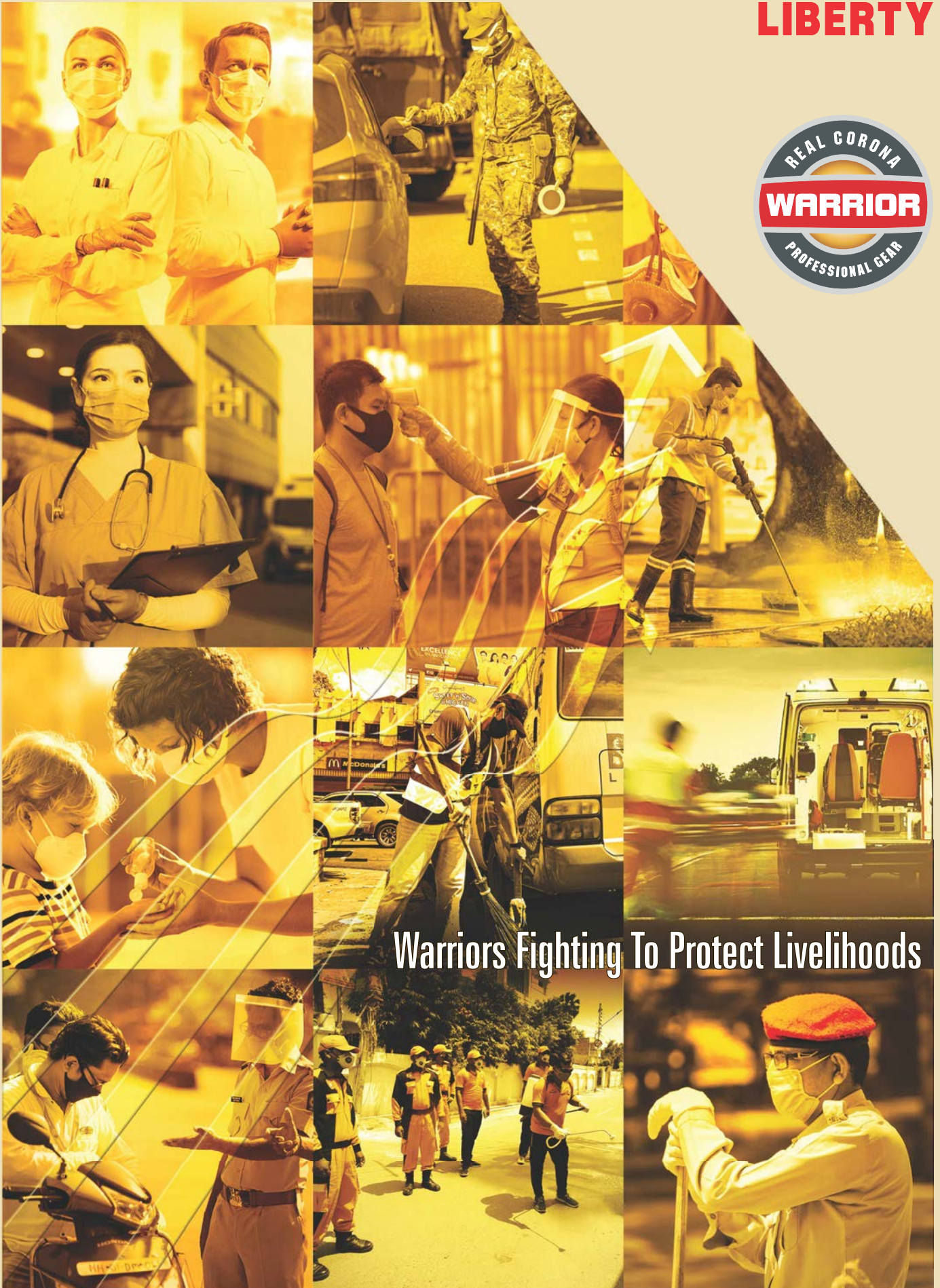


LIBERTY



Warriors Fighting To Protect Livelihoods

CREDO

To ensure that the method we use is the latest technology the World over. To follow the highest standards of honest workmanship in whatever we make. To walk the extra mile to ensure customer satisfaction worldwide. To remain a true cosmopolitan to the spirit. To remain a great corporation to associate with, to work for. To know that **"We are about people"**.

CONTENTS

| | |
|-------------------------------------------|----|
| Company Information | 2 |
| From The CEO's Desk | 3 |
| Notice | 4 |
| Directors' Report | 15 |
| Secretarial Audit Report | 44 |
| Corporate Governance Report | 46 |
| Management Discussion and Analysis Report | 76 |
| Independent Auditors' Report | 81 |
| Balance Sheet | 88 |
| Statement of Profit & Loss | 89 |
| Statement of Changes in Equity | 90 |
| Cash Flow Statement | 91 |
| Notes to the Financial Statement | 92 |
| E-Communication Registration Form | - |

COMPANY INFORMATION

Adesh Kumar Gupta

CEO & Executive Director
(DIN-00143192)

Shammi Bansal

Executive Director
(DIN-00138792)

Sunil Bansal

Executive Director
(DIN-00142121)

Adish Kumar Gupta

Executive Director
(DIN-00137612)

Ashok Kumar

Executive Director
(DIN-06883514)

Raghubar Dayal

Independent Director
(DIN-00481803)

Ramesh Chandra Palhan

Independent Director
(DIN-05241019)

Lovelena Mody

Women Independent Director
(DIN-01279148)

Aditya Khemka

Independent Director
(DIN-00514552)

Arvind Bali Kumar

(from 12th November, 2019)
Independent Director
(DIN-02520675)

Company Secretary & Compliance Officer

Munish Kakra

Chief Financial Officer & Company
Secretary

Audit Committee

Raghubar Dayal
Ramesh Chandra Palhan
Sunil Bansal

Nomination and Remuneration Committee

Raghubar Dayal
Ramesh Chandra Palhan
Aditya Khemka (from 12th November, 2019)

Management Committee

Adesh Kumar Gupta
Shammi Bansal
Adish Kumar Gupta
Ramesh Chandra Palhan
Raghubar Dayal

Stakeholders Relationship Committee

Sunil Bansal
Adish Kumar Gupta
Ramesh Chandra Palhan

Corporate Social Responsibility Committee

Shammi Bansal
Adish Kumar Gupta
Raghubar Dayal
Ramesh Chandra Palhan
Lovelena Mody

Registrar & Share Transfer Agent

Link Intime India Private Limited
Noble Heights, 1st Floor, C-1 Block
Near Savitri Market, Janakpuri,
New Delhi-110058
Tel.: (91) - 11- 41410592 -94
Fax: (91) - 11- 41410591
E-mail: delhi@linkintime.co.in

Registered Office

Libertypuram, 13th Milestone,
G. T. Karnal Road, Kutail, P.O. Bastara,
Distt. Karnal - 132114, Haryana
Tel.: (91) - 1748 - 251101 – 03
Fax: (91) - 1748 – 251100
E-mail: lpm@libertyshoes.com
Website: www.libertyshoes.com
CIN: L19201HR1986PLC033185

Corporate Office

Ground Floor, Tower - A, Building No. 8,
DLF Cyber City, Phase - II,
Gurugram - 122002, Haryana
Tel.: (91) - 124 – 4616200
Fax: (91) - 124 – 4616222
Email: corporate@libertyshoes.com

Bankers

Corporation Bank
DBS Bank Ltd.
HDFC Bank Ltd.
IndusInd Bank Ltd.
State Bank of India

Auditors

M/s U. Shanker & Associates
Chartered Accountants
303, Vikas Surya Shopping Mall,
Manglam Place,
Sector 3, Rohini, Delhi-110085

www.libertyshoes.com

**Buy Liberty Foot Fashion online on
libertyshoesonline.com**

Join us on 
facebook.com/libertyshoes



FROM THE CEO'S DESK

Dear Friends,

2020 has witnessed an array of challenges to Indian economy including falling consumption trends, uncertainty amongst business and last but not the least the outbreak of COVID in March 20 which has not exaggerated economic challenges further but also adversely affected the common men and society at large. The severe curtailment of economic activities through nationwide lock down and social distancing etc compelled due the outbreak of corona virus has further overcastted the near term outlook for Indian economy. The world bank has projected that Indian economy in 20-21 to be contracted by 3.2% however Govt. of India to mitigate the economic fallout further, has introduced various necessary measures, the real benefit of which can only be visible in the near future. The pace and sequence of the recovery from crisis will depend on the efficiency of public health systems, fiscal and monetary measures, containment of the spread of virus and restoring consumers confidence back in to the economy.

Your Company's performance during the year under review was just satisfactory in terms of top line growth of over 8% and marginal increase in net profits that too on account of one time exceptional gain. The pandemic has disrupted Company's operations severely ever since its breakout in March 20 but I am sure that with strong brand equity of Liberty, benefits of economic incentives including recognition to Footwear sector as a champion sector in Make In India 2.0 initiative ,support of all channel partners and my dedicated and spirited team will ensure that your company not only

fight hardships but also become apparent as a winner in the long run. Without a doubt the raging pandemic has thrown to us the biggest ever challenge that is imaginable but May I say that Liberty will overcome the challenge by harnessing our all available resources and its competence.

The institutional segment is turning out to be the spearhead of our revival and showing a lot of promise. In fact, in terms of earnings it definitely has acquired a primacy amongst all segments. Something we can surely build on with the government's emphasis on building an 'Atmanirbhar Bharat'. Let's help build a positive momentum and go all out to 'transform obstacles into opportunities.' Let's turn that into guiding motto of all our business activities.

We can all draw inspiration from the brand legacy and brand success of Warrior All Terrain Safety Shoes. It definitely is a matter of great pride for us that Warrior has today occupied a pre-eminent position in the safety shoes segment in the Indian footwear industry. I am happy to share that Liberty has achieved the distinction of bagging the highest single order of approx ₹100 cr to be completed in 2020-21 for Warrior All Terrain Safety Shoes from the Ministry of Defense, Govt. of India for our committed Armed Forces.

It is also most gratifying for all of us that the name 'Warrior' itself has become synonymous with the 'Great Indian Fightback' against the pandemic, the ravaging onslaught of COVID19.

I can say that is most befitting that Warrior has today acquired a meaning and a significance that for us is truly a dream come true. It has most definitely opened new vistas for our future.

It is also very heartening that we have been nimble footed to be in step with the changing times. We have quickly reinforced our online platform, consolidated and digitalized our e-Sales activities and expanded our reach through the virtual medium.

After all we are from Liberty and there is a Warrior in each one of us.

Adesh Kumar Gupta
Chief Executive Officer

NOTICE

Notice is hereby given that the 34th (Thirty Fourth) Annual General Meeting of the Members of **Liberty Shoes Ltd.** ("the Company") will be held on **Wednesday, 30th September, 2020** at **11.00 A. M.** through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following businesses:-

ORDINARY BUSINESS:

Item no. 1-Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended March 31, 2020 together with the Reports of the Board of Directors and the Auditors thereon.

Item no. 2-Appointment of Directors

- (a) To appoint a Director in place of Sh. Shammi Bansal (DIN-00138792), who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Sh. Shammi Bansal (DIN-00138792), who retires by rotation, be and is hereby re- appointed as a director liable to retire by rotation".

- (b) To appoint a Director in place of Sh. Adish Kumar Gupta (DIN-00137612), who retires by rotation and being eligible, offers himself for re appointment.

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Sh. Adish Kumar Gupta (DIN-00137612), who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation".

SPECIAL BUSINESS:

Item no. 3 - Appointment of Sh. Arvind Bali Kumar (DIN: 02520675) as Independent Director of the Company

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if

any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Sh. Arvind Bali Kumar (DIN-02520675), who was appointed as an Additional Director in the category of Non-executive Independent Director by the Board of Directors at their meeting held on 12th November, 2019 and holds office upto the date of this Annual General Meeting and who meets the criteria of independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years commencing with effect from 12th November, 2019 upto 11th November, 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company or Committee thereof and CFO & Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary in respect of aforesaid matter."

By order of the Board
For Liberty Shoes Ltd.

Munish Kakra

Place: Gurugram, Haryana
Dated: Friday, 31st July, 2020

CFO & Company Secretary
M. No. ACS 6262

Registered Office

Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail,
P.O. Bastara, Distt. Karnal - 132114, Haryana
Tel.: (91) - 1748-251101 ~ 03 Fax: (91) - 1748-251100
E-mail: lpm@libertyshoes.com
Website : www.libertyshoes.com
CIN: L19201HR1986PLC033185

NOTES:

1. In view of the prevailing COVID-19 pandemic, the Ministry of Corporate Affairs (the "MCA") vide its General Circulars No. 14/2020, No. 17/2020 and No. 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively (hereinafter, collectively referred as the "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, has allowed companies to conduct their annual general meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members at their AGM and accordingly, the 34th Annual General Meeting (the "AGM" or the "Meeting") of Liberty Shoes Limited (the "Company") will be held through VC or OAVM in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

2. IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2020/79 DATED MAY 12, 2020, THE REQUIREMENT OF SENDING PROXY FORMS TO HOLDERS OF SECURITIES AS PER PROVISIONS OF SECTION 105 OF THE ACT READ WITH REGULATION 44(4) OF THE LISTING REGULATIONS, HAS BEEN DISPENSED WITH. THEREFORE, THE FACILITY TO APPOINT PROXY BY THE MEMBERS WILL NOT BE AVAILABLE AND CONSEQUENTLY, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE CONVENING THE 34TH AGM OF THE COMPANY (THE "NOTICE").

However, in pursuance of Section 113 of the Act and Rules framed thereunder, the corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM, through VC or OAVM. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Power of Attorney/appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail

at sukeshgupt@gmail.com with a copy marked to investorcare@libertyshoes.com

3. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.
4. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
5. An Explanatory Statement pursuant to Section 102 of the Act and Rules framed thereunder, in respect of the Special Business under Item No. 3 is annexed hereto. The recommendation of the Board of Directors of the Company (the "Board") in terms of Regulation 17(11) of the Listing Regulations is also provided in the said Statement. Necessary information of the Directors seeking appointment/re-appointment at the AGM as required under Regulation 36(3) of the Listing Regulations and the Revised Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is also appended to the Notice.
6. Dispatch of Annual Report through E-mail in accordance with the MCA Circulars and the said SEBI Circular dated May 12, 2020, the Notice alongwith the Annual Report of the Company for the financial year ended March 31, 2020, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. Link Intime India Private Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2020 shall be available on the websites of the Company viz., www.libertyshoes.com and of the Stock Exchanges where Equity Shares of the Company are listed. The Notice shall also be available on the e-Voting website of the agency engaged for providing e-Voting facility, i.e., Link Intime India Private Limited, (LIPL) viz., instavote.linkintime.co.in

7. PROCEDURE FOR ATTENDING THE AGM THROUGH VC OR OAVM

Members will be able to attend the AGM through VC or OAVM by using their remote e-Voting login credentials.

The instructions for attending the AGM are annexed separately and form part of this Notice.

8. PROCEDURE FOR REMOTE E-VOTING AND E VOTING DURING THE AGM

In accordance with the provisions of Section 108 and

other applicable provisions, if any, of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto, read together with the MCA Circulars and Regulation 44 of the Listing Regulations, the Company has engaged the services of Link Intime India Private Limited to provide remote e-Voting facility and e-Voting facility during the AGM to all the eligible Members to enable them to cast their votes electronically in respect of the businesses to be transacted at the Meeting. **The instructions to cast votes through remote e-Voting and through e-Voting system during the AGM are annexed separately and form part of this Notice.**

The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Wednesday, 23rd September, 2020. The remote e-Voting period will commence on Sunday, 27th September, 2020 (9:00 A.M. IST) and will end on Tuesday, 29th September, 2020 (5:00 P.M. IST). During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date, i.e., Wednesday, 23rd September, 2020, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by Link Intime India Private Limited for voting thereafter.

Only those Members who are present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who would have cast their votes by remote e-Voting may attend the Meeting, but shall neither be allowed to change it subsequently nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Wednesday, 23rd September, 2020 being the cut-off date, are entitled to vote on the Resolutions set forth in the Notice. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date. **A person who is not a member as on the cut off date, i.e., Wednesday, 23rd September, 2020 should treat this Notice for information purpose only.**

The Board of Directors has appointed Sukesh Gupta, & Co. (Firm Registration No. 036441N) or failing

whom, such other practicing company secretary as the Board of Directors of the Company may appoint, as the Scrutinizer for scrutinizing the process of remote e-Voting and also e-Voting during the Meeting in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of the Meeting, count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-Voting in presence of atleast two witnesses not in employment of the Company and submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than 48 hours after the conclusion of the Meeting. Thereafter, the Results of e-Voting shall be declared forthwith by the Chairman or by any other director/person duly authorised in this regard. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website (www.libertyshoes.com) and on the e-Voting website of Link Intime India Private Limited viz. <https://instavote.linkintime.co.in> immediately after the results are declared and shall simultaneously be communicated to the Stock Exchanges where the equity shares of the Company are listed. The results declared along with the said Report shall also be made available for atleast 3 days on the Notice Boards of the Company at its Registered Office in Libertypuram and at the Corporate Office in Gurugram.

Subject to the receipt of requisite number of votes, the businesses mentioned in the Notice/the resolution(s) forming part of the Notice shall be deemed to be passed on the date of the AGM, i.e., Wednesday, 30th September, 2020. Members holding shares in physical mode or whose e-mail addresses are not registered, may cast their votes through e-Voting system, after registering their e-mail addresses by sending the following documents to the Company at investorcare@libertyshoes.com or to the RTA at delhi@linkintime.co.in:

- i) Scanned copy of a signed request letter, mentioning the name, folio number/demat account details & number of shares held and complete postal address;
- ii) Self-attested scanned copy of PAN Card; and
- iii) Self-attested scanned copy of any document (such as AADHAAR card/latest Electricity Bill/latest Telephone Bill/Driving License/Passport/Voter ID Card/Bank Passbook particulars) in support of the postal address of the Member as registered against their shareholding. Members, who hold shares in physical mode and already having valid

e mail addresses registered with the Company/the RTA, need not take any further action in this regard.

9. Procedure for inspection of documents

All documents referred to in the Notice and the Explanatory Statement shall be made available for inspection by the Members of the Company, without payment of fees upto and including the date of AGM. Members desirous of inspecting the same may send their requests not later than Monday, 28th September, 2020 at 5:00 P.M. at investorcare@libertyshoes.com from their registered e-mail addresses mentioning their names and folio numbers/demat account numbers.

During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available for inspection upon login at www.libertyshoes.com.

10. Book Closure Period for the AGM

Pursuant to Section 91 of the Companies Act, 2013 read with Rules framed there under and Regulation 42 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Share Transfer Books and Register of Members of the Company will remain closed from Thursday, 24th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive) for the purpose of the AGM.

11. Nomination Facility

Members holding shares under a single name in physical mode are advised to make nomination in respect of their shareholding in the Company. The Nomination Form can be downloaded from the Company's website, i.e., www.libertyshoes.com from "Investor Relations" section. Members holding shares in demat mode should file their nomination with their respective Depository Participant(s).

12. Pursuant to Regulation 40 of the Listing Regulations, the securities of listed companies can be transferred only in the dematerialized mode w.e.f. April 1, 2019, except in case of transmission or transposition of securities. In this regard, SEBI has clarified by a Press Release No. 12/2019 dated March 27, 2019, that the said amendments do not prohibit an investor from holding the shares in physical mode and the investor has the option of holding shares in physical mode even after April 1, 2019. However, any investor who is desirous of transferring shares (which are held in physical mode) after April 1, 2019 can do so only

after the shares are dematerialized. However, requests for transfer of shares held in physical mode, as filed in Form SH-4, prior to April 1, 2019 and returned to the investors due to deficiency in the documents, may be resubmitted for transfer even after April 1, 2019 provided it is submitted alongwith the necessary documents including PAN details. In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 6, 2018.

13. 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 advise any change in their address or Bank mandates immediately to the Company's Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd, Noble Heights, 1st Floor, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058.
14. Members holding shares in physical mode are requested to immediately notify any change in their address along with self attested copy of address proof i.e. Adhaar Card/Electricity Bill/ Telephone Bill/ Driving License/ Passport/Bank Passbook particulars to the Company or its RTA and in case their shares are held in dematerialized mode, this information should be notified/submitted directly to their respective DPs.
15. 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 any. The Company or its Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd. 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 their Depository Participants by the Members.
16. Unpaid/Unclaimed Dividend:
- i. Pursuant to erstwhile Section 205 and Section 205A of the Companies Act, 1956 read with the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 and amended provisions of Section 205A read with Section 205C of the Companies Act, 1956, all unclaimed/ unpaid amount of dividends have been transferred to the General Revenue Account/Investor Education and Protection Fund (IEPF) established by

the Central Government, as the case may be. It may be noted that once the unpaid/unclaimed amount of Dividend is transferred to the IEPF, the same cannot be claimed by the members there from in terms of the erstwhile provisions of Section 205B of the Companies Act, 1956.

- ii. The members, who have not yet claimed their dividends warrants for the financial year ended 31st March, 2014 and 31st March, 2015, are requested to claim the amount of Dividend from the Company immediately by submitting a request letter with the Company or Registrar and Share Transfer Agent M/s Link Intime India Pvt. Ltd. at the above mentioned addresses before the due date of transfer of respective amount of unpaid/unclaimed dividend to IEPF. Unclaimed/Unpaid amount of dividend for the financial year ended 31st March, 2014 and 31st March, 2015 will be transferred to the IEPF on 3rd November, 2021 & 3rd November, 2022 respectively.

- 17.** Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH. 13. The said form can be downloaded from the Company's website www.libertyshoes.com under section "Investor Relations". Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company by submitting duly completed Form No SH. 13 with the Company's RTA in case of shares in physical form and with their respective depository in case of shares in electronic form. In case of any cancellation or variation in Nomination in respect of their Shareholding in the Company, Members may download Form SH-14 from the website of the Company www.libertyshoes.com and submit duly completed Form SH. 14 with the Company's RTA in case of shares in physical form and their respective depository in case of shares in electronic form.

- 18.** Non-Resident Indian Members are requested to inform Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd., immediately of:
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

19. INSTRUCTIONS FOR REMOTE E-VOTING:

- Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>.

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:-

- Click on 'Sign Up' under 'SHARE HOLDER' tab and register with your following details:-
 - User ID: Enter your User ID
- Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
- Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.
- Members holding shares in physical form shall provide Event No + Folio Number registered with the Company.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).

C. DOB/DOI: Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format).

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Members holding shares in CDSL demat account shall provide either 'C' or 'D', above.
- Members holding shares in NSDL demat account shall provide 'D', above.
- Members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above.
- Set the password of your choice (The password should contain minimum 8 characters, at least one Special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click 'confirm' (Your password is now generated).

If Shareholders/members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

- Click on 'Login' under 'SHARE HOLDER' tab.
- Enter your User ID, Password and Image Verification

(CAPTCHA) Code and click on 'Submit'.

4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon for 'Liberty Shoes Limited/ Event number 200250
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour/Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
7. After selecting the desired option i.e. 'Favour/ Against', click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co>. and register themselves as 'Custodian/Mutual Fund/Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian/Mutual Fund/Corporate Body' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case member is having valid email address, Password will be sent to his/her registered e-mail address.
- Member can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/ DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. In case Members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to

Mr. Rajeev Ranjan at enotices@linkintime.co.in or call on +91 (91) 022-49186000.

