi Sharma & Co.  
Chartered Accountants  
Jaipur

**Bankers**

Punjab National Bank  
SSI Branch, Sikar Road,  
VKI Area, Jaipur

**Registrar & Share Transfer Agent**

Big Share Services Pvt. Ltd  
Bharat Tin Works Building,  
1st Floor, Opp. Vasant Oasis,  
Makwana Road, Marol,  
Andheri East, Mumbai 400059

**Registered Office & Corporate 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-685, Road No. 9 F2,  
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.

**Contact Details**

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csc@leharfootwear.com

Website: [www.leharfootwear.com](http://www.leharfootwear.com)

Contact No. 0141- 4157777(30 Lines)

## Chairman's Message

Dear Stakeholder,

I would like to begin with congratulating you all as our company completes 24 years of success in the footwear industry. It gives me great pleasure to announce yet another year of healthy growth. Financial Year 2017-18 was a crucial year for us as we re-emphasized our focus on the growth agenda we had set for ourselves. The Financial year ended on March 2018 was another successful year, where despite a challenging environment our business was able to face competition. We expanded our reach and further strengthened our distribution so that we can serve our consumers better with our wide range of product offerings.

We have been going through a major transformation over the past years and it is not easy to assess the transformation impact from one single year's results, but when looking back, it becomes clear just how much has changed. Our teams feel engaged and empowered to always do better and push our shared ambitions to greater heights. Our transformation journey will continue to build from what we have been achieving.

We recognize that the same factors that affected our performance at some point last year will continue to weigh on our margins in 2018. However, we are confident we will improve our profitability during the year and we know what to do in order to make progress.

We continue to take steps towards manufacturing excellence across our production units. We have been improving productivity and reducing manufacturing cost year on year, with the help of world class manufacturing concepts. Last year was no exception, wherein we were able to manage our manufacturing expenses extremely well, while maintaining our high standards of quality and manpower engagement.

In the year ahead, the business environment will continue to remain challenging and competitive intensity is likely to remain high. With our purpose driven products, passionate employees and your continued support, I am confident that we will continue to deliver growth that is consistent, competitive, profitable and responsible.

As we move ahead, you can be assured that we shall work diligently to take this Company to greater heights. I would like to thank all of you, our stakeholders, some of whom have been with us for many years, are an integral part of our journey, in empowering our people and our company to be more. If we can execute our strategies, and do the things we must learn to do, the year, and the years, ahead of us could be deeply rewarding, and I look forward to a great journey ahead, together.

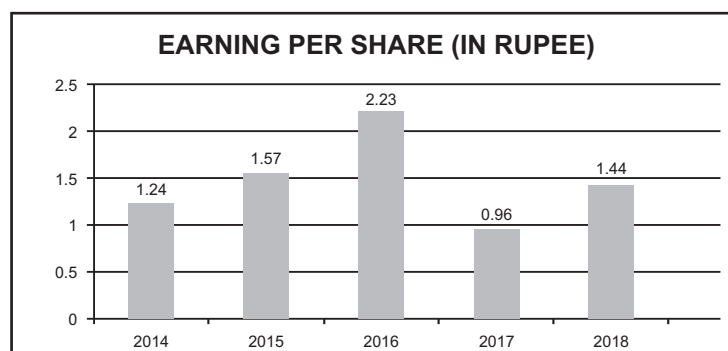
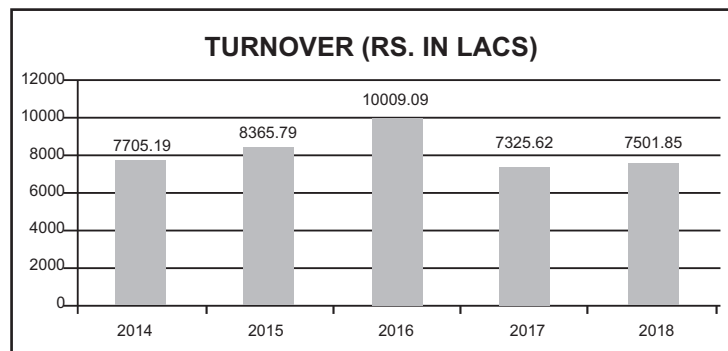
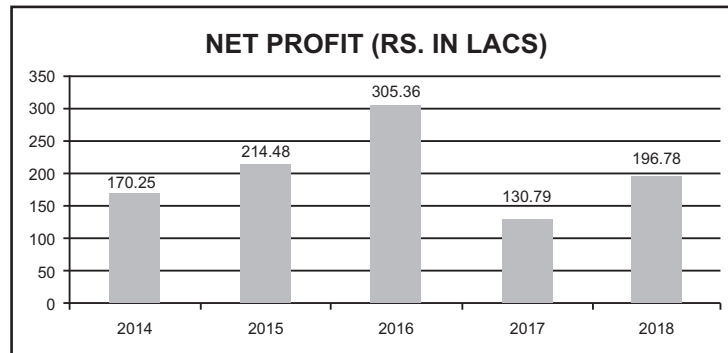
With best regards  
**Ramesh Chand Agarwal**  
Chairman