20. PROCESS AND MANNER FOR ATTENDING THE 34TH AGM THROUGH INSTAMEET

For a smooth experience of AGM proceedings, shareholders who are registered for the event are requested to download and install the Webex application in advance on the device that you would be using to attend the meeting by clicking on the link <https://www.webex.com/downloads.html/>. Shareholders also have an option to click on the URL provided to attend the meeting. Please read the instructions carefully and participate in the meeting. For any support, shareholders may also call the RTA on the dedicated number provided in the instructions.

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
 - (I) Select the "Company" and 'Event Date' and register with your following details: -
 - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
 - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. Mobile No.: Enter your mobile number.
 - D. Email ID: Enter your email id, as recorded with your DP/Company.
 - (ii) Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).
2. Members can log in and join 30 minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 minutes after the scheduled time. The Company shall provide VC/OAVM facility to Members to attend the AGM. The said facility will be available for 1000 Members on first come first served basis. This will not include large Members (i.e. Members with 2% or more shareholding),

promoters, institutional investors, directors, key managerial personnel, chairpersons of the audit committee, nomination & remuneration committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

21. Instructions for Shareholders/Members to Speak during the AGM through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number at investorcare@libertyshoes.com, atleast 48 hours prior to the date of AGM i.e. on or before 4.00 p.m. (IST) on Monday, 28th September, 2020.
2. Speakers will only be allowed to express their views/ask questions on first come first served basis during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
3. Shareholders who would like to ask questions, may send the same in advance mentioning their name, demat account number/folio number, email id, mobile number at investorcare@libertyshoes.com, atleast 48 hours prior to the date of AGM i.e. on or before 4.00 p.m. (IST) on Monday, 28th September, 2020. The same will be replied by the Company suitably.
4. Shareholders will get confirmation on first come first served basis depending upon the provision made by the Company.
5. Shareholders will receive 'speaking serial number' once they mark attendance for the meeting. Shareholders are requested to speak only when Moderator/Management of the meeting will announce the name and serial number for speaking.
6. Please remember 'speaking serial number' and start your conversation with panelist by switching on audio of your device.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

22. Instructions for Shareholders to Vote during the AGM through InstaMeet:

Once the electronic voting is activated by the Scrutinizer/Moderator during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:-

1. On the shareholders VC page, click on the link for e-Voting 'Cast your vote'.
2. Enter Demat Account No./Folio No. and OTP (received on the registered mobile number/registered Email ID) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see 'Resolution Description' and against the same the option 'Favour/Against' for voting.
4. Cast your vote by selecting appropriate option i.e. 'Favour/Against' as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. 'Favour/Against' as desired and you have decided to vote, click on 'Save'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Confirm', else to change your vote, click on 'Back' and accordingly modify your vote.
6. Once you confirm your vote on the Resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Shareholders present at the AGM through InstaMeet facility and who have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting from 11.00 A.M. (IST) till the expiry of 15 minutes after the AGM is over. Shareholders who have voted through remote e-voting prior to the AGM will be eligible to attend/participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders are encouraged to join the AGM through Tablets/Laptops connected through broadband for better experience.

Shareholders are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the currency of the AGM.

Please note that shareholders connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate such kind of glitches.

In case shareholders have any queries regarding login/e-voting, they may send an E-mail to instameet@linkintime.co.in or call on +91 (022) 49186175.

Annexure to the Notice

(Explanatory Statement in respect of the Special Business to be transacted at the AGM and set out under Item No. 3 of the accompanying Notice of AGM pursuant to Section 102 (1) of the Companies Act, 2013, as amended)

Item No.3:

Sh. Arvind Bali Kumar, aged 59 years, is a Mechanical Engineer and Master of Business Administration. He is having more than three decades of robust leadership experience in diverse business starting from Garments, Consumer Electronics, Supply Chain, Telephony and Mobile Services, Telecom and surveillance Equipments. He is having proficiency in the gamut of start-ups, global expansion, strategy planning, new initiatives, business operations and productivity improvements, implementing strong financial models and improved business image.

Considering the requirement of Regulation 17 of SEBI LODR Regulations as regard to optimum combination of Executive and Non-executive Directors and minimum number of Independent Director on the Board, the Nomination and Remuneration Committee and Board of Directors of the Company in their respective meeting(s) held on 12th November, 2019 have approved the appointment of Sh. Arvind Bali Kumar as an Additional Director in the category of Independent Director and as such he holds office of Director till the conclusion of forthcoming Annual General Meeting in terms of provisions of Section 161 of the Companies Act, 2013.

While approving the name of Sh. Bali, the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 12th November, 2020 have also considered that Sh. Bali is having independent relationship with the Company, its directors, KMPs and promoters and also considering his expertise, qualification and experience it was proposed to appoint him as Independent Director of the Company for the 5 consecutive years w.e.f. 12th November,

2019 to 11th November, 2024. In view of above the Board is of the opinion that it is desirable to avail his service as Independent Director.

Sh. Bali is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director of the Company. The Company has also received declaration from Sh. Bali that he meets the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time. In the opinion of the Board, Sh. Bali fulfils the conditions specified in the Act and the rules made there under and Listing Regulations and he is Independent of the Management.

The Company has received intimation from Sh. Arvind Bali Kumar in form DIR-8 to the effect that he is not disqualified and further confirmed that he is also not debarred by the Securities and Exchange Board of India, Ministry of Corporate Affairs or such other Statutory Authority to be appointed as a Director in any Company. As required under Regulation 25(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Sh. Arvind Bali Kumar has confirmed that he is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

Copy of the draft letter of appointment setting out the terms and conditions etc. of appointment of Sh. Bali, copy of the consent letter in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Intimation in form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that Sh. Bali is not disqualified in accordance with sub-section (2) of

Section 164 of the Companies Act, 2013 and declaration that Sh. Bali meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013, Schedule IV Part IV of the code for Independent Director and other relevant documents are open for inspection at the Registered Office of the Company during business hours on any working day prior to the date of the Annual General Meeting. Sh. Bali will be paid remuneration by way of sitting fee for attending the Board Meetings of the Company or for any other purpose what so ever as may be decided by the Board from time to time and within the limits as specified under the provisions of Companies Act, 2013 and Listing Regulations.

Brief profile of Sh. Bali, nature of his expertise in specific functional areas and names of Companies in which he holds directorships/chairmanships of Board committees, shareholding and relationships between directors inter se as stipulated under Companies Act, 2013, Listing Regulations and Secretarial Standards, is provided in the Annexure-A to this Notice and also in Corporate Governance Report forming part of the Annual Report.

The Company has received a Notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing the candidature of Sh. Arvind Bali Kumar, as a Director of the Company.

This Statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and Listing Regulations. Further, in terms of General Circular No. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs, the matter regarding appointment of Mr. Bali is considered unavoidable by the Board. Accordingly, in terms of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment

of Mr. Bali as Independent Director of the Company is now being proposed before the members of the Company for their approval.

None of the Directors, Key managerial Personnel of the Company or their relatives, except Sh. Arvind Bali Kumar may be deemed to be concerned or interested in the proposed resolution no. 3.

The approval of members of the Company is proposed to be sought in view of above facts and circumstances.

By order of the Board
For Liberty Shoes Ltd.

Munish Kakra

CFO & Company Secretary
M. No. ACS 6262

Place: Gurugram, Haryana
Dated: Friday, 31st, July, 2020

Registered Office

Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail,
P.O. Bastara, Distt. Karnal - 132114, Haryana
Tel.: (91) - 1748-251101 ~ 03 Fax: (91) - 1748-251100
E-mail: lpm@libertyshoes.com
Website : www.libertyshoes.com
CIN: L19201HR1986PLC033185

ANNEXURE-A

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING [PURSUANT TO REGULATION 26(4) AND 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS-2 ON GENERAL MEETINGS]

| Name of the Director | Sh. Shammi Bansal | Sh. Adish Kumar Gupta |
|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director Identification Number (DIN) | 00138792 | 00137612 |
| Category of Director | Executive Director | Executive Director |
| Nationality | Indian | Indian |
| Date of Birth/Age | 27th March, 1961/59 Years | 11th January, 1964/56 Years |
| Date of First appointment as Director | 28th November, 1990 | 12th August, 2011 |
| Qualification | Graduate | Graduate |
| Experience/Expertise in specific Functional Areas | <ul style="list-style-type: none"> • He has been working as Director since 1990 and as Executive Director since 1995. • He is having experience of more than three decades in footwear Industry. • He has been credited with various initiatives in the field of leather and footwear technology including use of E.P. Polymers, introduction of E.V.A. compound in Indian Footwear Industry. • He has been looking after the production designing and development of various types of footwear at Company's plants. | <ul style="list-style-type: none"> • He has been associated with the Company in different capacity for last several years and having vast experience in the field of Human Resource Management and supervision of leather finishing unit. He has been contributing to operations of the Company with his vast experience. |
| Terms & conditions of appointment/re-appointment | Re-appointed as Director liable to retire by rotation | Re-appointed as Director liable to retire by rotation |
| Details of remuneration to be sought/remuneration last drawn (2019-20) | Re-appointed as Director liable to retire by rotation hence no remuneration sought. However remuneration of ₹4 Lakh P.M. (including all perquisites) drawn during the FY 2019-20. | Re-appointed as Director liable to retire by rotation hence no remuneration sought. However remuneration of ₹4 Lakh P.M. (including all perquisites) drawn during the FY 2019-20. |
| No. of Board Meetings attended during the year | Refer Corporate Governance Report | Refer Corporate Governance Report |
| Relationship with other Directors and other Key Managerial Personnel (KMPs) inter se | Brother of Sh. Sunil Bansal, Executive Director | None |
| List of directorship held in other Companies as on 31st March, 2020 | <ul style="list-style-type: none"> • Little World Constructions Pvt. Ltd. | <ul style="list-style-type: none"> • Geofin Investments Pvt. Ltd. • Little World Constructions Pvt. Ltd. |
| List of membership in Committees of the Board of the other Companies on which he is a Director as on 31st March, 2020 | None | None |
| No. of shares held in the Company: (a) Own (b) For other persons on a beneficial basis | 259640 Equity Shares Nil | 189360 *Equity Shares Nil |

*Other than Equity Shares held by his HUF

| | |
|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of the Director | Sh. Arvind Bali Kumar |
| Director Identification Number (DIN) | 02520675 |
| Category of Director | Non-executive Independent Director |
| Nationality | Indian |
| Date of Birth/Age | 23rd March, 1961/59 Years |
| Date of First appointment as Director | 12th November, 2019 |
| Qualification | Mechanical Engineering, Master in Business Administration |
| Experience / Expertise in specific Functional Areas | <ul style="list-style-type: none"> • He is having more than three decades of robust leadership experience in diverse business starting from Garments, Consumer Electronics, Supply Chain, Telephony and Mobile Services, Telecom and surveillance Equipments. • He is having proficiency in the gamut of start-ups, global expansion, strategy planning, new initiatives, business operations and productivity improvements, implementing strong financial models and improved business image. |
| Terms & conditions of appointment/re-appointment | Proposed appointment as an Independent Director not liable to retire by rotation w.e.f. 12th November, 2019 |
| Details of remuneration to be sought/remuneration last drawn (2019-20) | No remuneration has been paid during the FY 2019-20 or to be sought for Appointment as Independent Director. However sitting fee for attending the Board Meetings of the Company will be paid. |
| No. of Board Meetings attended during the year | Refer Corporate Governance Report |
| Relationship with other Directors and other Key Managerial Personnel (KMPs) inter se | None |
| List of directorship held in other Companies as on 31st March, 2020 | <ul style="list-style-type: none"> • Ingenium Traders & Consultants Private Limited • IPSAA Developers Private Limited |
| List of membership in Committees of the Board of the other Companies on which he is a Director as on 31st March, 2020 | None |
| No. of shares held in the Company: | |
| (a) Own | Nil |
| (b) For other persons on a beneficial basis | Nil |

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 34th Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2020.

Financial Highlights:

The highlights of the financial statements are as under:-

(₹ In Lakh)

| Particulars | | |
|-----------------------------------------------------------|-----------|-----------|
| | 2019-20 | 2018-19 |
| Gross Sales | 64,954.16 | 60,117.16 |
| Add: Other Income | 296.28 | 161.02 |
| Revenue from Operations and Other Income | 65,250.44 | 60,278.18 |
| Profit before Depreciation, Finance Costs and Tax (PBDIT) | 6,119.12 | 4,188.70 |
| Less: Finance Costs | 1,431.58 | 1,480.57 |
| Less: Depreciation & Amortisation | 3,349.04 | 1,346.88 |
| Profit Before Exceptional Items | 1,338.49 | 1,361.25 |
| Less: Exceptional & Extraordinary Items | (442.91) | 14.66 |
| Profit before Tax Expense (PBT) | 1,781.40 | 1,346.59 |
| Less: Tax Expenses | 681.67 | 662.32 |
| Net Profit for the year (NP) | 1,099.73 | 684.27 |
| Other Comprehensive Income /(Loss) | - | - |
| Total Comprehensive Income | 1,099.73 | 684.27 |

Review of the operations of the Company:

Your Company has prepared the Financial Statements for the financial year ended March 31, 2020 under Sections 129, 133 and Schedule II of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

During the financial year ended 31st March 2020, Liberty has recorded a turnover of ₹64,954.16 Lakhs as against turnover of previous year's ₹60,117.16 Lakh, an increase of 8% over corresponding previous year 2019. The PBDIT stood at ₹6,119.12 Lakhs during the year 2019-20 as compared to ₹4,188.70 Lakhs during the corresponding previous year 2018-19. The increase in PBDIT to the extent of ₹1,997.10 Lakh is on account of change in accounting norms of lease rental expenses which has been considered under depreciation/amortization account instead of other expenses like previous year pursuant to newly implemented Ind-AS-116 for accounting of leasehold rights of the Company made effective from 1st April, 2019. The PBDIT ignoring the said lease rental considered in depreciation and amortization is ₹4,122.02 Lakh as against previous years' ₹4,188.70 Lakh. The Profit before Tax expenses stood at ₹1,781.40 Lakh including exceptional income of ₹442.91 Lakh as compared to ₹1,346.59 Lakhs during the corresponding previous year 2018-19. The Profit after Tax of your Company, for the year

under consideration, has remained at ₹1,099.73 Lakhs as against ₹684.27 Lakhs during the corresponding previous year.

During the current year under consideration, your Directors, after evaluating the feasibility of continuing operations at its Dehradun plant, have decided to discontinue its operation there and liquidated the surplus land and building as a result of which the Company has earned income under exceptional/extraordinary items to the extent of ₹442.91 Lakh (net of Expenses) against expenses of ₹14.65 Lakh during previous year.

Your Company, during the year under consideration, has continued focusing on strengthening and diversifying its product portfolio, enhanced quality with comfort, new designs with qualitative materials, adding up new retail stores and enhancing customers experience by reaching them through online marketing campaign on various event & occasions. These focused activities resulted in enhancing customers confidence and constancy as evident from the growth in number of pairs/products sold during the year.

Your Directors, truly identifying the prospective of e-commerce business opportunities in India, has further supported its online platform with elaborate arrangement of warehousing, supply and handling of the products with faster delivery to its customers.

Your Company also sells its product through its E Commerce Partners like Amazon, Flipkart, Smytten and Paytm, among others.

The institutional or bulk customer segment over the years has been constantly improving its contribution in the overall growth of the Company and during the year under consideration, besides its fine performance, also bagged the prestigious Institutional order from Ministry of Defence, Govt. of India, worth approx. ₹100 Crores to be completed during the current year 2020-21.

The lifestyle segment of the Company, wherein the Company has launched different variants of fine fragrance perfumes & after shave lotions, has not performed as envisaged during the year under consideration. The Company is, however, optimistic regarding its penetration in the luxury market by exploring all alternative channels of sales like own store, B2B, Online Sales etc. for making its products available to aspirant customers.

With the Covid-19 pandemic impacting people across the globe, your Company has not been untouched with its impact which has effected its sales operations and market sentiments during the later part of March, 2020. The nationwide lock down started from 23rd March, 2020 till the date of this report has not been completely lifted in most of the States which has adversely affected the operations of the Company in terms of Sales, manufacturing, Retailing and other activities. The Company, to mitigate the pandemic impact, has adopted requisite actions including but not limited to rental renegotiation for its showrooms, rationalizing its employee strength and its cost and further reinforcing of its e retail platform and other available modern channels.

Credit Rating:

During the year under review, CARE Ratings Limited, a leading rating agency, has re-affirmed its Ratings CARE "A" (-); (single A Minus) in respect of Long Term banking facilities (comprising Term Loan and Working Capital fund based facilities) and CARE "A2" (+) ("A" Two Plus) in respect of Short Term banking facilities (comprising non fund based facilities) sanctioned by the Banks to the Company. The outlook on the Long Term rating, during the lock down period, has been assigned negative due to Company's liquidity position to remain stretched amid loss of income and cash flows due to lockdown.

Subsidiary Company their Performance & Consolidated financial statement:

Liberty Foot Fashion Middle East FZE (LFF), Dubai (Erstwhile Wholly Owned Overseas Subsidiary)

The Company has discontinued its Wholly Owned Subsidiary (WOS) at Middle East and its assets are pending for liquidation

due to which no financial statements have been prepared of this WOS. Therefore, the same has not been attached and a statement containing salient features of the financial statements of the Company's wholly owned subsidiary has not been provided as required under Section 129 of the Companies Act, 2013.

Appropriations:

Dividend

Your Directors, considering the financial requirement to the Company, have not recommended any dividend for the financial year ended 31st March 2020.

Transfer to Reserves

Your Directors proposed to transfer ₹300.00 Lakh (Previous Year ₹300.00 Lakh) to the General Reserves out of the profits available with the Company for appropriations. Accordingly, an amount of ₹799.73 Lakh (Previous Year ₹384.26 Lakh) has been proposed to be retained in the Profit & Loss Account of the Company.

Employees Stock Option Scheme(s)

During the year ended 31st March, 2020, your Company has not floated any scheme in relation to Employees Stock Option(s) and no such further plans have been initiated at present in this regard.

Nomination and Remuneration Policy

Your Board of Directors, on the recommendation of the Nomination and Remuneration Committee, framed and adopted a policy for identifying and recommending the selection and appointment of Directors and KMPs of the Company and remuneration to Directors, KMPs and other employees. The contents of the Policy and evaluation criteria have been stated in the Corporate Governance Report. The above Nomination and Remuneration Policy is set out in Annexure-I of this Report. The Policy is also available on the website of the Company i.e. www.libertyshoes.com.

Policy on Prevention of Insider Trading

Your Company has adopted a code of Conduct for Prevention of Insider Trading with a view to regulate trading in Equity Shares of the Company by the Promoters, Directors, Employees, designated persons and other connected persons. The said Code of Conduct is available on the website of the Company at www.libertyshoes.com. The Code requires pre-clearance for dealing in Company's shares and prohibits purchase or sale of shares in your Company by the Promoters, Directors, Employees, designated persons and other connected persons while they are in possession of unpublished price sensitive information and also

during the period when the Trading Window remains closed.

Familiarization Program

In order to encourage active participation of Independent Directors and in order to understand the business environment, your Company has been familiarizing the Independent Directors on its Board with detailed presentations by its business functional heads on the Company operations, strategic business plans, new products and technologies including significant aspects of the Industry and its future outlook. Once appointed, the Non Executive & independent Directors undergo the familiarization program of the Company. The Non executive & independent Directors are also provided with financial results, internal audit findings and other specific documents as sought by them from time to time. They are also made aware of the various policies and code of conduct and business ethics adopted by the Board. Details of familiarization programs extended to the Non Executive & Independent Directors during the year under consideration are disclosed on the Company website at www.libertyshoes.com.

Risk Management Policy & Risk Management

The Management of the Company has always been consciously reviewing its business operations in accordance with set rules and procedure and if any deviation or risk is found, remedial and effective steps are being taken to minimize the deviation and risk. In line with the provisions of Section 134 (3) (n) of the Companies Act, 2013, the Company has developed a Risk Management Policy to build and establish the process and procedure for Identifying, assessing, quantifying, minimizing, mitigating and managing the associated risk at early stage. Policy is aimed to develop an approach to make assessment and management of the risks in financial, operational and project based areas in timely manner. The main objectives of the Risk Management Policy is inter-alia, to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed, to protect the brand value through strategic control and operational policies and to enable compliance with appropriate regulations wherever applicable, through the adoption of best practices. The Board of Directors of the Company assesses several type of risks which include Business Environment Risks, Strategic Business Risks and Operational Risks etc. The Board of Directors periodically reviews and evaluates the risk management system of the Company so that the management controls the risks through properly defined networks. Head of the Departments are responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to

the Board and Audit Committee. No risks threatening the existence of the organization have been identified. However there are other risks against which adequate mitigation plans are prepared.

The Risk Management policy is available on the Company's website of the Company at http://investor.libertyshoes.com/doc/Risk_Management_Policy.

Whistle Blower Policy (Vigil Mechanism)

As per the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Regulation 22 of Listing Regulations, your Company has an effective mechanism of reporting illegal or unethical behavior. The Company has a Whistle Blower Policy (vigil mechanism) wherein the directors, employees, consultants and contractors are free to report violations of laws, rules and regulations or unethical conducts, actual or suspected fraud or violation of the Company's code of conduct or ethics policy to the nodal officer. The mechanism followed is appropriately communicated within the Company across all levels and has been posted on the Notice Board of the Company. The confidentiality of those reporting violations etc. is maintained and they are not subjected to any discriminatory practice. The concern can be reported by sending an e-mail message at the dedicated address viz. ethicscounsellors@libertyshoes.com. Individuals can also raise their concerns directly to the CEO or the Chairman of the Audit Committee of the Company. Any allegation falling within the scope of the concerns are identified, investigated and dealt with appropriately. The Audit Committee periodically reviews the functioning of this mechanism. The Vigil mechanism established in the Company provides adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism. During the year, no personnel of the Company was denied access to the Audit Committee. The details of establishment of Vigil mechanism/ Whistle Blower Policy of the Company are available at the website of the Company viz. www.libertyshoes.com.

Non-applicability of Maintenance of Cost Records:

The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and Rules made there under with respect to the Company's nature of business.

Buy Back of Equity Shares:

Your Company has not undertaken any exercise to buy back its Equity Shares from the shareholders during the year under review.

Public Deposit(s):

The Company has not accepted/renewed any public deposits

and as such, no amount on account of principal or interest on deposits from public was outstanding as on date of the balance sheet.

Board of Directors and Key Managerial Personnel:

Retirement by rotation of the Directors

Sh. Shammi Bansal & Sh. Adish Kumar Gupta, Directors of the Company will be retiring by rotation at the 34th Annual General Meeting in pursuance of the provisions of Section 152 of the Companies Act, 2013 and being eligible, have offered themselves for the re-appointment at the 34th Annual General Meeting.

Appointment(s) and Cessation of office of Directors

Appointment(s)/Re-appointment(s):

- (I) The members at the 33rd Annual General Meeting held on 27th September, 2019 have:
- Re-appointed Sh. Sunil Bansal as Executive Director for a period from 1st January, 2019 to 31st March, 2021.
 - Re-appointed Sh. Raghubar Dayal and Sh. Ramesh Chandra Palhan as Independent Directors of the Company for a second term of two consecutive years commencing from 29th September, 2019 to 28th September, 2021.
 - Appointed Sh. Aditya Khemka as Independent Director of the Company for a first term of five consecutive years commencing from 27th September, 2019 to 26th September, 2024.
- (II) The Board of Directors of the Company in their meeting held on 12th November, 2019 have appointed Sh. Arvind Bali Kumar as Additional Director in the category of Independent Director and his candidature is also being proposed in ensuing Annual General Meeting for appointment as Independent Director of the Company for first term of five consecutive years commencing from 12th November, 2019 to 11th November, 2024 for the approval of shareholders. Brief profile of above Director, nature of his expertise in specific functional areas and names of Companies in which Sh. Arvind Bali Kumar holds directorships/chairmanships of Board committees, shareholding and relationships between directors inter se as stipulated under Companies Act, 2013, Listing Regulations and Secretarial Standards, is provided in the Annexure A to the Notice.

Cessation of office of Director:

During the year under consideration Sh. Pushpinder Singh Grewal has expressed his unwillingness to continue as

Independent Director of the Company due to his pre-occupation and term of his Office came to an end on 28th September, 2019 as per the terms of his appointment.

Key Managerial Personnel

The following persons are the Key Managerial Personnel (KMPs) of the Company as per the provisions of the Companies Act, 2013-

| | | |
|-----------------------|---|--------------------------|
| Sh. Adesh Kumar Gupta | - | CEO & Executive Director |
| Sh. Shammi Bansal | - | Executive Director |
| Sh. Sunil Bansal | - | Executive Director |
| Sh. Adish Kumar Gupta | - | Executive Director |
| Sh. Ashok Kumar | - | Executive Director |
| Sh. Munish Kakra | - | CFO & Company Secretary |

Committees of the Board

The Company's Board has constituted the following Committees:

1. Audit Committee
2. Management Committee
3. Stakeholders Relationship Committee
4. Nomination and Remuneration Committee
5. Corporate Social Responsibility Committee

The detail of terms of reference of the Committees, Committee composition, meetings held during the year and attendance at the meetings of the Committees are provided in the Corporate Governance Report.

Number of meetings of the board

Four meetings of the board were held during the year. The detail of the composition, board meetings held during the year and attendance at the meetings are provided in Corporate Governance Report. The maximum time gap between two meetings did not exceed 120 days.

Annual Evaluation of Directors and Board as a whole

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board is required to monitor and review the Board evaluation framework. In line with the Corporate Governance Guidelines, the Annual Performance Evaluation is conducted for all members as well as the working of the Board and its Committees. This evaluation is with specific focus on the performance and effective functioning of 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 evaluation process also considers the time spent by each of the Board Members, core competencies, personal characteristics,

accomplishment of specific responsibilities and expertise. In addition, the Chairman is also evaluated on the key aspects of his role. The Board evaluation is conducted through questionnaire having qualitative parameters and feedback based on ratings. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The outcome of the Board evaluation for the financial year under consideration was discussed by the Nomination and Remuneration Committee and Board at their respective meetings held on 4th February, 2020, excluding the director being evaluated.

During the year under review, the Company has complied with all the criteria of Evaluation as envisaged in the SEBI Circular on "Guidance Note on Board Evaluation". Based on the Performance Evaluation process and on the recommendation of the Nomination and Remuneration Committee, your Board of Directors have considered the appointment of Sh. Arvind Bali Kumar as Independent Director of the Company for a first term of Five (5) consecutive years at the ensuing AGM for the approval of the Members by way of Ordinary resolution.

In lines with the provisions of the Companies Act, 2013 and Listing Regulations, separate meeting of the Independent Directors of the Company was held on 4th February, 2020 in the absence of non-independent directors and members of management inter alia to evaluate the performance of the non-Independent Directors, Board as a whole of the Company, its committees, Chairman and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

Attributes, Qualifications & Independence of Directors and their appointment

The criteria for determining qualifications, positive attributes and independence of Directors in terms of the Act and the Rules there under, both in respect of Independent Directors and other Directors as applicable, has earlier been approved by the Nomination and Remuneration Committee during the financial year 2015-16 (amended from time to time). The Policy of the Company also provides that Non-Independent Independent Directors be drawn from amongst eminent professionals with experience in business/finance/law/public administration & enterprises. The Board Diversity Policy of the Company requires the Board to have balance of skills, experience and diversity of perspectives appropriate to the Company. Directors are appointed/re-appointed with the approval of the Members for a shorter period say, two to five years only. All Directors, other than

Independent Directors, are liable to retire by rotation and are eligible for re-election in terms of the provisions of Articles of Association. The Independent Directors of your Company have confirmed that they meet the criteria of independence as prescribed under section 149 of the Companies, Act, 2013 and Regulation 16 of Listing Regulations.

The Nomination and Remuneration Policy as approved by the Board of Directors of the Company has been attached to this report and also accessible on the website of the Company at www.libertyshoes.com

Material changes and commitments affecting financial position between end of the financial year and date of report

As per the provisions of Section 134(3) (1) of the Companies Act, 2013, no material changes or commitments affecting the financial position have occurred between the end of financial year of the Company to which the financial statements relates to the date of the report.

Change in the nature of Business, if any

There was no change in the nature of business of the Company during the year under review.

Internal financial control systems and their adequacy

Liberty's internal financial controls are adequate and operate effectively and ensure orderly and efficient conduct of its business including adherence to its policies, safeguard its assets, prevent and detect frauds and errors, maintain accuracy and completeness of its accounting records and further enable it in timely preparation of reliable financial information. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

The Company has in place a strong and independent Internal Audit Department which is responsible for assessing and improving the effectiveness of internal financial control and governance. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

Declaration by Independent Directors

The Company has received necessary declarations from each independent director under Section 149(7) of the Companies Act, 2013, that she/he meets the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 25(8) of the Listing Regulations and there is no change in the status of their independence and have confirmed that they are not aware of any circumstances or

situation which exists or may be reasonably anticipated that could impair their ability to discharge their duties. The Board of Directors of the Company also confirms that the Independent Directors also meet the criteria of expertise, experience, integrity and proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended) and on the basis of declarations submitted by the Independent Directors with the Company the Board of Directors is having positive outlook towards the integrity and expertise of the Independent Directors.

The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and have registered themselves with the Independent Director's databank as required under the above provisions. The Independent Directors are yet to appear for the online proficiency self-assessment test and hence, the opinion on the aforesaid would be provided in the next year's annual report.

Directors' Responsibility statement

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, your Directors, based on the representations received from the management, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- vii) Based on the framework of internal financial controls and

compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

Audit Committee and their Recommendations/ Observations

Your Board has a duly constituted Audit Committee in terms of Section 177 of the Companies Act, 2013 read with the Rules framed there under and Regulation 18 of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015. The term of reference of the Audit Committee has been approved by the Board. The details pertaining to composition of Audit Committee, no. of meetings held during the year under review, brief term of reference and other details have been included in the Corporate Governance Report, which forms part of this report. The recommendations/observations of the Audit Committee placed before the Board during the financial year ended 31st March, 2020 in respect of matters pertaining to the financial management or any other matter related thereto, were considered and duly accepted by the Board of Directors of the Company.

Statutory Auditors and their Report

M/s U. Shanker & Associates, Chartered Accountants, New Delhi (Firm registration No. 014497N) were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 24th August, 2017, for a term of 5(five) consecutive years.

Auditors' Report:

Your Company's Directors have examined the Statutory Auditors' Report issued by M/s U. Shanker & Associates, Chartered Accountants on the Annual Accounts of the Company for the financial year ended 31st March, 2020. There is no reservation, qualification or adverse remark made by the Statutory Auditors in their Report and their clarifications, wherever necessary, have been included in the Notes to the Accounts section as mentioned elsewhere in this Annual Report. During the period under consideration, no incident of frauds was reported by the Statutory Auditors pursuant to Section 143(12) of the Companies Act, 2013.

Secretarial Auditors and their Report

Your Directors have appointed M/s JVS & Associates, a Practicing Company Secretaries, in accordance with the provisions of Section 204 read with Section 179 of the Companies Act, 2013

and rule 8 of the Companies (Meetings of Board and its Powers), Rules, 2014 for the financial year 2019-20 for conducting the Audit of secretarial records of the Company and issue their report.

The Secretarial Audit Report in respect of secretarial records of the Company for the Financial Year ended March 31, 2020 has been submitted by M/s JVS & Associates and taken on record by the Board of Directors of the Company. The Report of the Secretarial Auditors in Form MR-3 for the financial Year ended 31st March, 2020 is enclosed to this Report. The Board members have examined the above said report and observed that there is no reservation, qualification and adverse remark made by the Secretarial Auditors and while issuing the said report, the Secretarial Auditors have given their comments on the compliance which were duly complied with by the Company.

Internal Auditors and their Report

Your Directors in their meeting held on 25th May, 2017 have appointed Sh. Rajesh Gupta, Chartered Accountant as internal Auditor of the Company, in accordance with terms of the provisions of Section 138 read with Section 179 of the Companies Act, 2013 and rule 8 of the Companies (Meetings of Board and its Powers), Rules, 2014 and rule 13 of the Companies (Accounts) Rules, 2014 for the financial year 2017-18 onwards for conducting the Internal Audit of the books of accounts and reviewing and ensuring the Internal Control system of the Company and to issue their report.

The Internal Audit Report in respect of books of accounts and Internal Control system of the Company for the Financial Year ended March 31, 2020 has been submitted by Sh. Rajesh Gupta, which has been duly considered and requisite actions were taken by Audit Committee and reports thereon were also taken on record by the Board of Directors of the Company. The Board members have examined the above said report and observed that there is no reservation, qualification and adverse remark made by the Internal Auditors.

Particulars of Loans, Advances, Guarantees and Investments

The Company has not granted any loan, guarantee or made any investments during the year ended 31st March, 2020 under Section 186 of the Companies Act, 2013 and Rules made there under. Pursuant to Section 186 (4) read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), disclosure on particulars relating to Loans, advances and investments are provided as part of the financial statements.

Significant and material orders

During the year under consideration, there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Transactions with Related Parties

During the year 2019-20, all transactions entered by the Company with related parties as defined under the Companies Act, 2013, Rules made there under, were in the Ordinary Course of Business and at Arm's Length basis. The Audit Committee granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors on quarterly basis. Your Company does not have a material unlisted subsidiary as defined under Regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Directors shall formulate a Policy to determine Material Unlisted Subsidiary as and when the relevant provisions for the same are applicable on it in future.

There were no materially significant transactions with related parties during the financial year 2019-20 which were in conflict with interest of the Company. Since all the related party transactions entered in to 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 is not applicable to the Company. However, the Company has been undertaking transactions for last so many years in respect of payment of Royalty/ Franchise fees to few of the related parties after obtaining the prior approval of shareholders and Central Government under the provisions of erstwhile Companies Act, 1956. All the related party transactions have been disclosed in the Notes to financial statements as required under IND AS-24 of the Accounting Standard.

In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board had approved and adopted policies on Related Party Transactions which has been uploaded on the Company's website www.libertyshoes.com under the "investor relations section".

Particulars of Directors and Employees

The information required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subsequent amendments thereto, is given in Annexure II and the same forms part of this report.

A statement containing the Information of top ten employees in terms of remuneration drawn as provided under Section 197 (12)

of the Companies Act, 2013 read with rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subsequent amendments thereto, is given in Annexure III and the same forms part of this report. During the financial year 2019-20, no employee, whether employed for whole or part of the year, was drawing remuneration exceeding the limits mentioned under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subsequent amendments thereto.

Extract of Annual Return

As provided under Section 92(3) of the Companies Act, 2013, the extract of annual return is given in Annexure IV in the prescribed Form MGT-9, which forms part of this report. The Annual return for the financial year ended 31st March, 2020 is available on the website of the Company www.libertyshoes.com.

Corporate Social Responsibility (CSR)

Your Company has been involved in social initiatives for last three decades and engaged in various activities in the field of education, primary healthcare, communities, ecology and environment etc. It believes in long lasting impact towards creating a just, equitable, humane and sustainable society. In Liberty, CSR initiatives were being undertaken, long before the provisions of the Companies Act, 2013 and with the implementation of new provisions of Section 135 of the Companies Act, 2013, Liberty is committed to further strengthen its effort and activities by demonstrating care for the community through its focus on education and development of skills, health and wellness including treatment for poor, needy & uninsured people, environment sustainability including promoting of green initiatives and Improvement of the living conditions of inhabitants and support to disaster relief efforts etc. The various CSR initiatives undertaken by your Company during the year under consideration are as under:-

1. Promoting Education and Skill development

Liberty has identified schools and institutions around its Plant/Offices and made contributions/sponsorships for providing education to children who can't afford it. It has sponsored quality education and healthcare, providing of balanced nutrition to under privileged children for their holistic development so that they can lead better life and can contribute to the society as responsible citizens etc. In addition to this, it has provided free of cost footwear to various school/institutions for distribution amongst the children/students who can't afford it.

2. Promotion of Sports

Liberty contributed to registered Sports Associations in

Karnal for providing training to youth athletes of Haryana for preparing them to participate in National Games and Olympics.

3. Contribution to approved relief funds

Liberty has provided contributions to the various approved relief funds set up by Central and State Governments.

4. Contribution for development of Public Infrastructure

Liberty has identified and contributed for the development of various facilities and structures which are available to the general public.

5. Environmental sustainability

Liberty is ensuring environmental sustainability through tree plantation, conservation of natural resources and maintaining of quality of soil, air and water in the places around its Plants/Offices.

6. Promotion of Preventive Healthcare and Eradicating of Poverty

During the period of COVID-19 pandemic, the Company distributed free of cost Healthcare and Safety goods and foods to the poor and needy people.

7. Other CSR activities and initiatives:

Liberty has contributed for the promotion of religious activities by contributing to temples/Pooja/various registered Kalyankari Sabhas and societies and also contributed to the Association incorporated with the objective of development of trade to which your Company belongs.

During the year under consideration the Company has complied with the provisions of Companies Act, 2013 by making the required contribution on the activities as stated in Schedule VII of the Act. The Annual Report on Corporate Social Responsibility activities as required under Sections 134 and Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014 is provided in Annexure V of this report. The policy is also available on the website of the Company at www.libertyshoes.com.

Disclosure under the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Liberty's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. The said Committee has its presence at corporate office as well as at plants.

During the year ended 31st March, 2020 the Committee did not receive any complaint pertaining to sexual harassment.

Corporate Governance and Ethics

Your Company believes in adopting best practices of corporate governance. Corporate Governance principles are enshrined in the spirit of Liberty, which form the core values of Liberty. These guiding principles are also articulated through the Company's Code of Conduct, Corporate Governance guidelines, Charter of various Sub-Committees and disclosure policy.

As per regulation 34 of the Listing Regulations, a separate section on corporate governance practices followed by your Company, together with a certificate from Statutory Auditors M/s U. Shanker & Associates, Chartered Accountants, on compliance with corporate governance norms under the Listing Regulations, is given at page no. 72 to page no. 73 of this Annual report.

Management Discussion and Analysis Report

In terms of Regulation 34 of the Listing Regulations, the Management Discussion and Analysis report on your Company's performance, industry trends and other material changes with respect to your Company, wherever applicable, are presented at page no. 76 to page no. 80 of this Annual report. The Management Disclosure and Analysis Report provides a consolidated prospective of economic, social and environmental aspects material to our strategy and our ability to create and sustain value to our key stakeholders.

Conservation of Energy and Technology Absorption and Foreign Exchange Earnings and outgo:

Information in accordance with the provisions of Section 134 (1) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 in relation to conservation of Energy and Technology Absorption and Foreign Exchange Earnings and Outgo is given in the "Annexure VI", which forms part of this report.

Compliance with Secretarial Standards:

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Outstanding Share Capital and its Listing:

Your Company has outstanding Share Capital of ₹17,04,00,000/- (Previous Year ₹17,04,00,000/-) consisting of 1,70,40,000 (Previous Year 1,70,40,000) Equity Shares of ₹10/- each and these Equity Shares are presently listed and available for trading at National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE).

Acknowledgments and Appreciation:

Your Directors take this opportunity to place on record their sincere gratitude for the consistent cooperation and support received from the shareholders, Bankers, Channel Partners, COVID WARRIORS, Council for Footwear Leather & Accessories (CFLA) and the Government Authorities.

Your Directors also place on record their deep appreciation to the employees at all levels for their hard work and dedication.

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Friday, 31st, July, 2020

ANNEXURE-I TO DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

OBJECTIVE AND GUIDING PRINCIPLES

The objective of Liberty Shoes Limited's (the Company) remuneration policy is to ensure that:

- ❖ The level and composition of remuneration is reasonable to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives;
- ❖ The relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
- ❖ the remuneration to Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) and other employees, wherever applicable, involves a balance between fixed and incentive pay and also reflects the short and long term performance objectives appropriate to the working of the Company and its goals.
- ❖ The Company has a compensation mix of fixed pay, benefits, allowances, perquisites, performance linked incentives, wherever applicable, and retirement benefits for its Executive Directors, KMP, SMP and other Employees.
- ❖ The remuneration and payment of advances/loans to the employees other than Directors/KMPs/SMPs.

THE NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178 of the Companies Act, 2013 and rules made there under, a listed Company is required to constitute a Nomination & Remuneration Committee which is responsible for formulating a policy related to the remuneration for the director, key managerial personnel and other employees and recommend the same to the Board for their approval and making the necessary amendments to the above policy from time to time.

DEFINITIONS

- ❖ "Board" means Board of Directors of the Company.
- ❖ "Company" means "Liberty Shoes Limited."
- ❖ "Employees' Stock Option" means the option given to the directors, officers or employees of a Company or of its holding Company or subsidiary Company or Companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre determined price.
- ❖ "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- ❖ "Key Managerial Personnel" (KMP) means
 - (i) Chief Executive Officer or the Managing Director or the Manager,

- (ii) Company Secretary,
- (iii) Whole-time Director,
- (iv) Chief Financial Officer; and
- (v) Such other officer as may be prescribed.

- "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- "Policy or This Policy" means, "Nomination and Remuneration Policy."
- "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- "Senior Management Personnel" (SMP) means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.
- "Other Employees" means Employee of the Company other than Directors/KMP/SMP.

INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of Independent Directors and the Board.
- c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of every Director's/KMP's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel, Senior Management Personnel and other Employees of the Company.

- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) To devise a policy on Board diversity.
- l) 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.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.
- k) To define the Policy and criteria for payment of advances/ loans to Directors/KMPs/SMPs/ other employees.

MEMBERSHIP

- a. The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- b. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d. Membership of the Committee shall be disclosed in the Annual Report.
- e. Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a

meeting or when his or her performance is being evaluated.

- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

Diversity

The Company recognizes and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions among Directors. The Committee will periodically review board diversity to bring in expertise and experience in diverse areas and disciplines to improve the standards of corporate governance, transparency, operational efficiency and risk management. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Committee will discuss succession planning and board diversity at the time of nominating Directors. It will be the Committee's endeavor to have Board members from diverse backgrounds/disciplines including the following:

- ❖ Corporate Finance and Accounting;
- ❖ Corporate laws and Legal;
- ❖ Engineering and Information Technology
- ❖ Business Strategy and Administration;
- ❖ And any other background/discipline as deemed necessary by the Committee.

APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

Appointment criteria and qualifications:

- Appointment criteria and qualifications:
 1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
 2. A person should possess adequate qualification, expertise and experience for the position he/she is

considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole time Director/Manager who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years

- Term/Tenure:

1. Managing Director/Whole-time Director/Manager (Managerial Person):

- ❖ The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

- ❖ An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company for another term and disclosure of such appointment shall be made in the Board's report.

- ❖ No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- ❖ At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole time Director of a listed Company.

- Evaluation:

Committee shall carry out evaluation of performance

of every Director, KMP and Senior Management at regular interval (yearly).

- i. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- ii. Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

- iii. General:

1. The remuneration/compensation/commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required.

2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under and SEBI LODR Regulations, amended from time to time.

3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Unless otherwise decided by the Board of Directors & Committee thereof, Shareholders and other respective approving authority of the Company, the increments will be effective from the date of re-appointment in respect of Managerial Person and 1st April in respect of other KMP and Senior Management of the Company.

4. Where any insurance is taken by the Company on

behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

iv. Remuneration to Managerial Person, KMP and Senior Management:

1. Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under and SEBI LODR Regulations, amended from time to time. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013.

3. Provisions for excess remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior approval of the shareholders, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

The Company shall not waive recovery of such sum refundable to it unless approved by the shareholders.

v. Remuneration to Non-Executive/Independent Director:

1. Remuneration/Commission:

The remuneration/commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under and SEBI LODR Regulations, as amended from time to time.

2. Sitting Fees:

The Non-Executive/Independent Director may receive

remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee.

3. Limit of Remuneration/Commission:

The Non- Executive/Independent Director may receive remuneration by way of commission or otherwise. Provided that the amount of such remuneration or commission, as the case may be, shall not exceed the maximum amount as may be provided in the Companies Act, 2013 and SEBI LODR Regulations, amended from time to time.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

vi. REMUNERATION TO OTHER EMPLOYEES

The Remuneration including loans and advances to other employees will be decided as per the discretion and approval by the respective HODs/Directors of the Company.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Friday, 31st, July, 2020

ANNEXURE-II TO DIRECTORS' REPORT

Particulars of employees

Information as per Section 197 of the Companies Act, 2013 read with rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a) **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

| Executive Directors | Ratio to median Remuneration |
|-----------------------|------------------------------|
| Sh. Adesh Kumar Gupta | 35.00 |
| Sh. Shammi Bansal | 35.00 |
| Sh. Sunil Bansal | 35.00 |
| Sh. Adish Kumar Gupta | 35.00 |
| Sh. Ashok Kumar | 13.00 |

- b) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year:**

| Directors, Chief Financial Officer, Chief Executive officer, and Company Secretary | % increase in remuneration in the Financial year (%) |
|------------------------------------------------------------------------------------|------------------------------------------------------|
| Sh. Adesh Kumar Gupta, CEO & Executive Director | NIL |
| Sh. Shammi Bansal, Executive Director | NIL |
| Sh. Sunil Bansal, Executive Director | NIL |
| Sh. Adish Kumar Gupta, Executive Director | NIL |
| Sh. Ashok Kumar, Executive Director | NIL |
| Sh. Munish Kakra, CFO & Company Secretary | NIL |

- c) **The percentage increase in the median remuneration of employees in the financial year: 13%**
d) **The number of permanent employees on the rolls of the Company: 2070**
e) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there any exceptional circumstances for increase in the managerial remuneration:**

Average Percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 6%, whereas the increase in the managerial remuneration was NIL. The average increase of remuneration every year is an outcome of Company's market competitiveness as against similar Companies.