## Highlights of operations 2017-18

(Rs. in Lakhs)

Particulars	2017-2018	2016-2017
Sales	7454.89	7325.62
Revenue	7501.85	7396.40
EBITDA	976.25	821.63
Finance cost	453.15	417.52
Depreciation	287.82	193.30
Tax	38.49	80.02
Net profit	196.79	130.79
Equity Share capital	1367.88	1367.88
Net worth	5448.08	5168.44
Gross Fixed Asset(Tangible & Intangible)	5375.15	5009.46
Capital employed	6957.49	6818.35
Growth in sales(%)	1.76	(0.21)
Face Value Per Share	10	10
EPS- Basic (In Rs)	1.44	0.96
EPS- Diluted (In Rs)	1.44	0.96
Dividend (%)	-	-
Book Value per share (in Rs)	39.83	37.78
ROCE(%)	2.83	1.92

## YOUR COMPANY'S GROWTH AT A GLANCE



## Rewriting History

Success doesn't come from what you do occasionally. It comes from what you do consistently. The road to success is not easy to navigate but with hard work, drive and passion, it is possible to achieve your success. Here's a trail of our incredible journey as a brand.

**September, 2007** : Installed the P U Pouring Machine for manufacturing P U Sole Footwear with the Annual Capacity of 6.00 Lac pairs per annum & start the commercial production. Further, the Company has also installed the fully automatic computerized EVA injected Moulding Machine with the Annual Capacity of 6.00 Lac pairs per annum & start the commercial production with effect from September 29, 2007.

**November, 2007** : On the occasion of Resurgent Rajasthan Partnership Summit held at Jaipur, Signed Letter of Intent with the Government of Rajasthan for setting up of EVA Footwear, PU Footwear, Sports Footwear, Leather Footwear, Sports Goods and Apparels at Jaipur.

**April, 2008** : The Company was awarded a Rate Contract from Government of India for supply of Shoe Canvas Rubber Sole for Defense.

**November, 2013** : The Company acquired a Factory Land & Building measuring about 14325.00 Sq. Mtrs. situated at Kaladera, Jaipur for expansion of manufacture of footwears of latest technology and to meet the rising demand of its customers.

**May, 2015** : The Company inaugurated a new plant at SP-41D, RIICO Ind. Area Kaladera, Tehsil - Chomu Distt- Jaipur (Raj.) on for further expansion of the Company and to meet rising demand of customers.



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

Over the recent years, Indian footwear industry has seen a change in perception from basic consumption to a fashion and style consumption, thanks to an increase in disposable income, growing fashion consciousness and increase in discretionary spending. This has helped the Indian footwear industry too, which is now the second largest producer and third largest consumer of footwears in the world. The Indian footwear industry has witnessed a metamorphosis growth with the advent of new retail brands in the market. The industry has grown by leaps & bounds in the last decade with the introduction of new technology and inflow of investments. Your Company is predominantly engaged in the manufacturing of Light Weight Hawai Chappals, Canvas Shoes, PVC Shoes, Synthetic Leather Chappals, Fancy Chappals and also engaged in manufacturing of EVA Injected Footwear. Your Company's brand name 'LEHAR' has built up a better image over the other brands available in the local market. The major demand in non leather footwear sector is of PU Chappals because it is the cheapest footwear available in India. The PU Chappals have captured 75% of demand in rural areas, because in rural areas people use this product as multipurpose footwear.