- f) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Friday, 31st, July, 2020

ANNEXURE- III TO DIRECTORS' REPORT

Information of top 10 Employees in terms of remuneration drawn as per Section 197 (12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014

| S. No. | Name | Designation | Remuneration (₹ in Lakh) | Nature of Employment, Whether Contractual or otherwise | Qualification | Experience (In Years) | Date of Appointment | Age | Last employment Designation | Employee is a relative of any director or manager of the Company and if so, name of such director or manager |
|--------|------------------------|--------------------------------------------|--------------------------|--------------------------------------------------------|--------------------------------------------------|-----------------------|----------------------|-----|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| 1. | Sh. Adesh Kumar Gupta | CEO & Executive Director | 48.00 | Permanent | BSC Engg. (Mechanical) with Hons. | 35 | 28th September, 1990 | 60 | NA | NA |
| 2. | Sh. Adish Kumar Gupta | Executive Director | 48.00 | Permanent | Graduate | 28 | 12th August, 2011 | 56 | NA | NA |
| 3. | Sh. Shammi Bansal | Executive Director | 48.00 | Permanent | Graduate | 33 | 28th September, 1990 | 59 | NA | Brother of Sh. Sunil Bansal, Executive Director of the Company |
| 4. | Sh. Sunil Bansal | Executive Director | 48.00 | Permanent | Graduate | 33 | 28th November, 1990 | 60 | NA | Brother of Sh. Shammi Bansal, Executive Director of the Company |
| 5. | Sh. Ramesh Kumar Sadhu | CEO - Retail | 47.98 | Permanent | Graduate, CA Inter | 40 | 1st April, 2004 | 65 | Super House - Sr. Vice President | NA |
| 6. | Sh. Munish Kakra | CFO & Company Secretary | 39.32 | Permanent | M com, CS, LLB | 35 | 28th September, 2001 | 56 | NA | NA |
| 7. | Sh. Raman Bansal | Chief Operating Officer* | 30.00 | Permanent | Graduate | 31 | 1st April, 2005 | 58 | Head Sales & Distribution of Liberty Shoes Limited | Brother of Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company |
| 8. | Sh. Vivek Bansal | Head Production PVC & non Leather Division | 30.00 | Permanent | Graduate | 28 | 1st April, 2005 | 55 | Partner, Liberty Group Marketing Division and Liberty Enterprises Karnal | Brother of Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company |
| 9. | Sh. Anupam Bansal | Head Retail | 30.00 | Permanent | Graduate & Diploma in Shoes Designing from Italy | 23 | 1st April, 2013 | 48 | M.D., Liberty Retail Revolutions Ltd., New Delhi | Brother of Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company |
| 10. | Sh. Ram Parkash | Head -Information Technology | 26.97 | Permanent | BCA | 17 | 15th June, 2009 | 45 | Retail I.T. Principal Consultant, Birla Soft, Noida | NA |

*Appointed as Chief Operating Officer w.e.f. 12th November, 2019

For and on behalf of the Board of Directors

Place: Gurugram, Haryana
Dated: Friday, 31st, July, 2020

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

ANNEXURE-IV TO DIRECTORS' REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2020
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies
(Management and Administration) Rules, 2014]

| I. REGISTRATION AND OTHER DETAILS: | | |
|------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i. | CIN: | L19201HR1986PLC033185 |
| ii. | Registration Date: | September 3, 1986 |
| iii. | Name of the Company: | Liberty Shoes Limited |
| iv. | Category/Sub Category of the Company: | Company Limited by shares/Indian Non-Government Company |
| v. | Address of the Registered office and contact details: | Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, P.O. Bastara, Distt. Karnal-132114, Haryana Tel.: (91)-1748-251101-03 Fax: (91)-1748-251100 E-mail: lpm@libertyshoes.com Website: www.libertyshoes.com |
| vi. | Whether listed Company: | Yes |
| vii. | Name, Address and contact details of Registrar and Transfer Agent, if any | Link Intime India Pvt. Ltd. Noble Heights, 1st Floor, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 Tel.: (91)-11-41410592-94 Fax: (91)-11-41410591 E-mail: delhi@linktime.co.in Website: www.linkintime.co.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

| Sr. No. | Name and Description of main products/services | NIC Code of the Product/services | % of total turnover of the Company |
|---------|---------------------------------------------------------------|----------------------------------|------------------------------------|
| 1 | Manufacturing and Trading of Footwear and Fashion Accessories | 1520 | 100.00 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|---------------------------------|----------------|-------------------------------|------------------|--------------------|
| 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

| IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY) | | | | | | | | | | |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------|-----------------|-------------------|-----------------------------------------------------------|---------------|-----------------|-------------------|--------------------------|
| I. | Category-wise Share Holding | No. of Shares held at the beginning of the year i.e. 01.04.2019 | | | | No. of Shares held at the end of the year i.e. 31.03.2020 | | | | % change during the year |
| | Category of Shareholders | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. | Promoters | | | | | | | | | |
| a. | Individuals/Hindu Undivided Family | 5548778 | 83360 | 5632138 | 33.05 | 5548778 | 83360 | 5632138 | 33.05 | - |
| b. | Central Government | - | - | - | - | - | - | - | - | - |
| c. | State Government(s) | - | - | - | - | - | - | - | - | - |
| d. | Bodies Corporate | 4472517 | - | 4472517 | 26.25 | 4472517 | - | 4472517 | 26.25 | - |
| e. | Financial Institutions/ Banks | - | - | - | - | - | - | - | - | - |
| f. | Others | - | - | - | - | - | - | - | - | - |
| | Sub-Total (A) (1) | 10021295 | 83360 | 10104655 | 59.30 | 10021295 | 83360 | 10104655 | 59.30 | - |
| 2 | Foreign | | | | | | | | | |
| a. | Non-Resident Individuals | - | - | - | - | - | - | - | - | - |
| b. | Other Individuals | - | - | - | - | - | - | - | - | - |
| c. | Bodies Corporate | - | - | - | - | - | - | - | - | - |
| d. | Banks/ Financial Institutions | - | - | - | - | - | - | - | - | - |
| e. | Others | - | - | - | - | - | - | - | - | - |
| | Sub-Total (A) (2) | - | - | - | - | - | - | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A) | 10021295 | 83360 | 10104655 | 59.30 | 10021295 | 83360 | 10104655 | 59.30 | - |
| B. | Public Shareholding | | | | | | | | | |
| 1 | Institutions | | | | | | | | | |
| a. | Mutual Funds | - | - | - | - | - | - | - | - | - |
| b. | Financial Institutions/ Banks | 16653 | 700 | 17353 | 0.10 | 22154 | 700 | 22854 | 0.13 | 0.03 |
| c. | Central Government | - | - | - | - | - | - | - | - | - |
| d. | State Government(s) | - | - | - | - | - | - | - | - | - |
| e. | Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f. | Insurance Companies | - | - | - | - | - | - | - | - | - |
| g. | Foreign Institutional Investors | - | - | - | - | - | - | - | - | - |
| h. | Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - |
| i. | Any Other (specify) Alternate Investment Fund | 131745 | - | 131745 | 0.77 | 131745 | - | 131745 | 0.77 | - |
| | Sub-Total (B) (1) | 148398 | 700 | 149098 | 0.87 | 153899 | 700 | 154599 | 0.91 | 0.03 |
| 2 | Non-Institutions | | | | | | | | | |
| a. | Bodies Corporate | 425982 | 2700 | 428682 | 2.52 | 446713 | 2700 | 449413 | 2.64 | 0.12 |
| b. | Individuals | | | | | | | | | |
| i. | Individual Shareholders holding nominal share capital upto ₹1 Lakh | 3435929 | 177658 | 3613587 | 21.21 | 3962205 | 170858 | 4133063 | 24.26 | 3.05 |
| ii. | Individual Shareholders holding nominal share capital in excess of ₹1 Lakh | 1274333 | - | 1274333 | 7.48 | 907017 | - | 907017 | 5.32 | (2.16) |
| c. | Any Other (specify) | | | | | | | | | |
| i. | Trusts | 300 | - | 300 | - | 300 | - | 300 | - | - |
| ii. | Foreign Companies | - | - | - | - | - | - | - | - | - |
| iii. | Clearing Members/Clearing Houses | 148562 | - | 148562 | 0.87 | 100264 | - | 100264 | 0.59 | (0.28) |
| iv. | Hindu Undivided Families | 872227 | - | 872227 | 5.12 | 926888 | - | 926888 | 5.44 | 0.32 |
| v. | Non-Resident Indians (Non Repat) | 132662 | 200 | 132862 | 0.78 | 90284 | 200 | 90484 | 0.53 | (0.25) |
| vi. | Non-Resident Indians (Repat) | 313113 | - | 313113 | 1.84 | 172917 | - | 172917 | 1.01 | (0.82) |
| vii. | Directors and their relatives | 200 | - | 200 | - | 200 | - | 200 | - | - |
| viii. | NBFCs registered with RBI | 2381 | - | 2381 | 0.01 | 200 | - | 200 | - | - |
| | Sub-Total (B) (2) | 6605689 | 180558 | 6786247 | 39.83 | 6606988 | 173758 | 6780746 | 39.79 | (0.03) |
| | Total Public Shareholding (B)=(B)(1) + (B) (2) | 6754087 | 181258 | 6935345 | 40.70 | 6760887 | 174458 | 6935345 | 40.70 | - |
| | Total (A) + (B) | 16775382 | 264618 | 17040000 | 100.00 | 16782182 | 257818 | 17040000 | 100.00 | - |
| C. | Shares held by Custodians & against which Depository Receipts have been issued | | | | | | | | | |
| | | - | - | - | - | - | - | - | - | - |
| | GRAND TOTAL (A) + (B) + (c) | 16775382 | 264618 | 17040000 | 100.00 | 16782182 | 257818 | 17040000 | 100.00 | - |

| ii. Shareholding of Promoters | | | | | | | | |
|-------------------------------|-------------------------------------------------------|------------------------------------------------------|----------------------------------|-------------------------------------------------|------------------------------------------------|----------------------------------|-------------------------------------------------|----------------------------------------------|
| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year 01.04.2019 | | | Shareholding at the end of the year 31.03.2020 | | | % change in the shareholding during the year |
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 1 | Sh. Adesh Kumar Gupta (Karta) | 680000 | 3.99 | - | 680000 | 3.99 | - | - |
| 2 | Sh. Adish Kumar Gupta (Karta) | 660000 | 3.87 | - | 660000 | 3.87 | - | - |
| 3 | Sh. Arpan Gupta Karta of Sh. Dinesh Kumar Gupta (HUF) | 366012 | 2.15 | - | 366012 | 2.15 | - | - |
| 4 | Sh. Arpan Gupta | 509250 | 2.99 | - | 509250 | 2.99 | - | - |
| 5 | Sh. Anupam Bansal | 478640 | 2.81 | - | 478640 | 2.81 | - | - |
| 6 | Sh. Ayush Bansal | 300000 | 1.76 | - | 300000 | 1.76 | - | - |
| 7 | Sh. Pulkit Bansal | 300000 | 1.76 | - | 300000 | 1.76 | - | - |
| 8 | Sh. Ruchir Bansal | 300000 | 1.76 | - | 300000 | 1.76 | - | - |
| 9 | Sh. Shammi Bansal | 259640 | 1.52 | - | 259640 | 1.52 | - | - |
| 10 | Sh. Pranav Gupta | 139564 | 0.82 | - | 139564 | 0.82 | - | - |
| 11 | Sh. Akshat Gupta | 241660 | 1.42 | - | 241660 | 1.42 | - | - |
| 12 | Sh. Vivek Bansal | 233640 | 1.37 | - | 233640 | 1.37 | - | - |
| 13 | Sh. Raman Bansal | 232640 | 1.37 | - | 232640 | 1.37 | - | - |
| 14 | Sh. Sunil Bansal | 232640 | 1.37 | - | 232640 | 1.37 | - | - |
| 15 | Sh. Adish Kumar Gupta | 189360 | 1.11 | - | 189360 | 1.11 | - | - |
| 16 | Sh. Manan Bansal | 150000 | 0.88 | - | 150000 | 0.88 | - | - |
| 17 | Sh. Vaibhav Bansal | 150000 | 0.88 | - | 150000 | 0.88 | - | - |
| 18 | Sh. Adesh Kumar Gupta | 95000 | 0.56 | - | 95000 | 0.56 | - | - |
| 19 | Smt. Rehti Devi | 83360 | 0.49 | - | 83360 | 0.49 | - | - |
| 20 | Smt. Kamlawati | 13600 | 0.08 | - | 13600 | 0.08 | - | - |
| 21 | Sh. Adarsh Gupta | 11000 | 0.06 | - | 11000 | 0.06 | - | - |
| 22 | Sh. Anmol Gupta | 6132 | 0.04 | - | 6132 | 0.04 | - | - |
| 23 | M/s GEOFIN INVESTMENTS PVT. LTD. | 4472517 | 26.25 | - | 4472517 | 26.25 | - | - |
| | Total | 10104655 | 59.30 | - | 10104655 | 59.30 | - | - |

| iii. Change in Promoters' Shareholding (please specify, if there is no change) | | | | | |
|--------------------------------------------------------------------------------|--------------------|------------------------------------------------------|----------------------------------|----------------------------------------------------|----------------------------------|
| Sr. No | Shareholder's Name | Shareholding at the beginning of the year 01.04.2019 | | Cumulative Shareholding during the year 31.03.2020 | |
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| There is no change in Promoters' shareholding between 01.04.2019 to 31.03.2020 | | | | | |

| iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): | | | | | | |
|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------|----------------------------------|------------------------------------------------|----------------------------------|--------------|
| Sr. No | Top Ten Shareholders | Shareholding at the beginning of the year 01.04.2019 | | Shareholding at the end of the year 31.03.2020 | | |
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company | |
| 1 | HARISH KUMAR GUPTA | | | | | |
| | At the beginning of the year | 678816 | 3.984 | | | |
| | Date wise increase(+)/decrease(-) with reasons, during the year: | | | | | |
| | Date | Reason | | | | |
| | 24 May, 2019 | Buy | 10000 | 0.059 | 688816 | 4.042 |
| | At the end of the year | | | 688816 | 4.042 | |
| 2 | SACHIN GUPTA | | | | | |
| | At the beginning of the year | 250000 | 1.467 | | | |
| | Date wise increase(+)/decrease(-) with reasons, during the year: | | | | | |
| | Date | Reason | | | | |
| | | At the end of the year | | | 250000 | 1.467 |
| 3 | EQ INDIA FUND | | | | | |
| | At the beginning of the year | 131745 | 0.773 | | | |
| | Date wise increase(+)/decrease(-) with reasons, during the year: | | | | | |
| | Date | Reason | | | | |
| | | At the end of the year | | | 131745 | 0.773 |
| 4 | KANISHK GUPTA | | | | | |
| | At the beginning of the year | 125000 | 0.734 | | | |
| | Date wise increase(+)/decrease(-) with reasons, during the year: | | | | | |
| | Date | Reason | | | | |
| | 17 May, 2019 | Buy | 5000 | 0.029 | 130000 | 0.763 |
| | 26 July, 2019 | Buy | 10000 | 0.059 | 140000 | 0.822 |
| | 9 Aug, 2019 | Buy | 900 | 0.005 | 140900 | 0.827 |
| | 30 Aug, 2019 | Buy | 2100 | 0.012 | 143000 | 0.839 |
| | 13 Sep, 2019 | Sale | (2000) | (0.012) | 141000 | 0.827 |
| | 08 Nov, 2019 | Sale | (500) | (0.003) | 140500 | 0.825 |
| | 15 Nov, 2019 | Sale | (500) | (0.003) | 140000 | 0.822 |
| | 06 Mar, 2020 | Sale | (26000) | (0.153) | 114000 | 0.669 |
| | | AT THE END OF THE YEAR | | | 114000 | 0.669 |

| Sr. No | Top Ten Shareholders | | Shareholding at the beginning of the year 01.04.2019 | | Cumulative Shareholding during the year 31.03.2020 | |
|--------|------------------------------------------------------------------|--------|------------------------------------------------------|----------------------------------|----------------------------------------------------|----------------------------------|
| | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 5 | SATISH KUMAR GUPTA | | | | | |
| | At the beginning of the year | | 345684 | 2.029 | | |
| | Date wise increase(+)/decrease(-) with reasons, during the year: | | | | | |
| | Date | Reason | | | | |
| | 05 Apr 2019 | Sale | (20000) | (0.117) | 325684 | 1.911 |
| | 19 Apr 2019 | Sale | (13800) | (0.081) | 311884 | 1.830 |
| | 26 Apr 2019 | Sale | (46242) | (0.271) | 265642 | 1.559 |
| | 03 May 2019 | Sale | (27000) | (0.158) | 238642 | 1.400 |
| | 17 May 2019 | Sale | (10000) | (0.059) | 228642 | 1.342 |
| | 24 May 2019 | Sale | (2500) | (0.015) | 226142 | 1.327 |
| | 31 May 2019 | Sale | (27000) | (0.158) | 199142 | 1.169 |
| | 14 Jun 2019 | Sale | (10000) | (0.059) | 189142 | 1.110 |
| | 21 Jun 2019 | Sale | (14122) | (0.083) | 175020 | 1.027 |
| | 29 Jun 2019 | Sale | (7000) | (0.041) | 168020 | 0.986 |
| | 12 Jul 2019 | Sale | (21062) | (0.124) | 146958 | 0.862 |
| | 19 Jul 2019 | Sale | (14000) | (0.082) | 132958 | 0.780 |
| | 02 Aug 2019 | Sale | (19900) | (0.117) | 113058 | 0.663 |
| | 30 Aug 2019 | Sale | (3000) | (0.018) | 110058 | 0.646 |
| | 20 Mar 2020 | Buy | 300 | 0.002 | 110358 | 0.648 |
| | At the end of the year | | | | 110358 | 0.648 |
| 6 | SHRI PARASRAM HOLDINGS PRIVATE LIMITED | | | | | |
| | At the beginning of the year | | 19425 | 0.114 | | |
| | Date wise increase(+)/decrease(-) with reasons, during the year: | | | | | |
| | Date | Reason | | | | |
| | 05 Apr 2019 | Buy | 11987 | 0.070 | 31412 | 0.184 |
| | 12 Apr 2019 | Sale | (2627) | (0.015) | 28785 | 0.169 |
| | 19 Apr 2019 | Buy | 1461 | 0.009 | 30246 | 0.178 |
| | 26 Apr 2019 | Buy | 5662 | 0.033 | 35908 | 0.211 |
| | 03 May 2019 | Buy | 9640 | 0.057 | 45548 | 0.267 |
| | 10 May 2019 | Buy | 2640 | 0.015 | 48188 | 0.283 |
| | 17 May 2019 | Buy | 8906 | 0.052 | 57094 | 0.335 |
| | 24 May 2019 | Sale | (33564) | (0.197) | 23530 | 0.138 |
| | 31 May 2019 | Sale | (195) | (0.001) | 23335 | 0.137 |

| Sr. No | Top Ten Shareholders | | Shareholding at the beginning of the year 01.04.2019 | | Cumulative Shareholding during the year 31.03.2020 | |
|--------|----------------------|------|------------------------------------------------------|----------------------------------|----------------------------------------------------|----------------------------------|
| | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | 07 Jun 2019 | Buy | 942 | 0.006 | 24277 | 0.142 |
| | 14 Jun 2019 | Sale | (815) | (0.005) | 23462 | 0.138 |
| | 21 Jun 2019 | Buy | 6416 | 0.038 | 29878 | 0.175 |
| | 29 Jun 2019 | Sale | (1682) | (0.010) | 28196 | 0.165 |
| | 05 Jul 2019 | Buy | 2527 | 0.015 | 30723 | 0.180 |
| | 12 Jul 2019 | Buy | 2281 | 0.013 | 33004 | 0.194 |
| | 19 Jul 2019 | Buy | 469 | 0.003 | 33473 | 0.196 |
| | 26 Jul 2019 | Sale | (5392) | (0.032) | 28081 | 0.165 |
| | 02 Aug 2019 | Sale | (377) | (0.002) | 27704 | 0.163 |
| | 09 Aug 2019 | Buy | 966 | 0.006 | 28670 | 0.168 |
| | 16 Aug 2019 | Buy | 228 | 0.001 | 28898 | 0.170 |
| | 23 Aug 2019 | Sale | (531) | (0.003) | 28367 | 0.166 |
| | 30 Aug 2019 | Sale | (2733) | (0.016) | 25634 | 0.150 |
| | 06 Sep 2019 | Sale | (1776) | (0.010) | 23858 | 0.140 |
| | 13 Sep 2019 | Buy | 2916 | 0.017 | 26774 | 0.157 |
| | 20 Sep 2019 | Sale | (7390) | (0.043) | 19384 | 0.114 |
| | 27 Sep 2019 | Sale | (1728) | (0.010) | 17656 | 0.104 |
| | 30 Sep 2019 | Buy | 1090 | 0.006 | 18746 | 0.110 |
| | 04 Oct 2019 | Buy | 797 | 0.005 | 19543 | 0.115 |
| | 11 Oct 2019 | Buy | 3392 | 0.020 | 22935 | 0.135 |
| | 18 Oct 2019 | Buy | 3970 | 0.023 | 26905 | 0.158 |
| | 25 Oct 2019 | Sale | (3277) | (0.019) | 23628 | 0.139 |
| | 01 Nov 2019 | Buy | 590 | 0.003 | 24218 | 0.142 |
| | 08 Nov 2019 | Sale | (7288) | (0.043) | 16930 | 0.099 |
| | 15 Nov 2019 | Buy | 2564 | 0.015 | 19494 | 0.114 |
| | 22 Nov 2019 | Sale | (2385) | (0.014) | 17109 | 0.100 |
| | 29 Nov 2019 | Sale | (1159) | (0.007) | 15950 | 0.094 |
| | 06 Dec 2019 | Buy | 1202 | 0.007 | 17152 | 0.101 |
| | 13 Dec 2019 | Sale | (834) | (0.005) | 16318 | 0.096 |
| | 20 Dec 2019 | Sale | (3748) | (0.022) | 12570 | 0.074 |
| | 27 Dec 2019 | Buy | 248 | 0.001 | 12818 | 0.075 |
| | 31 Dec 2019 | Buy | 2191 | 0.013 | 15009 | 0.088 |
| | 03 Jan 2020 | Sale | (4593) | (0.027) | 10416 | 0.061 |

| Sr. No | Top Ten Shareholders | | Shareholding at the beginning of the year 01.04.2019 | | Cumulative Shareholding during the year 31.03.2020 | |
|----------|------------------------------------------------------------------|--------|------------------------------------------------------|----------------------------------|----------------------------------------------------|----------------------------------|
| | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | 10 Jan 2020 | Buy | 5134 | 0.030 | 15550 | 0.091 |
| | 17 Jan 2020 | Sale | (1252) | (0.007) | 14298 | 0.084 |
| | 24 Jan 2020 | Buy | 659 | 0.004 | 14957 | 0.088 |
| | 31 Jan 2020 | Sale | (489) | (0.003) | 14468 | 0.085 |
| | 07 Feb 2020 | Buy | 2187 | 0.013 | 16655 | 0.098 |
| | 14 Feb 2020 | Buy | 2254 | 0.013 | 18909 | 0.111 |
| | 21 Feb 2020 | Buy | 160 | 0.001 | 19069 | 0.112 |
| | 28 Feb 2020 | Buy | 5583 | 0.033 | 24652 | 0.145 |
| | 06 Mar 2020 | Buy | 45949 | 0.270 | 70601 | 0.414 |
| | 13 Mar 2020 | Buy | 24801 | 0.146 | 95402 | 0.560 |
| | 20 Mar 2020 | Buy | 8786 | 0.052 | 104188 | 0.611 |
| | 27 Mar 2020 | Buy | 6443 | 0.038 | 110631 | 0.649 |
| | 31 Mar 2020 | Sale | (3694) | (0.022) | 106937 | 0.628 |
| | At the end of the year | | | | 106937 | 0.628 |
| 7 | SRIKANTH DHULIPALA | | | | | |
| | At the beginning of the year | | 75000 | 0.440 | | |
| | Date wise increase(+)/decrease(-) with reasons, during the year: | | | | | |
| | Date | Reason | | | | |
| | 13 Sep 2019 | Buy | 25000 | 0.147 | 100000 | 0.587 |
| | 08 Nov 2019 | Buy | 10000 | 0.059 | 110000 | 0.646 |
| | 15 Nov 2019 | Sale | (10000) | (0.059) | 100000 | 0.587 |
| | 27 Mar 2020 | Buy | 6542 | 0.038 | 106542 | 0.625 |
| | At the end of the year | | | | 106542 | 0.625 |
| 8 | DHEERAJ GUPTA | | | | | |
| | At the beginning of the year | | 85240 | 0.500 | | |
| | Date wise increase(+)/decrease(-) with reasons, during the year: | | | | | |
| | Date | Reason | | | | |
| | 20 March, 2020 | Buy | 10000 | 0.059 | 95240 | 0.559 |
| | At the end of the year | | | | 95240 | 0.559 |

| Sr. No | Top Ten Shareholders | | Shareholding at the beginning of the year 01.04.2019 | | Cumulative Shareholding during the year 31.03.2020 | |
|-------------------------------|------------------------------------------------------------------|--------|------------------------------------------------------|----------------------------------|----------------------------------------------------|----------------------------------|
| | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 9 | AKARSH GUPTA | | | | | |
| | At the beginning of the year | | 111230 | 0.653 | | |
| | Date wise increase(+)/decrease(-) with reasons, during the year: | | | | | |
| | Date | Reason | | | | |
| | 05 Apr 2019 | Sale | (9900) | (0.058) | 101330 | 0.595 |
| | 19 Apr 2019 | Sale | (13701) | (0.080) | 87629 | 0.514 |
| | 03 May 2019 | Sale | (19272) | (0.113) | 68357 | 0.401 |
| | 10 May 2019 | Buy | 500 | 0.003 | 68857 | 0.404 |
| | 24 May 2019 | Sale | (2500) | (0.015) | 66357 | 0.389 |
| | 31 May 2019 | Sale | (12000) | (0.070) | 54357 | 0.319 |
| | 14 Jun 2019 | Sale | (3900) | (0.023) | 50457 | 0.296 |
| | 21 Jun 2019 | Sale | (5000) | (0.029) | 45457 | 0.267 |
| | 29 Jun 2019 | Sale | (4000) | (0.023) | 41457 | 0.243 |
| | 19 Jul 2019 | Sale | (14085) | (0.083) | 27372 | 0.161 |
| | 09 Aug 2019 | Sale | (2000) | (0.012) | 25372 | 0.149 |
| | 30 Aug 2019 | Sale | (3050) | (0.018) | 22322 | 0.131 |
| | 18 Oct 2019 | Sale | (7500) | (0.044) | 14822 | 0.087 |
| | 08 Nov 2019 | Sale | (4822) | (0.028) | 10000 | 0.059 |
| | 06 Dec 2019 | Sale | (4000) | (0.023) | 6000 | 0.035 |
| | 31 Jan 2020 | Sale | (4000) | (0.023) | 2000 | 0.012 |
| At the end of the year | | | | 2000 | 0.012 | |
| 10 | ELSAMMA JOSEPH | | | | | |
| | At the beginning of the year | | 110000 | 0.646 | | |
| | Date wise increase(+)/decrease(-) with reasons, during the year: | | | | | |
| | Date | Reason | | | | |
| | 05 Apr 2019 | Sale | (10000) | (0.059) | 100000 | 0.587 |
| | 12 Apr 2019 | Sale | (50000) | (0.293) | (50000) | (0.293) |
| | 06 Jul 2019 | Sale | (50000) | (0.293) | (50000) | (0.293) |
| AT THE END OF THE YEAR | | | | - | - | |

| v. Shareholding of Directors and Key Managerial Personnel: | | | | | | | | |
|------------------------------------------------------------|-------------------------------|----------------------------------------------------|------------|------------------------------|------------------------------------------------------|----------------------------------|----------------------------------------------------|----------------------------------|
| Sr. No. | Folio/Beneficiary Account no. | Name of the Director/ Key Managerial Personnel | Date | Reason | Shareholding at the beginning of the year 01.04.2019 | | Cumulative Shareholding during the year 31.03.2020 | |
| | | | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | IN30115127865430 | Sh. Adesh Kumar Gupta CEO & Executive Director | 01.04.2019 | At the beginning of the year | 95,000 | 0.56 | 95,000 | 0.56 |
| | | | 31.03.2020 | At the end of the year | | | 95,000 | 0.56 |
| 2 | IN30154918000382 | Sh. Shammi Bansal Executive Director | 01.04.2019 | At the beginning of the year | 2,59,640 | 1.52 | 2,59,640 | 1.52 |
| | | | 31.03.2020 | At the end of the year | | | 2,59,640 | 1.52 |
| 3 | IN30115128197297 | Sh. Sunil Bansal Executive Director | 01.04.2019 | At the beginning of the year | 2,32,640 | 1.37 | 2,32,640 | 1.37 |
| | | | 31.03.2020 | At the end of the year | | | 2,32,640 | 1.37 |
| 4 | IN30115127865552 | Sh. Adish Kumar Gupta Executive Director | 01.04.2019 | At the beginning of the year | 1,89,360 | 1.11 | 1,89,360 | 1.11 |
| | | | 31.03.2020 | At the end of the year | | | 1,89,360 | 1.11 |
| 5 | IN30131320186971 | Sh. Ramesh Chandra Palhan* Independent Director | 01.04.2019 | At the beginning of the year | 200 | 0.00 | 200 | 0.00 |
| | | | 31.03.2020 | At the end of the year | | | 200 | 0.00 |

* Jointly with his wife

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(₹ in Lakh)

| | | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|-----------------------------------------------------|------------------------------|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | | |
| i | Principal Amount | 10,877.39 | - | - | 10,877.39 |
| ii | Interest due but not paid | - | - | - | - |
| iii | Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | | 10877.39 | - | - | 10,877.39 |
| Change in indebtedness during the financial year | | | | | |
| i | Addition | 1,539.92 | - | - | 1,539.92 |
| ii | Reduction | - | - | - | - |
| Net Change | | 1,539.92 | - | - | 1,539.92 |
| Indebtedness at the beginning of the financial year | | | | | |
| i | Principal Amount | 12,417.31 | - | - | 12,417.31 |
| ii | Interest due but not paid | - | - | - | - |
| iii | Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | | 12,417.31 | - | - | 12,417.31 |

| VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL | | | | | | | |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------|-------------------|------------------|-----------------------|-----------------|---------------|
| A. Remuneration to Managing Director, Whole-time Directors and/or Manager: | | | | | | | |
| Sr. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | | | Total Amount |
| | | Sh. Adesh Kumar Gupta | Sh. Shammi Bansal | Sh. Sunil Bansal | Sh. Adish Kumar Gupta | Sh. Ashok Kumar | |
| | | | | | | | (₹ in Lakh) |
| 1 | Gross Salary | | | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 48.00 | 48.00 | 48.00 | 48.00 | 15.28 | 207.28 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - | - | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | - | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - | - |
| 4 | Commission- as % of profit | - | - | - | - | - | - |
| 5 | Others, Allowances | - | - | - | - | - | - |
| | Total (A) | 48.00 | 48.00 | 48.00 | 48.00 | 15.28 | 207.28 |
| | Ceiling as per the Act (@10% of profits calculated under Section 198 of the Companies Act, 2013) | | | | | | 155.07 |

(₹ in Lakh)

| B. Remuneration to other Directors | | | | | |
|------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------|------------|------------------------|--------------|
| Sr. No. | Particulars of Remuneration | Fee for attending board/ committee meetings | Commission | Others, please specify | Total Amount |
| 1 | Independent Directors | | | | |
| | Sh. Raghubar Dayal | 2.00 | - | - | 2.00 |
| | Sh. Ramesh Chandra Palhan | 2.00 | - | - | 2.00 |
| | Sh. Pushpinder Singh Grewal | 0.25 | - | - | 0.25 |
| | Sh. Aditya Khemka | 0.25 | - | - | 0.25 |
| | Smt. Lovelena Mody | 0.50 | - | - | 0.50 |
| | Total (1) | 5.00 | - | - | 5.00 |
| 2 | Other Non-Executive Directors | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (B) = (1 + 2) | 5.00 | - | - | 5.00 |
| | Total Managerial Remuneration (B) | 5.00 | - | - | 5.00 |
| | Ceiling as per the Act (@1% of profits calculated under Section 198 of the Companies Act, 2013) | | | | 15.50 |

| C. Remuneration to Key Managerial Personnel (KMP) other than MD/Manager/WTD (₹ in Lakh) | | | |
|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------|
| Sr. No. | Particulars of Remuneration | Name of KMP | Total Amount |
| | | Sh. Munish Kakra, CFO & Company Secretary | |
| 1 | Gross salary | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 39.32 | 39.32 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission - as % of profit | - | - |
| 5 | Others, Allowances | - | - |
| | Total | 39.32 | 39.32 |

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENSES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Friday, 31st, July, 2020

ANNEXURE- V TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects and programs:

Liberty has always been a frontrunner in contributing to the society at large. In Liberty, CSR initiatives are being undertaken long before the implementation of new provisions of Section 135 of the Companies Act, 2013. Liberty is committed to further strengthen its effort and activities by demonstrating care for the community through its focus on education and development of skills, health and wellness including treatment for poor, needy & underprivileged people, making efforts for environment sustainability including promotion of green initiatives and improvement of the living conditions of inhabitants and supporting to disaster relief efforts etc. The CSR Committee constituted under the Act provides oversight of CSR policy execution to ensure that the CSR objective of the Company are met and it reviews and looks after the activities of CSR including identifying the areas of CSR as per the provisions of the Act. The projects to be undertaken are within the broad framework of schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs proposed to be undertaken by the

Company are available on the website of the Company viz. www.libertyshoes.com

2. Composition of CSR Committee:

The Board of Directors of your Company has constituted a CSR Committee of Directors in terms of the requirement of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 to identify, approve and monitor proper execution and implementation of the CSR projects and CSR activities undertaken by the Company.

The CSR Committee of the Directors comprises of Sh. Shammi Bansal, Executive Director as Chairman and Sh. Adish Kumar Gupta, Executive Director Sh. Raghubar Dayal, Sh. Ramesh Chandra Palhan and Smt. Lovelena Mody, Independent Directors as members of the Committee.

3. Detail of the CSR spent during the financial year:

(a) Total amount to be spent for the financial year: ₹27.33 Lakh (Being 2% of the Average net profit of last three financial years viz ₹1,366.75 Lakh).

(b) Amount unspent: Not Applicable.

(c) Manner in which the amount is spent during the financial year is detailed below:

| Sr. No. | CSR Projects or Activity identified | Sector in which the projects are covered | Projects or programs (1) Local Area or other (2) specify the state and district where projects or programs was undertaken | Amount Outlay (budget) project or programs wise (₹ in Lakh) | Amount spent on the projects or programs Subheads: (1) Direct Expenditure (2) Overheads (₹ in Lakh) | Cumulative Expenditure up to the reporting period (₹ in Lakh) | Amount spent: Direct or through implementing agency |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------|
| 1 | (a) Contributions/sponsorships to Schools for providing education/ healthcare to children who can't afford it and to ensure the holistic development of underprivileged children by providing them quality education, healthcare and balanced nutrition. | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects | Local Area | 10.00 | 8.49 | 8.49 | Direct |

| | | | | | | | |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------|-------|-------|-------|--------|
| | (b) Provided free of cost footwear to various school/institutions to further provide to the children/students who can't afford it. | | | | | | |
| 2 | Contributed to registered Sports Associations in Karnal, for providing training to youth/young athletes of Haryana to prepare and make them ready to participate in National Games/Olympics. | Promotion of Sports | Local Area | 4.00 | 3.18 | 3.18 | Direct |
| 3 | Contribution to Armed Forces welfare fund | Contribution to approved Relief Fund | Local Area | 2.00 | 1.00 | 1.00 | Direct |
| 4 | Contribution for development of Public Infrastructure | Contribution for development of Public Infrastructure | Local Area | 8.00 | 6.45 | 6.45 | Direct |
| 5 | Environment Sustainability & Tree Plantation | Ensuring Environment Sustainability and conservation of Natural Resources | Local Area | 14.00 | 7.43 | 7.43 | Direct |
| 6 | Free of cost distribution of Healthcare, safety Goods and Foods to the poor and needy people during COVID-19 pandemic | Promotion of preventive Healthcare and Eradicating Poverty | Local Area | 5.00 | 4.81 | 4.81 | Direct |
| | Sub-total | | | 43.00 | 31.36 | 31.36 | |
| | Overhead | | | - | - | - | |
| | Total CSR spend | | | 43.00 | 31.36 | 31.36 | |

4. Reason for not spending the prescribed amount of 2% of the three years' average net profit in terms of the provisions of Companies Act, 2013 and Rules made there under: Not Applicable.

5. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company: We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Adesh Kumar Gupta
CEO & Executive Director
(DIN: 00143192)

Shammi Bansal
Executive Director & Chairman- CSR Committee
(DIN: 00138792)

Place: Gurugram, Haryana
Dated: Friday, 31st, July, 2020

ANNEXURE VI TO DIRECTORS' REPORT

Annexure 'A'

Disclosure of particulars under Section 134 (1) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the financial year ended 31st March, 2020, are given as under:

A) CONSERVATION OF ENERGY:**I. Energy Conservation measures taken**

Your Company is committed in its defined business practices for its contribution to environment protection. Conservation of energy by taking various measures in changing environment is a main focus area of your Company in its day to day operations. Few of the energy conservation measures implemented during the financial year ended 31st March, 2020 are given below:

- i. Reinforcement of energy audit concept across its plants and offices including retail stores.
- ii. Installed Variable Frequency Drive (VFD for various process across its manufacturing facilities.
- iii. Focus on working under natural day light and wherever possible morning shift timings changed to early hours to take maximum advantage of the natural day light.

II. Additional Investments and proposals, if any, being implemented for reduction of consumption of energy

Liberty would continue with its efforts towards effective utilization of energy across its manufacturing facilities, Offices and retail stores.

III. Impact of the measures at (I) & (II) above for reduction of energy consumption and consequent impact in the cost of production of goods

The measures listed above have resulted in saving in consumption of energy without hampering the process.

The savings are as under:

- i. Total energy saving in the year 2019-20: ₹39 Lakh
- ii. Energy saving per manufacturing pair during the year 2019-20: ₹0.50 per pair
- iii. Energy saving against total cost of consumption of energy in the year 2019-20: 4.57%

IV) Steps taken by the Company for utilizing alternate sources of energy

The Company has already installed solar power plant at its Libertypuram manufacturing facilities to reduce energy cost and contribute towards environment protection. The options for other plants are also being worked out to further reduce its cost towards energy consumption.

V) Capital Investment on energy conservation equipment

The Company for the year under consideration has not made any major capital investment on energy conservation equipments.

B) TECHNOLOGY ABSORPTION:**I. Efforts made in technology absorption**

Liberty's has focused its attention for process and product development, footwear mould waste utilization and enhancing of safe work environment keeping in view optimum utilization of technology with rationalized cost.

II. Specific areas in which R & D carried out by the Company and Benefits derived as a result of R&D

1. R&D efforts were directed mainly towards core areas of footwear manufacturing techniques and innovations relating to develop footwear with the aim of premiumisation also in line with the market requirements. Your Company has also laid its focus on the packaging of footwear with an objective to reduce its cost as also satisfy customers.
2. New footwear designs offering value for money for its consumers.
3. Introduction of alternative raw materials and other inputs to reduce the costs of production.
4. Strengthening knowledge of its development team to develop new offerings with better quality to increase customers satisfaction.

III. Technology Imported during last three years: None in the near future.**IV. The future plan of action**

No plans are envisaged to import any new technology for Footwear development.

V. Expenditure in R & D

The Company has not incurred any major capital expenditure towards its research and development activities, however, has spent ₹25.50 Lakh as recurring expenditures towards its development activities.

This expenditure constitutes 0.04% of the turnover of the Company for the year under consideration.

VI. Technology absorption, adaptation and innovation Efforts & benefits to the Company

The implementation of innovative technologies in various manufacturing processes has helped Liberty to improve the quality of its footwear and its presence in the footwear market.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**I) Efforts and initiative in relation to the exports:**

Liberty is hopeful of improving its overseas presence as many countries have started looking for alternative to their China sourcing and India due to its inherent capabilities has a better chance of getting preference amongst other low cost producing countries.

II) Total foreign exchange used and earned:

During the year, the Company has earned foreign exchange of ₹2917.79 Lakh (previous year ₹3256.03 Lakh) and used foreign exchange of ₹3053.50 Lakh (previous year ₹2301.68 Lakh).

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Friday, 31st, July, 2020

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Liberty Shoes Limited

(CIN: L19201HR1986PLC033185)

Liberty Puram, 13 Milestone,

GT Karnal Road, Kutail,

P.O. Bastara, Karnal, Haryana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Liberty Shoes Limited (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 our opinion thereon.

We report that

- a) Maintenance of secretarial records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- b) We 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 verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion;
- c) We have not verified the correctness and appropriateness of the financial statements of the Company;
- d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.;
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis;
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- g) Based on our verification of the Company's 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 authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- h) We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:
 - (i) The Companies Act, 2013 (the "Act") and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (wherever applicable);
 - (v) The following Regulations 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, 2015 ("SEBI Insider Trading Regulations");
 - (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & 2018;
 - (d) *The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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;
 - (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(l) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015 ("SEBI LODR Regulations").

*No event took place under these regulations during the Audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, with which the Company has generally complied with.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above, except that:-

- Non-compliance of the provisions of Regulation 17(1) of SEBI LODR Regulations as regard to the composition of Board of Directors during the respective Quarters ended 30th June, 2019 and 30th September, 2019. National Stock Exchange of India Ltd. and BSE Ltd. have levied fines and stipulated to place in the Board records for the non compliance for the respective Quarters. However, the Company has complied with the stipulations of the Stock Exchanges related to non compliance.
- Non-compliance of Regulation 27(2) of SEBI LODR Regulations, 2015: Delay in filing of Report on Corporate Governance for the Quarter ended 31st December, 2019. National Stock Exchange of India Ltd. has levied fine for the non-compliance under the said provision. However, the Company has complied with the stipulations of the National Stock Exchange related to non compliance.
- Non-compliance of Regulation 17(1), 18(1), 19 (1) (2), 20 (2), 21(2) and 27 (2) of SEBI LODR Regulations, 2015 for the Quarter ended 31st December, 2019. BSE Ltd. has levied fine for the non compliance under the said provisions. However the Company submitted its representation for the waiver of fine and BSE outcome in response to Company representation has not yet been received.

(vi) The Company is engaged in the business of manufacturing and trading of footwear and lifestyle products through its retail and wholesale network and is having its plants at Karnal, Libertypuram & Gharaunda in Haryana, Roorkee in Uttarakhand and Ponta Sahib in Himachal Pradesh. As informed by the Management, there is no sector specific law applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and

Independent Directors. The changes that took place during the year under review in the composition of the Board of Directors were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate notices were given to all directors of the Board Meetings; agenda and detailed notes on agenda are sent in advance of the meetings other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with majority consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines which needs to be strengthened.

We further report that:-

Members of the Company in their Annual General Meeting held on September 27, 2019 passed special resolution(s):-

- for re-appointment of Sh. Sunil Bansal as Executive Director of the Company
- for re-appointment of Sh. Raghubar Dayal as Independent Director of the Company
- for re-appointment of Sh. Ramesh Chandra Palhan as Independent Director of the Company
- for appointment of Sh. Shailendra Kumar Gupta as Independent Director of the Company
- for change in name of the Company;

For JVS & Associates
Company Secretaries
Firm Registration No.: I2011DE848300

Jyoti Sharma
Proprietor
CP No. 10196
M. No. FCS8843
(UDIN: F008843B000473505)

Place: New Delhi
Dated: July 18, 2020

CORPORATE GOVERNANCE REPORT

[In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations]

1. Company's philosophy on Code of Governance

Liberty's governance philosophy is not just a mere compliance of legal obligation but is based on trusteeship, transparency and accountability with a vision to create long term sustainable value for its stakeholders. It is not a mere compliance of laws, rules and regulations, but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. The Company continues to focus its resources, strengths and strategies to achieve the vision of becoming a leader in its product category while upholding the core values of Quality, Trust, Leadership and Excellence.

Liberty continues to follow the best Corporate Governance practices and continuously reviews them to further strengthen for the enhancement of stakeholders' confidence.

2. Board of Directors

(a) Composition and Category of Directors

The Board of Directors is entrusted with the overall responsibility of the management, affairs and performance of the Company and has been authorised with the requisite powers. Liberty Board is a balanced Board, comprising Executive and Non Executive Directors. The Non Executive Directors include independent professionals and entrepreneurs having understanding of diversified Industries and the overall administration. Your Company has also a woman Director which brings diversity on the Board.

As on date of this report, the Board of Directors of the Company comprises of 10 (ten) Directors including (1) one

woman Director, out of which 5 (Five) are Executive Directors and 5 (Five) are Non Executive Independent Directors. Out of the said 5 Executive Directors, 4 are representing Promoter group of the Company.

We have Audit, Nomination and Remuneration, Management, Stakeholders Relationship and Corporate Social Responsibility Committees, which comprise Non Executive-Independent Directors and Executive Directors in compliance with applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

Sh. Adesh Kumar Gupta, CEO & Executive Director of the Company, acted as Chairman of all the Board meetings held during the financial year 2019-20.

Executive Directors perform their duties within the powers and key role areas fixed under respective Service Contracts and discharge their responsibilities in the manner approved by the Members of the Company in terms of the Corporate Governance practices followed by the Company to conduct the authorized business.

Accordingly, Board of the Company draws the annual operating plans, budgets/policies in accordance with the Company's vision to its productivity and profitability.

None of the Directors of the Company has any other material pecuniary relationship with the Company.