### **OPPORTUNITIES**

India is attracting various established fashion brands of the world as well as retailers who are re-orienting their focus on the domestic footwear market, which has led to a significant increase in the market of retail outlets nationwide. Footwear industry has growth potential to be a \$ 80 Billion industry by 2030, which means a CAGR of approximately, 20% in the next 15 years with great potential for exports and a huge domestic market.

Footwear Industry is green industry having no water, air, noise, industrial pollution, therefore, fits into the slogan of "ZERO DEFECT ZERO EFFECT" perfectly. All resources required for the industry are indigenously available in abundance. Also, the industry has tremendous potential to create 20 lakh new jobs at the grass root level primarily for weaker section of society. Women, SC/ST, poor and needy in next 5 years, meeting the agenda of the Central Government in job creation.

### **THREATS**

The identified challenges and threats before the Indian Footwear and Leather Industry are India's competitiveness cheap and under invoiced imports, inadequate infrastructure, largest unorganised sector in comparison to organised, multiplicity of tax indication and trade regulation, lack of branding, capacity inadequacy, lack of skilled labour & labour wages, environmental issues and inadequate investment.

The industry operates in a complex regulatory environment and fully abides by law and regulations of the country it operates in. Any change in the laws and regulations governing the leather and footwear industry may affect the business and financial performance of the industry.

### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The Company is mainly engaged in the business of manufacturing of Footwear, so the Management considers "Footwear" as the only business segment of the Company.

### **INDUSTRY OUTLOOK**

There is still lot of potential for growth in the turnover of the Company because the demand of Company's products in the market is fast increasing. The Company is specially developing an innovative and different type of product as per requirement of the market. There is a strong Demand of

Eva & PU product in the market hence management has planned to expand its production capacity to cater the increased demand.

### **RISK AND CONCERN**

Your Company continuously ascertains risks and concerns in the Footwear Industry affecting its present operations, future performances and business environment. In order to overcome such risks and concerns your Company adopts preventive measures as considered expedient and necessary.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has an adequate system of internal controls comprising authorization levels, supervision, checks and balances and procedures through documented policy guidelines and manuals, which provide that all transactions are authorized, recorded and reported correctly and compliance with policies and statutes are ensured. The operational managers exercise their control over business processes through operational systems, procedural manual and financial limits of authority manual, which are reviewed and updated on an ongoing basis to improve the systems and efficiency of operations. The company places prime importance on an effective internal audit system. The internal control system is supplemented by internal audit, regular review by the management and well-documented policies. The Company has an independent internal audit system to monitor the entire operations and services. The top management and Audit Committee of the Board review the findings of the Internal Auditor and takes remedial actions accordingly.

### **DISCUSSIONS ON FINANCIAL PERFORMANCE VIS-À-VIS OPERATIONAL PERFORMANCE**

During this Year (2017-18), the company has made net profit of 196.78 Lacs and last year (2016-17) net profit was Rs. 130.79 Lacs. This Year turnover of your company stands at Rs.7454.89 Lacs as against last year turnover Rs. 7325.62 Lacs.

Consequent to IND AS implication the sales figures of the current period as well as the last period have been recasted and shown at net of discount value.

### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED**

The Company always believes that its growth is closely linked with the growth and overall development of its employees. The Company is committed to upgrade the skill of its employees and to create an environment where excellence is recognized and rewarded. The target is to place right people at right position and to enhance the efficiency, working speed, competency and time management skill of its employees. The Company's endeavour is to create an environment where people can use all of their capabilities in promoting the business of the Company. Number of people employed, as at 31/03/2018 is 329 including the contract labour.

### **CAUTIONARY STATEMENT**

The report may contain certain statements that the Company believes are, or may be considered to be "forward looking statements" that describe our objectives, plans or goals. All these forward looking statements are subject to certain risks and uncertainties, including but limited to, Government action, economic development, risks inherent in the Company's growth strategy and other factors that could cause the actual results to differ materially from those contemplated by the relevant forward looking statements.