In pursuance of Para C (2), Schedule V to the Listing Regulations, the Board has identified the core skills/expertise/competencies that are desirable for the Company to function effectively in the context of its business of the Company and its Sector. These core skills/expertise/competencies are actually available with the Board in the following manner:

| Area | Core skills/expertise/competencies in specific functional area | Name of the Directors |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Diversified Leadership, Business strategies and Planning | Diversified experience in leading well governed large organizations with an understanding of complex business and regulatory environment, accountability, strategic Planning with future vision, having decision making capabilities, ability for innovation, ability to analyse future business opportunities and decide business combinations, ability to conceive and conceptualize new business ideas, set up new ventures and business units, cross boarder dealings and ability to set up International business and Export related management, strategies business operations and development of new business processes. | Sh. Adesh Kumar Gupta Sh. Shammi Bansal Sh. Aditya Khemka Sh. Arvind Bali Kumar |
| Finance, Legal and Regulatory Compliance | Leadership experience in handling financial management, risk management, development governance practices, maintaining management accountability, ability to understand commercial, & Financial matters, ability to handle legal issues and regulatory compliances | Sh. Adesh Kumar Gupta Sh. Sunil Bansal Sh. Shammi Bansal Sh. Ashok Kumar Sh. Raghubar Dayal Sh. Ramesh Chandra Palhan |
| Production development, and Manufacturing | Experience of production development, ability to select appropriate product and Raw material mix, manufacturing of higher qualitative products, ability to introduce new and innovative production processes and modern technologies | Sh. Adesh Kumar Gupta Sh. Shammi Bansal Sh. Sunil Bansal Sh. Ramesh Chandra Palhan |

| Area | Core skills/expertise/competencies in specific functional area | Name of the Directors |
|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sales, Marketing & Branding | Experience of accomplishing Sales, understanding of market and consumers, Marketing strategies, Understanding of Domestic and International fashion trends, branding strategies, merchandising strategies and business promotion programmes | Sh. Adesh Kumar Gupta Sh. Shammi Bansal Sh. Ramesh Chandra Palhan Sh. Arvind Bali Kumar Sh. Aditya Khemka |
| Business Administration, Crisis management and Human Resource Management | Experience in development of good administration practices for complex businesses and environment, ability of problem solving and management of crisis, identifying best Human Resource practices and implementation, ability to handle administration and Human Resource related issues and ensuring related regulatory compliances | Sh. Adesh Kumar Gupta Sh. Shammi Bansal Sh. Adish Kumar Gupta Sh. Ashok Kumar Smt. Lovelena Mody Sh. Arvind Bali Kumar Sh. Aditya Khemka |

The name and categories of the Directors, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) together with particulars of their Directorship and Chairmanship/ Membership of Board Committees in various other Companies as on 31st March, 2020 are given as under:

| Sr. No. | Name of the Director(s) | Director Identification No. & Category of Directorship | No. of Board Meetings held & attended | Attendance at the last AGM | No. of other Directorship as on 31st March, 2020 | No. of Committee | | List of Directorship held in other Listed Company & Category |
|---------|------------------------------|--------------------------------------------------------|---------------------------------------|----------------------------|--------------------------------------------------|------------------|---------------|--------------------------------------------------------------|
| | | | | | | Member-ship | Chairman-ship | |
| 1. | Sh. Adesh Kumar Gupta | 00143192 Promoter & ED | 4(4) | No | 5 | - | - | - |
| 2 | Sh. Shammi Bansal | 00138792 Promoter & ED | 4(4) | Yes | 1 | - | - | - |
| 3 | Sh. Sunil Bansal | 00142121 Promoter & ED | 4(4) | Yes | 1 | - | - | - |
| 4 | Sh. Adish Kumar Gupta | 00137612 Promoter & ED | 4(4) | Yes | 3 | - | - | - |
| 5 | Sh. Ashok Kumar | 06883514 ED | 4(2) | Yes | - | - | - | - |
| 6 | Sh. Raghubar Dayal | 00481803 NED (I) | 4(4) | No | - | - | - | - |
| 7 | Sh. Ramesh Chandra Palhan | 05241019 NED (I) | 4(4) | Yes | - | - | - | - |
| 8 | Sh. Pushpinder Singh Grewal* | 06364475 NED (I) | 4(1) | No | - | - | - | - |
| 9 | Sh. Aditya Khemka** | 00514552 NED (I) | 4(1) | No | 3 | - | - | - |
| 10 | Sh. Arvind Bali Kumar*** | 02520675 NED (I) | 4(0) | No | 2 | - | - | - |
| 11 | Smt. Lovelena Mody | 01279148 NED (I) | 4(2) | No | 1 | - | - | - |

- ED (Executive Director)/NED (I) (Non Executive Independent)
- *Till 28th September, 2019.
- **Appointed on 27th September, 2019
- ***Appointed on 12th November, 2019

(b) Board's Process

In accordance with the legal requirements and to review/analyze the performance of the Company at regular intervals, the Board of Directors frequently meet for a minimum of four pre scheduled Meetings during each year as per the directions of the management of the Company.

Additional Meetings of the Board are held when deemed necessary by the Board to address the specific needs of the Company, if any.

Apart from the Board of Directors, the various Heads of Departments, Internal Auditors and Statutory Auditors of the Company are also invited at the Board Meeting to oversee the related matters requiring discussion/approval/decision of the Board. Detailed agenda papers along with explanatory notes and necessary documents and information, in defined Agenda format, are timely circulated to the Board of Directors in advance for facilitating meaningful and focused decision at the Meeting of the Board and Committees thereof. All material information is incorporated in the Agenda papers in order to have an overview of the business proposed to be considered at the Meeting(s). If it is not feasible to send the each and every document along with the Agenda, the same are placed before Members present at the Meeting with specific reference to this effect in Agenda. All the additional or supplementary item(s), not referred in Agenda, are considered after obtaining the due permission at the Meeting.

However, in case of business exigencies or urgencies, the resolutions are passed by way of circulation, except those which are required to be passed only at a Board meeting(s) in terms of the provisions of Companies Act, 2013.

Apart from statutory matters, all major policy decisions, evaluation of internal management procedures, budgetary decisions, business strategies and risk management practices are placed before the Board. Further, the information as required under Regulation 17 (7) read with Schedule-II, Part-A of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 is periodically placed before the Board /Board Committees. The Board has also constituted 5(five) standing committees namely Audit Committee, Management Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee which function as per the terms of references decided by the Board from time to time.

Company Secretary & Compliance Officer of the Company conducts all the Meetings of Board/Board Committees and records the Minutes of the proceedings of each Board and Committee Meeting and final Minutes are entered in the respective Minutes Book(s) within the stipulated period, if any, in compliance with the provisions of the Companies Act, 2013, Secretarial Standards-1 on Board Meetings and other regulatory enactments. In addition to above, all the actions taken in respect of important matter(s) discussed

in the previous Meetings are placed at the immediately succeeding Meetings for the purpose of follow up and reviews. The draft minutes are circulated to the Directors for their comments, if any on the same and after incorporating their comments, copy of signed minutes are provided to the directors for their confirmation in compliance with applicable provisions of Secretarial Standards on Board meetings.

(c) Board Meetings

During the financial year 2019-20, 4 (Four) Board Meetings were held viz. on 24th May, 24th July, 12th November 2019 and 4th February 2020. The maximum interval between any two Board Meeting(s) was not more than 120 Days prescribed under the Listing Regulations. The annual calendar of meetings is broadly determined at the beginning of the year. The Board periodically reviews the compliance reports of all laws applicable to the Company.

In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 or act as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. The Audit Committee and Stakeholders' Relationship Committee are only considered in computation of limits. Further all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any changes in their positions. Necessary disclosures regarding committee positions in other public Companies as on March 31, 2020 have been made by the directors.

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, any of the Whole Time Directors of the Company does not serve as an Independent Director in any listed entity.

The Board periodically reviews compliance reports of all applicable laws to the Company, prepared by the Company.

Post-Meeting Follow up system

After the Board meeting, we have formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and sub committees of the Board.

(d) Independent Directors and Familiarization Programme

In the opinion of Board of Directors, all the Independent Directors of the Company are satisfying the requirements as specified in the Regulation 25 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to qualify to act as Independent Directors of the Company and actively participate in the Meetings held from time to time for providing the necessary guidance/suggestions for protecting the interest of investors/

stakeholders. The suggestions received from the Independent Directors are suitably observed by the management for its beneficial implementation. All the Non Executive Independent Directors propose to be appointed/existing on the Board have given a declaration under Section 149 (7) that he/she meets the criteria of Independence as provided in Section 149 (6) of the Companies Act, 2013 and also under Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Non-Executive Independent Directors do not have any pecuniary relationships or transactions either with the Company, other than sitting fees drawn by the Non Executive Independent Director for attending the meetings of the Board and its Committees with the Promoters/Directors/Senior Management that may affect their judgment in any manner.

The terms and conditions of appointment of the Independent directors are disclosed on the website of the Company.

During the year under consideration a separate meeting of the Independent directors was held on 4th February, 2020 inter-alia to evaluate the performance of the Board, its Committees, Chairman, individual Directors of the Company and to assess the quality, quantity and timeliness of flow of information between the company management and the Board. The meeting was attended by all the independent Directors except Sh. Aditya Khemka and Sh. Arvind Bali Kumar.

Familiarization Programme for Independent Directors

In order to encourage active participation of Independent Directors and in order to understand the business environment, the Company has been familiarizing the Independent Directors on its Board with detailed presentations by its business functional heads on the Company operations, strategic business plans, new products and technologies, including significant aspects of the Industry and its future outlook. Once appointed, the Non Executive & Independent Directors undergo the

familiarization program of the Company. The Non executive & Independent Directors are also provided with financial results, internal audit findings and other specific documents as sought from time to time. They are also made aware of the various Policies and Code of Conduct and business ethics adopted by the Board. Details of familiarization programs extended to the Non Executive & Independent Directors during the year are disclosed on the Company website www.libertyshoes.com. Further at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a director. The template of the letter of appointment is available on Company's website at www.libertyshoes.com.

(e) Non-Executive Directors' compensation and disclosures

Non - Executive Independent Directors are eligible for sitting fees & commission not exceeding the limits prescribed under the Companies Act 2013. During the financial year 2019-20, ₹5,00,000/- has been paid as sitting fees to Non executive Independent Directors for attending the Meeting of the Board and Audit Committee Meeting. Further, no sitting fees has been paid to Executive Directors for attending the Board/Committee thereof, in accordance with the respective Service Agreement entered in to with them. Further, the Company till date has not offered Equity Shares under stock option scheme to the Directors/Employees of the Company.

(f) Code of Conduct

The Board of Directors of the Company has adopted the 'Code of Conduct' for all the Board Members and designated members of Senior Management of the Company. All the members of the Board and designated members of Senior Management have complied with the Code of Conduct. The duties of independent Directors of the Company were incorporated in the Code to make it more robust.

Details of the Code are available on the website of the Company viz. www.libertyshoes.com

Annual Declaration by the Chief Executive Officer (CEO) pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V to the said Regulations:-

To,

The Members

Liberty Shoes Ltd.

As the Chief Executive Officer (CEO) of Liberty Shoes Ltd. and as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said Regulations, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2020.

Adesh Kumar Gupta

Chief Executive Officer (CEO)

DIN: 00143192

(g) Brief particulars of the Directors, whose candidature are proposed for appointment/re-appointment in the forthcoming Annual General Meeting:

(a) Brief particulars of Sh. Shammi Bansal and Sh. Adish Kumar Gupta, who will be retiring by rotation and being eligible, offers themselves for the re-appointment in the ensuing Annual General Meeting.

Sh. Shammi Bansal (Executive Director)

Sh. Shammi Bansal, aged about 59 years, has been associated with the Company as a Director since 1990 and promoted as Executive Director in 1995. He was then re-appointed as Executive Director of the Company for a period of five years w.e.f. 1st April, 2005 and subsequently after expiry of above period again re-appointed for further period of five years w.e.f. 1st April, 2010 and then re-appointed for further period of three years w.e.f. 1st April, 2015 to 31st March, 2018. After expiry of said period he was then re-appointed for further period of 3 years w.e.f. 1st April, 2018 to 31st March, 2021. During his association with the Company, he has been accredited with various initiatives in the field of leather and footwear technology including use of E.P. Polymers, induction of E.V.A. compound in Indian footwear Industry. Sh. Shammi Bansal has currently been looking after the production designing and development of leather products at Company's plants. He belongs to the Promoter Group of the Company and presently holds 259640 Equity Shares in the Company.

Sh. Adish Kumar Gupta (Executive Director)

Sh. Adish Kumar Gupta, aged about 56 years, has been associated with the Company since last several years in different capacities and was appointed as Executive Director of the Company for a period of two years w.e.f. 1st October, 2016 and after expiry of above period again re-appointed for further period from 1st October, 2018 to 31st March, 2021. He is having vast experience in the field of Human Resource Management and supervision of leather finishing unit. He has been contributing to operations of the Company with his vast experience. He belongs to the Promoter Group of the Company & presently holds 189360 Equity Shares (other than HUF) in the Company.

Brief profile of above Directors, nature of their expertise in specific functional areas and names of Companies in which they hold directorships/chairmanships of Board committees, shareholding and relationships between directors inter se as stipulated under Companies Act, 2013, Listing Regulations and Secretarial Standards, are provided in the Annexure A to the Notice of AGM.

(b) Brief particulars of Sh. Arvind Bali Kumar, whose candidatures are proposed for appointment as Non

executive Independent Director in the ensuing Annual General Meeting:

Sh. Arvind Bali Kumar (Non-executive -Independent Director)

Sh. Arvind Bali Kumar, aged 59 years, is a Mechanical Engineer and Master of Business Administration. He is having more than three decades of robust leadership experience in diverse business starting from Garments, Consumer Electronics, Supply Chain, Telephony and Mobile Services, Telecom and surveillance Equipments. He is having proficiency in the gamut of start-ups, global expansion, strategy planning, new initiatives, business operations and productivity improvements, implementing strong financial models and improved business image.

Considering the requirement of Regulation 17 of SEBI LODR Regulations as regard to optimum combination of Executive and Non-executive Directors and minimum number of Independent Director on the Board, the Nomination and Remuneration Committee and Board of Directors of the Company in their respective meeting(s) held on 12th November, 2019 have approved the appointment of Sh. Arvind Bali Kumar as Additional Director of the Company in the category of Independent Director and as such he holds office of Director till the conclusion of forthcoming Annual General Meeting in terms of provisions of Section 161 of the Companies Act, 2013.

While approving the name of Sh. Bali, the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 12th November, 2020 have also considered that Sh. Bali is having independent relationship with the Company, its directors, KMPs and promoters and considering his expertise, qualification and experience it was proposed to appoint him as Independent Director of the Company for first term of 5 consecutive years w.e.f. 12th November, 2019 to 11th November, 2024. In view of above the Board is of the opinion that it is desirable to avail his service as Independent Director. Brief profile of above Director, nature of his expertise in specific functional areas and names of Companies in which he holds directorships/chairmanships of Board committees, shareholding and relationships between directors inter se as stipulated under Companies Act, 2013, Listing Regulations and Secretarial Standards, are provided in the Annexure A to the Notice of AGM.

3. Committee (s) of the Board

The Board of the Company has constituted different Committees of the Board to have the focused attention on the business of each aspect of the Company's working. The Minutes of the Meetings of respective Committees are

timely placed before the Members of the Committees and before the Members of the Board of Directors of the Company for their information and consideration. The terms of reference of the Board committees are determined by the Board from time to time. The role and composition of these Committees, including the number of meetings held during the financial year 2019-20 and the related attendance, are prescribed below:

(a) Audit Committee

The Board of Directors of the Company has constituted an Audit Committee in the year 2001 in compliance with the provisions of Listing Agreement & Section 292A of the Companies Act, 1956 and reconstituted from time to time. The Audit Committee and its composition meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. The brief description of the terms of reference of the Audit Committee as approved by the Board from time to time is as under:

- Review the annual financial statements with the management with primary focus on matters required to be included in the Directors' Responsibility Statement, changes, if any in accounting policies and practices and reasons thereof, compliance with accounting standards and guidelines of stock exchange(s), major accounting entries & related party transactions;
- Review of the quarterly and annual financial results/statements before submission to the Board for their approval together with quarterly and annual financial results of the subsidiary company.
- Review and assessment of the effectiveness of systems of internal financial control, risk management and compliance control with management and auditors.
- Recommendation of appointment, re-appointment, replacement and removal of the internal auditors, cost auditors and statutory auditors of the Company, fixation of audit fees and approving payments for any other services.
- Assessment of the independence and performance of the auditors and effectiveness of audit process.
- Review of the management discussions and analysis of financial conditions and results of the operations.
- Valuation of undertakings or assets of the Company, wherever necessary.
- Scrutiny of inter-corporate loans and investments.
- Reviewing the adequacy of internal audit function including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Reviewing, with the management, performance of the statutory and internal auditors, adequacy of the internal control systems.
- 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 utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter.
- Review of the reports of statutory and internal auditors and discussion about their findings with the management and suggesting corrective measures wherever necessary.
- Reviewing the findings of any internal investigations by the internal auditors in to 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.
- Look into the reasons for substantial defaults, if any, in the payment of creditors of the Company and any substantial defaults, if any, made by the debtors of the Company along with the reasons thereof.
- Review of prevailing accounting policies and compliances with regard to statutory requirements.
- Periodical review of related party transactions carried out by the Company and approval or any subsequent modification of transactions of the Company with related party.
- Approving the appointment of the CFO before finalization of the same by the management. Further while approving the appointment, it shall assess the qualifications, experience and background etc. of the candidate.
- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Ensuring the compliance of the provisions of Listing Regulations laid down by the Stock exchange(s)/SEBI and legal requirements concerning financial statements.
- Discussing with external auditors before audit is commenced the nature and scope of audit as well as having post-audit discussions to ascertain areas of concern, if any.

- To review the functioning of the Whistle Blower mechanism.
- To approve and review the related party transactions of the Company and to make criteria for approving the same.
- To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary existing and future exceeding the threshold limits as provided under the SEBI Guidelines.
- Any other matter referred to the Audit Committee by the Board of Directors of the Company.

In addition, the Audit Committee also mandatorily reviews the following:

- Management Discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters/letters of Internal control

weakness, if any, issued by the Statutory Auditors;

- Internal audit reports relating to internal control weakness; and
- The appointment, removal and terms of remuneration of the Internal Auditor.

Composition, Name of Members and Chairman and Attendance during the year

The Members of Audit Committee of the Board comprise of one Executive Director and two Non Executive Independent Directors.

Sh. Raghubar Dayal, Independent Director, acts as Chairman of the Audit Committee Meetings held during the year.

Sh. Munish Kakra, CFO & Company Secretary has been appointed as Secretary of the Audit Committee in pursuance to provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Members of the Audit Committee are "financially literate" as defined under Regulation 18 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Present composition of the Audit Committee and attendance at the meeting(s) held during the year are as under:-

| Sr. No | Name of the Committee Member | Position | Category | No. of Meeting(s) Held (Attended) |
|--------|------------------------------|-------------------|-----------|-----------------------------------|
| 1. | Sh. Raghubar Dayal | Chairman | NED(I) | 4(4) |
| 2. | Sh. Sunil Bansal | Member | ED | 4(4) |
| 3. | Sh. Ramesh Chandra Palhan | Member | NED(I) | 4(4) |
| 4. | Sh. Munish Kakra | Company Secretary | Secretary | 4(3) |

Meetings held during the year

During the financial year 2019-20, 4 (Four) Audit Committee meetings were held on 24th May, 24th July, 12th November 2019 and 4th February 2020. The gap between two committee meetings was not more than one hundred and twenty days. The Annual Audited Financial Results of the Company for the year ended 31st March, 2020 were reviewed by the Audit Committee in its Meeting held on 31st July, 2020. Necessary Quorum was present in the Audit Committee Meetings.

The Statutory Auditors and Internal Auditors of the Company were invariably invited to attend the Meetings and also to participate in the deliberation(s) on the crucial issues wherever required.

(b) Nomination and Remuneration Committee

The Company has a duly constituted Nomination & Remuneration Committee, which among others is responsible for identifying and recommending persons who are qualified to become Directors or appointed as KMPs of the Company and laying down remuneration

policy for the Directors, KMPs and other employees of the Company. Further, the Company seeks the expertise of the outside consultants as and when needed for analyzing the policies of the Company in relation to appointment and payment of remuneration to Senior Level Executive(s) and Staff. Sh. Raghubar Dayal, Independent Director, has been heading the Nomination and Remuneration Committee of the Board as its Chairman.

The terms of reference of the Nomination and Remuneration Committee are stated as under and in lines with Regulation 19 (4) read with Schedule-II, Part-D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended:

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

- 2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 3) devising a policy on diversity of Board of directors;
- 4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- 5) recommend that whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- 6) recommend to the board, all remuneration, in whatever form, payable to senior management of the Company.

Present Composition, Name of Members & Chairman and Attendance during the year

The following is the Constitution of the Nomination and Remuneration Committee:-

| Sr. No | Name of the Committee Member | Position | Category | Meetings Held (Attended) |
|--------|------------------------------|-------------------|-------------|--------------------------|
| 1. | Sh. Raghubar Dayal | Chairman | Independent | 3(3) |
| 2. | Sh. Ramesh Chandra Palhan | Member | Independent | 3(3) |
| 3. | Sh. Pushpinder Singh Grewal* | Member | Independent | 3(1) |
| 4. | Sh. Aditya Khemka** | Member | Independent | 3(1) |
| 5. | Sh. Munish Kakra | Company Secretary | Secretary | 3(2) |

* Till 28th September, 2019.

** W.E.F. 12th November, 2019

Meetings held during the year:

During the financial year 2019-20, the meetings of the members of the Nomination and Remuneration Committee were held on 24th July, 12th November, 2019 and 4th February, 2020

Performance Evaluation of Directors and Performance Evaluation criteria for Independent Directors

The details of methodology and criteria adopted for the evaluation of Board, Committees thereof, Individual Directors including Independent Directors have been provided in the Board's Report on page no. 18.

During the year under review, the Company has complied with all the criteria of Evaluation as envisaged in the SEBI Circular on "Guidance Note on Board Evaluation". Based on the Performance Evaluation process and on the recommendation of the Nomination and Remuneration Committee, your Board of Directors have considered the appointment of Sh. Arvind Bali Kumar as Independent Directors of the Company for a first term of Five (5) consecutive years at the ensuing AGM for the approval of the Members by way of Ordinary resolution.

Nomination and Remuneration policy

The Board of Directors, on the recommendation of Nomination and Remuneration Committee of the Board, has approved and adopted a Nomination and Remuneration Policy for Directors, KMPs and other employees. The Nomination and Remuneration Policy of the Company is reviewed by Nomination and Remuneration Committee of the Board as and when the need arises and the required changes made therein. Remuneration and Nomination

Policy has been formulated by the Committee by taking into account the financial position of the Company, trend in the Footwear Industry, appointee's qualification & experience including past performance & remuneration paid to the appointee(s). The above said Nomination and Remuneration Policy is available on the website of the Company viz. www.libertyshoes.com and set out in Annexure I of the Director's Report and is forming part of this report. The brief terms of reference for appointment/re-appointment, evaluation of performance and fixation of remuneration of directors and KMPs are as under:

- i. The appointment of Directors and KMPs of the Company and remuneration of new Directors on Board, Key Managerial Personnel and other employees shall be made on the basis of core competency, expertise, experience, qualification etc. and/or subject to the approval of the approving authority, wherever applicable.
- ii. Evaluation of the performance of the Executive Directors shall be based on the parameters such as accomplishment of assigned goals, their professional contributions towards the Company and the overall performance. On the basis of the evaluation, the remuneration of the Executive Directors will be determined.
- iii. Evaluation of the overall performance of the Non executive & Independent Directors of the Company shall be determined by the terms of the policy.
- iv. Remuneration of the Senior Management employees and

Key Managerial Personnel will be fixed annually considering performance of the Company as well as their individual performance and achievements corresponding to their goals set during the year.

Remuneration to Directors

- **Criteria for payment to Non-Executive Directors (NEDs)**

The Non-executive Directors receives remuneration by way of sitting fee for attending meetings of the Board and Audit Committee thereof. The sitting fee to Non-Executive Directors as determined by the Board is presently ₹ 25,000/- for attending each meeting of the Board and Audit Committee thereof. The Board of Directors may review the amount of sitting fee and decide the same from time to time in terms of the provisions of Companies Act, 2013 and Listing Regulations. In terms of the provisions of Section 197 of the Companies Act, 2013, a Company may pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by other to the maximum of 1% or 3% of the net profits, as the case may be.

Thus, the basis of payment to the NEDs is the net profit of the Company. The Company is however not obligated to remunerate its NED.

- **Pecuniary relationship or transactions of the Non Executive Directors vis-à-vis the Company:-**

The Company has not carried out any transactions, whether material in nature or not, with the Non Executive Directors of the Company. Accordingly, no remuneration has been paid to Non Executive Directors during the year.

- **Criteria for payment to Executive Directors (EDs) and All elements of remuneration package of individual Director:**

The remuneration paid to Executive Directors are recommended by the Nomination and Remuneration

Committee and approved by the Board in the Board Meeting, subject to the subsequent approval by the shareholders at the General Meeting and such authorities, as the case may be. The remuneration is fixed considering the various factors such as qualification, experience, expertise, prevailing remuneration in the industry and financial position of the Company. All the Executive Directors have been paid by way of remuneration on the basis of Company's policy in respect of payment of remuneration which involves the following elements of remuneration package:

- **Salary:**

Consolidated monthly remuneration of ₹4,00,000/- per month to Four Executive Directors each and ₹ 1,27,000/- per month to Sh. Ashok Kumar as an Executive Director.

- **Perquisites:**

In addition to the aforesaid salary, Executive Directors are also entitled to perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self in accordance with the rules of the Company. However, the monetary value of such perquisites being limited to the Monthly remuneration of ₹4,00,000/- and ₹1,27,000/- respectively. Perquisites are evaluated as per Income Tax Act Rules, 1962 wherever applicable, and in the absence of any such rules, perquisites are evaluated at actual cost; And Use of chauffeur driven car for official purpose and telephone at residence (including payment for local calls and long distance calls on telephone) and use of car for private purpose are billed by the Company to the Executive Directors.

- **Company's contribution to the provident fund and superannuation fund in accordance with the rules of the Company.**

Accordingly, during the financial year 2019-20, the following remuneration was paid to the Executive Directors of the Company:

| S. No. | Name of the Director | Designation | Salary (In ₹) | Perquisites (In ₹) | Others (In ₹) | Sitting Fees Paid (In ₹) |
|--------|-----------------------|--------------------------|---------------|--------------------|---------------|--------------------------|
| 1. | Sh. Adesh Kumar Gupta | CEO & Executive Director | 48,00,000 | NIL | NIL | NIL |
| 2. | Sh. Shammi Bansal | Executive Director | 48,00,000 | NIL | NIL | NIL |
| 3. | Sh. Sunil Bansal | Executive Director | 48,00,000 | NIL | NIL | NIL |
| 4. | Sh. Adish Kumar Gupta | Executive Director | 48,00,000 | NIL | NIL | NIL |
| 5. | Sh. Ashok Kumar | Executive Director | 15,28,000 | NIL | NIL | NIL |

Notes:

- No incentives, whether fixed or performance linked, were given to the Executive Directors during the year under consideration.
- The Company has so far not offered Equity Shares under stock option scheme to its Director(s)/Employee.
- None of the Non - Executive Directors of the Company holds any Equity Shares in the Company except Sh. Ramesh Chandra Palhan who is holding 200 Shares (jointly with his wife).
- **Service Contracts, Severance Fee and Notice period**

The appointment of the executive director is governed by the resolutions passed by the Board and the shareholders of the Company which cover the terms and conditions of such appointment. The Nomination and Remuneration Committee satisfies itself with regard to the experience, qualification, past relationship/association of the Director with the Company etc.

The Committee also ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013. On the recommendation of Committee, the Board and shareholders approve the appointment of the Directors. At the time of appointment of Director, the Company executes a separate service agreement defining the remuneration, tenure, roles, responsibilities, duties, functions, obligations and other terms and conditions of service of Directors.

In case of appointment of Independent Director, the Nomination and Remuneration Committee and Board ensure the below attributes/criteria, while recommending/appointing the Independent Directors:

In case of appointment of Independent Director, the Nomination and Remuneration Committee and Board ensure the below attributes/ criteria, while recommending/ appointing the Independent Directors:

- Qualification, expertise and experience of the directors in their respective fields,
- Personal, professional or business standing
- Diversity of the Board

The Committee/Board, while recommending/appointing an Independent Director, also ensures the criteria and tenure for which the Independent Director may be appointed as stated in the Companies Act, 2013 and the Listing Regulations including independent relationship of the Directors vis-à-vis the Company

so as to enable the Board to discharge its functions and duties effectively. At the time of appointment of Independent Director, the Company issues letter of appointment to the Independent Directors incorporating their roles, duties, responsibilities etc.

In case of re-appointment of the Directors, the Committee/ Board, besides above, also takes in to consideration the performance evaluation of the directors and their engagement level.

Each of our Executive Directors has signed service agreement containing the terms of their employment. There is no separate provision for payment of severance fee under the resolution and service agreement governing the appointment of Executive Directors. With respect to notice period of directors, besides the provisions of service agreement, the statutory provisions will also apply. The Service agreement may be terminated by either party after giving three months' notice in writing duly served on the other party.

c) Stakeholders Relationship Committee

Stakeholders Relationship Committee had been constituted by the Board of Directors and was delegated with the powers to handle all the shares related issues including timely redressal of shareholders' and investors complaints like non-receipt of balance sheet, non-receipt of declared dividends etc. The Committee performs all its duties and discharges its responsibilities as per its charter fixed by the Board, which includes review of the performance of the Registrar and Share Transfer Agent of the Company and recommend measures to the Board for overall improvements in the quality of investors' services wherever required.

The terms of reference of the Stakeholders Relationship Committee is in lines with the provisions of Regulation 20(4) read with Part-D of the Schedule II of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 as amended and the brief of the same is as under:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various

services being rendered by the Registrar & Share Transfer Agent.

- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of

dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year, the Committee met Four times on 24th May, 24 July and 12th November 2019 and 4th February, 2020.

Composition & Name of Non-Executive Director heading the Committee as of now is as under:

| Sr. No | Name of the Committee Member(s) | Position | Category | Meetings Held (Attended) |
|--------|---------------------------------|-------------------|-----------|--------------------------|
| 1. | Sh. Ramesh Chandra Palhan | Chairman | NED(I) | 4(4) |
| 2. | Sh. Adish Kumar Gupta | Member | ED | 4(4) |
| 3. | Sh. Sunil Bansal | Member | ED | 4(4) |
| 4. | Sh. Munish Kakra | Company Secretary | Secretary | 4(3) |

Name and designation of Compliance Officer

Sh. Munish Kakra, CFO & Company Secretary is the Compliance Officer of the Company and he acts as Secretary of the Committee. His contact details are as follows:

Liberty Shoes Ltd.

Ground Floor, Building No. 8, Tower A, DLF Cyber City, Phase II, Gurugram - 122002, Haryana,

Ph.: 91-0124-4616200, Fax: 91-0124-4616222,

Email Id: munish@libertyshoes.com

Status of investor reference/complaints/requests received by the Company during the year ending 31st March, 2020 stood as under:

| Nature of References / Requests | No. of Grievances/ Requests/ Complaints Received | No. of Grievances/ Requests/ Complaints Resolved | No. of Grievances/ Requests/ Complaints not resolved to the satisfaction of shareholders | No. of Grievances/ Requests/ Complaints Pending |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------|
| Non receipt of Share Certificate(s) & Non receipt of electronic Credit | 2 | 2 | NIL | NIL |
| Non receipt of Bonus, Dividend & Annual Report | 5 | 5 | NIL | NIL |
| Issue of duplicate/Loss of Certificate | 10 | 10 | NIL | NIL |
| Revalidation of Dividend | NIL | NIL | NIL | NIL |
| Transfer/Transmission of Shares | 1 | 1 | NIL | NIL |
| Issue of Physical Annual Report | NIL | NIL | NIL | NIL |
| Change of address, Name correction, Non receipt of Rejected DRF & others | 16 | 16 | NIL | NIL |
| Received from regulatory bodies such as Ministry of Corporate Affairs, SEBI (SCOREs) and Stock Exchanges etc. | NIL | NIL | NIL | NIL |
| Dividend through ECS | NIL | NIL | NIL | NIL |
| Non- receipt of Dividend | NIL | NIL | NIL | NIL |
| Total | 34 | 34 | NIL | NIL |

All the references/complaints received from the shareholders or from regulatory bodies during the year under review were resolved to their entire satisfaction. Apart from these queries/complaints, there is one pending case relating to dispute over title to shares in which the Company has been made a party. However the aforesaid case is not material in nature. There are 7 (Seven) cases (involving 900 Equity Shares) concerning dispute over titles to Shares, are pending with the Company as on 31st March, 2020.

The following is the constitution of the Committee as of now:-

| Sr. No | Name of the Committee Member | Position | Category | Meetings Held (Attended) |
|--------|------------------------------|----------|----------|--------------------------|
| 1. | Sh. Adesh Kumar Gupta | Chairman | ED | - |
| 2. | Sh. Shammi Bansal | Member | ED | - |
| 3. | Sh. Adish Kumar Gupta | Member | ED | - |
| 4. | Sh. Raghubar Dayal | Member | NED(I) | - |
| 5. | Sh. Ramesh Chandra Palhan | Member | NED(I) | - |

(e) Corporate Social Responsibility Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and rules made there under, the Corporate Social Responsibility Committee was constituted by the Board of Directors in their meeting held on 29th May, 2014 which initially comprised Four Directors viz. Sh. Shammi Bansal (ED) as the Chairman and Sh. Adish Kumar Gupta, (ED) Sh. Raghubar Dayal & Sh. Ramesh Chandra Palhan {(NED)(I)} as members of the Committee. Subsequently, the Board of Directors in their meeting held on 30th May, 2016 reconstituted the composition of CSR Committee by inducting Smt. Lovelena Mody {(NED)(I)} as its member.

The Board has defined the terms of reference of the Corporate

(d) Management Committee

For facilitation of various decisions relating to day to day operational matters and matters relating to finance, the Management Committee of the Board was constituted by the Board of Directors in the year 2007 and has been reconstituted from time to time depending upon the requirements of the Company.

During the year, the Members of the Management Committee did not meet any time.

Social Responsibility Committee as under:

- formulating and recommending to the Board, Corporate Social Responsibility Policy and the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- recommending the amount of expenditure to be incurred on the activities undertaken;
- reviewing the performance of the Company in the area of Corporate Social Responsibility;
- monitoring Corporate Social Responsibility policy of the Company from time to time;
- such other functions as the Board may deem fit.

The following is the constitution of the Committee:-

| Sr. No | Name of the Committee Member | Position | Category | Meetings Held (Attended) |
|--------|------------------------------|----------|------------------------------------|--------------------------|
| 1. | Sh. Shammi Bansal | Chairman | Executive Director | 1(1) |
| 2. | Sh. Adish Kumar Gupta | Member | Executive Director | 1(1) |
| 3. | Sh. Raghubar Dayal | Member | Non-Executive Independent Director | 1(1) |
| 4. | Sh. Ramesh Chandra Palhan | Member | Non-Executive Independent Director | 1(1) |
| 5. | Smt. Lovelena Mody | Member | Non-Executive Independent Director | 1(1) |

During the year, one meeting of the CSR Committee was held on 4th February, 2020.

CSR Policy

The Board of Directors on the recommendation of the CSR Committee

has approved the CSR policy of the Company during the financial year 2014-15 and the same is in force till date. The detailed CSR policy is available on the website of the Company viz. www.libertyshoes.com.

4. Governance through Management process

| Name of the policy | Brief description | Web link |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Code of Conduct | The Board of Directors has adopted Code of Conduct for all the Board Members and designated members of Senior Management of the Company. | http://investor.libertyshoes.com/doc/Code_of_Conduct.pdf |
| Code for prevention of Insider Trading | The Company has adopted a code of conduct to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This code of conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website. | http://investor.libertyshoes.com/doc/Code_of_Conduct.pdf |
| Whistleblower Policy (Policy on vigil mechanism) | The Company has adopted the Whistle blower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company code of conduct. | http://investor.libertyshoes.com/doc/Whistle_Blower_Policy.pdf |
| Nomination and Remuneration Policy | This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive /non-executive Director) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees. | http://investor.libertyshoes.com/doc/NOMINATION_AND_REMUNERATION_POLICY.pdf |
| Corporate Social Responsibility Policy | The policy outlines the Company's strategy to bring about a positive impact on society through programs relating to hunger, poverty, education, health care and environment. | http://investor.libertyshoes.com/doc/CSR_Policy.pdf |
| Related Party Transactions Policy | The policy regulates all transactions between the Company and its related parties | http://investor.libertyshoes.com/doc/Related_party_transaction.pdf |
| Policy on determination of materiality of events | The policy applies to disclosures material events affecting the company. This policy is in addition to the Company's corporate policy statement on investor relations, which deals with the dissemination of unpublished, price-sensitive information. | http://investor.libertyshoes.com/doc/Liberty_Policy_on_Determination_of_Materiality_of_Events.pdf |
| Website Archival Policy | The Policy deals with the archival of Corporate records of the Company. | http://investor.libertyshoes.com/doc/Liberty_Archival_Policy.pdf |

| Name of the policy | Brief description | Web link |
|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk Management Policy | This policy is approved by the Board to build and establish the process and procedure for identifying, assessing, quantifying, minimizing, mitigating and managing the associated risk. It aims to develop an approach to make assessment and management of risks in financial, operational and project based areas in timely manner. | http://investor.libertyshoes.com/doc/Risk_Management_Policy.pdf |
| Policy for preservation of Documents | This policy obligates the Company or preservation of documents in order to prevent from being altered, damaged or destroyed | http://investor.libertyshoes.com/doc/Prservation_of_Transaction_Policy.pdf |
| Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at workplace | The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company always provide an equal employment opportunity to employees and is committed to provide a safe and conducive work environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. | http://investor.libertyshoes.com/doc/Sexual_HarrassementPolicy_LibertyShoesLtd.pdf |

5. Subsidiary Monitoring Framework

The Company had one Wholly Owned Overseas Subsidiary M/s Liberty Foot Fashion Middle East FZE (LFF), Dubai and during the year ended 31st March, 2018, the Company has initiated the steps to liquidate/dispose of its Assets without diminution/reduction of investments till the above date. As required under the applicable provisions of Listing Regulations and management practices adopted by the Company and its subsidiary Company, the Company was monitoring, till the discontinuation, the performance of its subsidiary Company, inter alia, by the (a) Periodic Financial

statements (b) Minutes of the Board Meetings and/or requisite information of the subsidiary Company (c) Periodic review by the Audit Committee of the statement of all significant transactions & arrangement entered into by the subsidiary Company.

6. General Body Meetings

i. General Meeting

a. Annual General Meeting: Location and time, where the last three Annual General Meetings were held as under:

| Meeting | Year | Venue | Day & Date | Time |
|-----------------------------|------|-------------------|------------------------------|----------|
| 33rd Annual General Meeting | 2019 | Registered Office | Friday, 27th September, 2019 | 11:00 AM |
| 32nd Annual General Meeting | 2018 | Registered Office | Friday, 24th August, 2018 | 11:00 AM |
| 31st Annual General Meeting | 2017 | Registered Office | Thursday, 24th August, 2017 | 11:00 AM |

b. Extraordinary general meeting:

No extraordinary general meeting of the members was held during the year 2019-20.

ii. Special Resolutions/Special Businesses: Special Resolutions/Special Businesses transacted at the last three Annual General Meetings are as under:

| 33rd Annual General Meeting on 27th September, 2019 | 32nd Annual General Meeting on 24th August, 2018 | 31st Annual General Meeting on 24th August, 2017 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Nos. of Special Business: 5 | No. of Special Business: 8 | No. of Special Business: NIL |
| 1. Re-appointment of Sh. Sunil Bansal (DIN: 00142121) as Executive Director 2. Re-appointment of Sh. Raghubar Dayal (DIN: 00481803) as Independent Director 3. Re-appointment of Sh. Ramesh Chandra Palhan (DIN: 05241019) as Independent Director 4. Appointment of Sh. Aditya Khemka (DIN: 00514552) as Independent Director 5. Appointment of Sh. Shailendra Kumar Gupta (DIN: 00934581) as Independent Director* 6. Change in name of the Company* | 1. Re-appointment of Sh. Adesh Kumar Gupta (DIN: 00143192) as CEO & Executive Director 2. Re-appointment of Sh. Shammi Bansal (DIN: 00138792) as Executive Director 3. Re-appointment of Sh. Ashok Kumar (DIN: 06883514) as Executive Director 4. Re-appointment of Sh. Adish Kumar Gupta (DIN: 00137612) as Executive Director 5. Re-appointment of Smt. Lovelena Mody (DIN: 01279148) as Independent Director 6. Alteration/Substitution of Memorandum of Association of the Company 7. Alteration of the liability Clause of the Memorandum of Association of the Company 8. Discontinuation of Wholly Owned Subsidiary of the Company Liberty Foot Fashion Middle East, FZE (LFF) | |

* The same were not implemented.

Sh. Sukesh Gupta, Chartered Accountant was appointed as scrutinizer by the Board and present at the above 33rd, 32nd and 31st Annual General Meeting for supervising and monitoring the voting through Remote E-voting and voting by Ballot form facilities on the above agenda items and to issue his report on the same.

i. Detail of special resolution passed by the Company through postal ballot exercise, the persons who conducted the postal ballot exercise and detail of the voting pattern, detail of special resolution proposed to be conducted through postal ballot and procedure for postal ballot. During the year under review, no special resolution has been passed through the exercise of postal ballot. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot exercise.

Further there is no special resolution proposed to be conducted through postal ballot in the Annual General Meeting.

ii. Group As on 31st March, 2020:

Arpan Gupta (Karta), Sh. Arpan Gupta, Sh. Adesh Kumar

Gupta, Adesh Kumar Gupta (Karta), Sh. Adarsh Gupta, Sh. Anmol Gupta, Sh. Adish Kumar Gupta, Adish Kumar Gupta (Karta), Sh. Pranav Gupta, Sh. Akshat Gupta, Smt. Kamlavati, Sh. Sunil Bansal, Smt. Rehti Devi, Sh. Ayush Bansal, Sh. Shammi Bansal, Sh. Manan Bansal, Sh. Vaibhav Bansal, Sh. Raman Bansal, Sh. Ruchir Bansal, Sh. Vivek Bansal, Sh. Pulkit Bansal, Sh. Anupam Bansal and Geofin Investments Pvt. Ltd.

7. Disclosures

I) Disclosure on materially significant related party transactions

The Company did not have any material significant related party transaction having a potential conflict with the interest of the Company at large. The Company has already in place policy on related party transactions to regulate the transactions of the Company with its related parties and the same being reviewed and amended as and when required.

The policy has been uploaded on the website of the Company www.libertyshoes.com. As per the policy, all the related party transactions require prior approval

of the Audit Committee and Board of Directors of the Company. Prior approval of the shareholders of the Company is also required for certain related party transactions as prescribed under Companies Act, 2013 and SEBI Listing Regulations.

All related party transactions that were entered in to during the financial year were on arm's length basis. There were no material individual transactions with related parties which may have a potential conflict with the interest of the Company at large. The transactions that entered in to with the related parties during the year under review were in the normal course of business. All the details of related party transactions carried out by the Company during the year under review can be observed from the disclosures made in the Notes on Accounts to the financial statements for the year ended 31st March, 2020 as specified in Ind AS 24 of the Companies (Accounting Standards) Rules, 2015.

ii) Detail of non-compliances, penalties, strictures by Stock Exchanges/SEBI/Statutory Authorities on any matter related to Capital Markets during the last three years.

The Company has complied with the requirements of Stock Exchange(s), SEBI and other statutory Authorities during the preceding three financial year(s) on all matters related to Capital Market and no penalty/strictures have been imposed on the Company in any matter except as under during the Financial Year 2019-20:

- (a) The National Stock Exchange of India and BSE Limited ("Stock Exchanges") have levied fines on the Company and also stipulated to place in the Board records for non compliance of Regulation 17 (1) of SEBI LODR Regulations, 2015 as regard to composition of Board of Directors for the respective Quarters ended 30th June, 2019 and 30th September, 2019. However, the Company has complied with the stipulations of the Stock Exchanges related to non-compliance.
- (b) The National Stock Exchange of India Limited has levied fine for delay in filing of Report on Corporate Governance for the Quarter ended 31st December, 2019. However, the Company has complied with the stipulations of the National Stock Exchange of India Limited related to non-compliance. Further BSE Ltd. has levied fines for non-compliance of regulation 17(1), 18(1), 19 (1), (2) 20(2), 21(2) and 27(2) of SEBI LODR Regulations, 2015 for the Quarter ended 31st December, 2019. The Company submitted its representation for the waiver of the fine and the BSE outcome in response to Company's representation has not yet been received.

iii) Inter-se relationships between Directors and Key Managerial Personnel of the Company Directors:

| Sr. No. | Name of Director | Relationship with other Directors/KMPs |
|---------|---------------------------|----------------------------------------|
| 1. | Sh. Adesh Kumar Gupta | None |
| 2. | Sh. Shammi Bansal | Brother of Sh. Sunil Bansal |
| 3. | Sh. Sunil Bansal | Brother of Sh. Shammi Bansal |
| 4. | Sh. Adish Kumar Gupta | None |
| 5. | Sh. Ashok Kumar | None |
| 6. | Sh. Raghubar Dayal | None |
| 7. | Sh. Ramesh Chandra Palhan | None |
| 8. | Sh. Aditya Khemka | None |
| 9. | Sh. Arvind Bali Kumar | None |
| 10. | Smt. Lovelena Mody | None |

Key Managerial Personnel:

| Sr. No. | Name of Key Managerial Personnel | Relationship with other Directors/KMPs |
|---------|----------------------------------|----------------------------------------|
| 1. | Sh. Munish Kakra | None |

iv) Detail of establishment of Vigil Mechanism and Whistle Blower Policy

The Company has adopted a Whistle Blower Policy (Vigil Mechanism) and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company at the link www.libertyshoes.com. No personnel in the Company have been denied access to the Audit Committee.

v) Compliance with Mandatory requirements

As on 31st March, 2020 the Company has complied with all the mandatory corporate governance requirements under Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations. The Disclosures of the Compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and Regulation 46(2).

| Sr. No. | Particulars | Regulations | Brief Descriptions of the Regulations | Compliance Status (Yes/No/N.A.) |
|---------|---------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------|
| 1 | Board of Directors | 17(1), 17(1A), 17(1B) | Composition of Board | Yes |
| | | 17(2) | Meeting of Board of Directors | Yes |
| | | 17(3) | Review of Compliance Reports | Yes |
| | | 17(4) | Plans for orderly succession for appointments | Yes, as and when applicable |
| | | 17(5) | Code of Conduct | Yes |
| | | 17(6) | Fees/Compensation | Yes |
| | | 17(7) | Minimum Information to be placed before the Board | Yes |
| | | 17(8) | Compliance Certificate | Yes |
| | | 17(9) | Risk Assessment & Management | Yes |
| | | 17(10) | Performance Evaluation | Yes |
| | | 17(11) | Recommendation of Board | Yes |
| 2 | Audit Committee | 17A | Maximum number of Directorship | Yes |
| | | 18(1) | Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting | Yes |
| | | 18(2) | Meeting of Audit Committee | Yes |
| 3 | Nomination and Remuneration Committee | 18(3) | Role of the Committee and Review of information by the Committee | Yes |
| | | 19(1) & (2) | Composition of Nomination and Remuneration Committee | Yes |
| | | 19 (2A) | Quorum of Nomination and Remuneration Committee Meeting | |
| | | 19(3) | Presence of the Chairman of the Committee at the Annual General Meeting | Yes |
| | | 19 (3A) | Meeting of Nomination and Remuneration Committee | Yes |
| 4 | Stakeholders Relationship Committee | 19(4) | Role of the Committee | Yes |
| | | 20(1), (2), (2A) & (3) (3A) | Composition & Meeting of Stakeholder Relationship Committee | Yes |
| 5 | Risk Management Committee | 20(4) | Role of the Committee | Yes |
| | | 21(1),(2) & (3) (3A) | Composition & Meeting of Risk Management Committee Role of the Committee | N.A. |

| | | | | |
|-----|-------------------------------------------------------------|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|------|
| | | 21(4) | Role of the Committee | N.A |
| 6 | Vigil Mechanism | 22 | Formulation of Vigil Mechanism for Directors and Employee | Yes |
| 7 | Related Party Transaction | 23(1), (1A), (5), (6),(7) & (8) | Policy for Related Party Transaction | Yes |
| | | 23(2) & (3) | Approval including omnibus approval of Audit Committee for all Related Party Transactions and review of transaction by the Committee | Yes |
| | | 23(4) | Approval for Material Related Party Transactions. | Yes |
| | | 23 (9) | Disclosure of related party transactions on consolidated basis | Yes |
| 8 | Subsidiaries of the Company | 24(1) | Composition of Board of Directors of Unlisted Material Subsidiary | N.A. |
| | | 24(2), (3), (4), (5) & (6) | Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed entity | N.A. |
| 9 | Annual Secretarial Compliance Report | 24A | Annual Secretarial Compliance Report | Yes |
| 10. | Obligations with respect to Independent Directors | 25(1) & (2) | Maximum Directorship & Tenure | Yes |
| | | 25(3) | Meeting of Independent Directors | Yes |
| | | 25(4) | Review of Performance by the Independent Directors | Yes |
| | | 25(7) | Familiarisation of Independent Directors | Yes |
| | | 25(8) & (9) | Declaration from Independent Director | Yes |
| | | 25(10) | D&O Insurance for Independent Director | Yes |
| 11 | Obligations with respect to Directors and Senior Management | 26(1) & (2) | Memberships & Chairmanship in Committees | Yes |
| | | 26(3) | Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel | Yes |
| | | 26(4) | Disclosure of Shareholding by Non- Executive Directors | Yes |
| | | 26(5) | Disclosures by Senior Management about potential conflicts of Interest | Yes |
| 12 | Other Corporate Governance Requirements | 27(1) | Compliance of Discretionary Requirements | Yes |
| | | 27(2) | Filing of Quarterly Compliance Report on Corporate Governance | Yes |
| 13 | Disclosures on Website of the Company | 46(2) (b) | Terms and conditions of appointment of Independent Directors | Yes |
| | | 46(2) (c) | Composition of various committees of Board of Directors | Yes |
| | | 46(2) (d) | Code of Conduct of Board of Directors and Senior Management Personnel | Yes |
| | | 46(2) (e) | Details of establishment of Vigil Mechanism/Whistle Blower policy | Yes |
| | | 46(2) (f) | Criteria of making payments to Non-Executive Directors | Yes |
| | | 46(2) (g) | Policy on dealing with Related Party Transactions | Yes |
| | | 46(2) (h) | Policy for determining Material Subsidiaries | Yes |
| | | 46(2) (i) | Details of familiarisation programmes imparted to Independent Directors | Yes |

vi) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

Not Applicable

vii. A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The Certificate of Company Secretary in practice is annexed herewith as a part of the report at page no. 75 of this Annual Report.

viii. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.

In terms of Listing Regulations, there have been no instances during the year under consideration when

recommendations of any of the Committees were not accepted by the Board.

ix. Total fees for all services paid by the listed entity and its subsidiaries, 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.

Details relating to fees paid to the Statutory Auditors are given in Note No. 26 to the Financial Statements.

x. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

Not Applicable

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

| Particulars | Status |
|-------------------------------------------------------------------------|--------|
| 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 the end of during the financial year | NIL |

xii. Compliance Report on Non-mandatory requirements under Regulation 27 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. The Board

As per para A of Part E of schedule II of the Listing Regulations, a non-executive Chairman of the Board may be entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties. Since there is no permanent Chairman in the Company, hence this provision is not applicable.

2. Shareholding Rights

We display our quarterly, half yearly and annually results

on our website www.libertyshoes.com and also publish our results in widely circulated newspapers. We have communicated the payment of dividend through e-mail to shareholders in addition to dispatch of letters to all shareholders. We publish the voting results of shareholders' meetings and make it available on our website www.libertyshoes.com and report the same to Stock Exchanges in terms of regulation 44 of the Listing Regulations. Significant events are also posted on this website under "Investor Relations" section. Complete Annual Report is sent to every shareholder through e-mail whose E-mail ID has been updated with the depositories/Company/RTA and also to those who make request for providing the same. Notice of General Meeting along voting instructions is sent to all the shareholders and also made available on the website of the Company

under Section "Investor Relations" in addition to submission of the same with Stock Exchanges. Shareholders' grievances/complaints/ queries have been addressed and resolved at most priorities to the satisfaction of the shareholders.

3. Modified opinion(s) in audit report

It has always been the Company's endeavor to present financial statements with unmodified audit report. The Statutory Auditors have issued an unmodified opinion on the financial statements of the Company for the financial year ended 31st March, 2020.

4. Reporting of Internal Auditor

The Internal Auditor of the Company submits their reports directly to the Audit Committee and is a permanent invitee to all the Audit Committee Meetings.

5. Means of Communication

Financial Results Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has regularly furnished Quarterly and half - yearly unaudited and annual audited results of the Company to both the Stock Exchanges i.e. BSE and NSE where the Equity Shares of the Company are listed. The above results are also published in leading English and vernacular newspapers viz. Financial Express English daily and in Janasatta, Hindi Daily. Additionally, the Company from time to time also furnished the required documents and information to both the stock exchange(s) NSE and BSE in terms of the applicable provisions of Listing Regulations. All our financial results, news releases and presentation made, if any, at investor conferences and to analysts are posted on the Company's website at www.libertyshoes.com

Website

Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's website www.libertyshoes.com contains a dedicated functional segment called "Investor Relations" where all the information needed by the shareholders is available including Results, Press Releases, Shareholding pattern, Management Information, Announcements & General Meeting's results & information etc.

NSE Electronic Application Processing System (NEAPS) & BSE Listing Centre

The Company also files information through NEAPS-a web based application provided by NSE & on BSE Listing Centre which facilitates online filing of Corporate Governance Report, Shareholding Pattern and other Reports and Statements etc. by Companies.

Extensive Business Reporting Language (XBRL) XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No. 37/2011 dated June 7, 2011 had mandated certain companies to file their Annual Accounts vide this mode. The Company, in compliance, has filed its Annual Accounts on MCA through XBRL for the previous financial year ended on 31st March, 2019.

Ministry of Corporate Affairs (MCA)

The Company has periodically filed all the necessary documents with the MCA.

SEBI Complaints Redress System (SCORES)

A centralized web based complaints redress system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned Companies and online viewing by the investors of action taken on the complaint and its current status.

Annual Report

The Annual Report containing inter-alia the Audited Accounts, Cash Flow Statement, Directors' Report, Auditors' Report and other important information is circulated to the investors. Pursuant to the green initiative launched by the MCA, the Company also sends e-copies of the Annual Report to Members who have registered for the same. The Annual Reports are also available in the Investor Relations section on the Company's website www.libertyshoes.com.

8. General Shareholder Information:

i. Annual General Meeting:

| | | |
|--------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------|
| Day, Date & Time | : | Wednesday, 30th September, 2020 at 11.00 A.M. |
| Venue | : | Through Video Conference (VC)/ Other Audio Video Means (OAVM) only as per the General Circular dated 5th, May 2020 issued by the MCA. |
| Books Closure Date | : | Thursday, 24th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive) |
| Last date for receipt of Proxy Forms | : | In terms of the relaxations granted by the MCA, the facility for appointment of proxies by Members will not be available for the ensuing AGM |

ii. Financial Year & Financial Calendar (Tentative):

| | | |
|--------------------------------------------------------------|---|--------------------------|
| Financial Results for the Quarter ended 30th June, 2020 | : | By 15th September, 2020* |
| Financial Results for the Quarter ended 30th September, 2020 | : | By 14th November, 2020** |
| Financial Results for the Quarter ended 31st December, 2020 | : | By 14th February, 2021** |
| Financial Results for the Quarter ended 31st March, 2021 | : | By 30th May, 2021** |
| Annual General Meeting for the year ended 31st March, 2021 | : | By August / Sept. 2021** |

The financial year of the Company starts on 1st day of April and ends on 31st day of March of next year.

* Vide SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/140 dated 29.07.2020.

** or by such date(s) as may be prescribed by SEBI/MCA from time to time.

iii Commodity Price Risk or Foreign Exchange Risk and hedging activities and Disclosure:

Commodity Price Risk and hedging activities:

The Company does not have commodity price risk nor does the Company engage in hedging activities thereof. Foreign Exchange Risk and hedging activities:

The Company, during the financial year under consideration, has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with the no material residual risk. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to firm commitment. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point of time. There are no materially uncovered exchange rate risks in the context of the Company's imports and exports. The Company does not enter into any derivative instruments for trading or speculative purposes.

The details of foreign exchange exposures as on 31st March, 2020 are disclosed in Notes to the financial statements.

i. Dividend Payment Date:

Considering the financial requirement of the Company, the Board of Directors has not recommended/approved payment of Dividend for the financial year ended 31st March, 2020.

ii. Listing on Stock Exchanges with their Trading Codes:

At present the Equity Shares of the Company are listed on the following Stock Exchange(s):

National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai- 400 051

NSE: LIBERTSHOE.

BSE Limited, Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai-400 001

BSE: 526596

ISIN of Equity Shares of the Company:

INE557B01019

The Annual Listing fee for the financial year 2020-21 has since been paid to both the Stock Exchange(s).

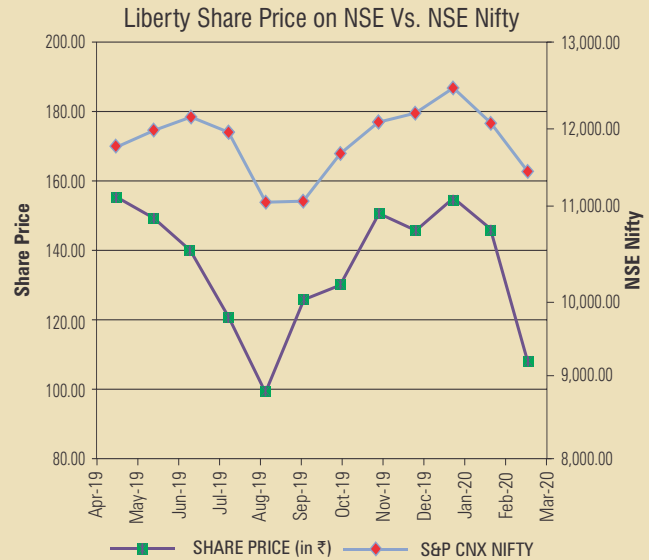
iii. Stock Market Data:

The Comparison of the share price of the Company with the broad based indices are provided herein under:

Performance in Comparison to S & P Nifty

Index vs. Share Price

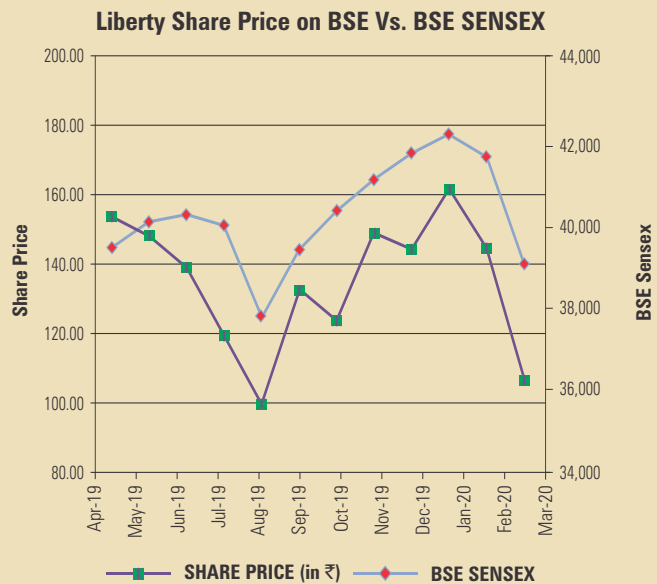
| S. No. | YEAR (2019 - 20) | S & P CNX Nifty | SHARE PRICE (IN ₹) |
|--------|------------------|-----------------|--------------------|
| 1 | April-19 | 11738 | 155.05 |
| 2 | May-19 | 11932 | 148.90 |
| 3 | June-19 | 12103 | 139.75 |
| 4 | July-19 | 11917 | 120.20 |
| 5 | August-19 | 11077 | 98.90 |
| 6 | September-19 | 11082 | 125.85 |
| 7 | October-19 | 11652 | 129.75 |
| 8 | November-19 | 12034 | 150.45 |
| 9 | December-19 | 12135 | 145.50 |
| 10 | January-20 | 12431 | 154.95 |
| 11 | February-20 | 12017 | 145.75 |
| 12 | March-20 | 11433 | 107.90 |



Performance in Comparison to Sensex

Sensex vs. Share Price

| S. No. | YEAR (2019-20) | BSE SENSEX | SHARE PRICE (IN ₹) |
|--------|----------------|------------|--------------------|
| 1 | April-19 | 39487 | 154.80 |
| 2 | May-19 | 40124 | 149.25 |
| 3 | June-19 | 40312 | 140.00 |
| 4 | July-19 | 40032 | 120.00 |
| 5 | August-19 | 37807 | 99.90 |
| 6 | September-19 | 39441 | 133.45 |
| 7 | October-19 | 40392 | 124.45 |
| 8 | November-19 | 41163 | 150.40 |
| 9 | December-19 | 41809 | 145.25 |
| 10 | January-20 | 42273 | 163.00 |
| 11 | February-20 | 41709 | 145.85 |
| 12 | March-20 | 39083 | 106.85 |



The monthly high low quotations as well as the volume of shares traded at National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) for the financial year ended 31st March, 2020 are as under:

KEY INDICATORS:

Equity Share Price movement on NSE & BSE (April 2019- March 2020)

| Year (2019-20) | (Price in ₹) | | | | Volume (In No. of Shares) | |
|----------------|--------------|--------|--------|--------|---------------------------|----------------|
| | High | | Low | | NSE | BSE |
| | NSE | BSE | NSE | BSE | | |
| April-19 | 155.05 | 154.80 | 133.40 | 133.60 | 1525864 | 163817 |
| May-19 | 148.90 | 149.25 | 118.05 | 117.00 | 2041793 | 318373 |
| June-19 | 139.75 | 140.00 | 106.10 | 105.75 | 1377638 | 197687 |
| July-19 | 120.20 | 120.00 | 96.30 | 96.20 | 1418098 | 195305 |
| August-19 | 98.90 | 99.90 | 81.00 | 81.00 | 1021891 | 127204 |
| September-19 | 125.85 | 133.45 | 81.45 | 81.30 | 3963586 | 473435 |
| October-19 | 129.75 | 124.45 | 97.00 | 97.20 | 4192965 | 397808 |
| November-19 | 150.45 | 150.40 | 120.00 | 117.40 | 8595222 | 834176 |
| December-19 | 145.50 | 145.25 | 125.15 | 125.00 | 7651189 | 671508 |
| January-20 | 154.95 | 163.00 | 130.70 | 131.00 | 9274545 | 797054 |
| February-20 | 145.75 | 145.85 | 101.10 | 101.40 | 2197979 | 273563 |
| March-20 | 107.90 | 106.85 | 70.20 | 70.00 | 2681406 | 237618 |
| Total | | | | | 45994322 | 4696283 |

vii. Registrar and Share Transfer Agent:

Link Intime India Private Limited
 Noble Heights, 1st Floor, Plot No.
 NH 2, C-1 Block, Near Savitri Market,
 Janakpuri, New Delhi-110058
 Tel.: (91) - 11- 41410592 -94
 Fax: (91) - 11- 41410591
 E-mail: delhi@linkintime.co.in

viii. Share Transfer System and Redressal of Investor Grievances/complaints and queries:

The Company has made arrangements with M/s Link Intime India Private Limited, Registrar and Share Transfer Agent (RTA). After completion of preliminary formalities and verification of genuineness of the Shareholders, documents lodged by them and authentication of signatures on the documents with the specimen signatures available in their records, RTA sends the documents along with Share Certificates to the Company for approval/endorsement of transfers/transmissions. However, the objections/deficiencies in the documents lodged by shareholders are sent to them immediately within a reasonable time period. With a view to expedite the process of Share transfer/transmission etc. on fast

track basis, the Board has empowered the CFO & Company Secretary of the Company for approval/endorsement of the Share certificates etc. The details of the transfer/transmission of shares are placed before the Board and Stakeholders Relationship Committee periodically. Confirmations in respect of the requests for dematerialization of shares are being sent to the respective depositories i.e. NSDL & CDSL expeditiously.

The Company addresses all complaints, suggestions, grievances and other correspondence expeditiously and replies are sent to the Shareholders usually within 7 -10 days except in case of legal impediments and non availability of documents. The Company endeavors to implement suggestions as and when received from the Shareholders.

The Company/RTA takes adequate steps for expeditiously redress the investors' complaints/grievances/queries. In compliance with the provisions of Listing Regulations, the Company has been registered on the SCORES platform and monitors and handles the investor complaints electronically.

A statement giving number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end

of the quarter have been filed on quarterly basis with the Stock Exchanges in compliance with the Regulation 13 of the Listing Regulations. These statements are also available on the website of the Company viz. www.libertyshoes.com.

Pursuant to the Regulation 7 (3) of the Listing Regulations, Certificate(s) on half yearly basis have been issued by M/s Sanjay Grover & Associates, Practicing Company Secretary of New Delhi for due Compliance of Share

Transfer formalities by the Company. As per SEBI (Depositories & Participants Regulations, 1996, certificate(s) have been received from M/s Sanjay Grover & Associates, Practicing Company Secretary of New Delhi for timely dematerialization of shares and in respect of Secretarial Audit on quarterly basis for reconciliation of the Share Capital of the Company.

ix. Distribution of Shareholding

Distribution Summary as on 31st March, 2020:

| Shareholding of nominal value of | Number of Shareholders | | Number of Shares | | Amount (in ₹) |
|----------------------------------|------------------------|------------|------------------|------------|------------------|
| | Number | % of total | Number | % of total | |
| Up to 500 | 23835 | 93.73 | 2366767 | 13.89 | 23667670 |
| 501-1000 | 870 | 3.42 | 700190 | 4.11 | 7001900 |
| 1001-2000 | 415 | 1.63 | 630490 | 3.70 | 6304900 |
| 2001-3000 | 116 | 0.46 | 298560 | 1.75 | 2985600 |
| 3001-4000 | 45 | 0.18 | 158903 | 0.93 | 1589030 |
| 4001-5000 | 41 | 0.16 | 190001 | 1.12 | 1900010 |
| 5001-10000 | 49 | 0.19 | 346647 | 2.03 | 3466470 |
| 10001-50000 | 26 | 0.10 | 485510 | 2.85 | 4855100 |
| 50001-100000 | 6 | 0.02 | 458110 | 2.69 | 4581100 |
| Above 100001 | 26 | 0.10 | 11404822 | 66.93 | 114048220 |
| Total | 25429 | 100 | 17040000 | 100 | 170400000 |

Category wise List of Shareholders as on 31st March, 2020

| Category | No. of Shares held | Voting Strength (%) |
|-----------------------------------------------------|--------------------|---------------------|
| Promoters Holding: | | |
| A. Individual Promoters | 56,32,138 | 33.05 |
| B. Bodies Corporate(s) | 44,72,517 | 26.25 |
| Total promoters holding | 1,01,04,655 | 59.30 |
| Public Holding | | |
| A. FIIs, NRI's & Banks etc. | 2,86,255 | 1.68 |
| B. Indian public including Private corporate bodies | 66,49,090 | 39.02 |
| Total Public Holding | 69,35,345 | 40.70 |
| Grand Total | 1,70,40,000 | 100 |

x. Shares held in physical and dematerialized form and Liquidity:

The Company's Shares are traded compulsorily in dematerialized form and are available for trading in depository

system of both NSDL and CDSL through their depository participants. As on 31st March, 2020, the status of Shares in physical and dematerialized form stood as under:

| S. No | Mode of Equity Share Holding(s) | Number of Shares | Percentage of total capital |
|-------|---------------------------------|--------------------|-----------------------------|
| 1 | Demat | 1,67,82,182 | 98.49 |
| 2 | Physical | 2,57,818 | 1.51 |
| | Total | 1,70,40,000 | 100 |

xi. The Company has complied with the requirements as laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Corporate Governance, except as under:

- (a) Non-Compliance related to the composition of Board of Directors under Regulation 17 (1) of the above Regulations during the respective Quarters ended 30th June, 2019 and 30th September, 2019.

The National Stock Exchange of India Limited and BSE Limited have levied fine for the above non compliance. The Company has complied with the stipulations of the Stock Exchanges; and

- (b) Non compliance related to filing of Report on Corporate Governance for the Quarter ended 31st December, 2019. The National Stock Exchange of India has levied fine for the above non compliance. The Company has complied with the stipulations of the National Stock Exchange of India Limited.

- (c) Non compliance of provisions of Regulation 17(1), 18(1), 19(1) (2), 20 (2), 21(2) and 27 (2) of SEBI LODR Regulations for the Quarter ended 31st December, 2019. BSE Limited has levied fine for the non compliance under the said provisions. The Company submitted its representation for the waiver of fine and BSE outcome in response to Company representation has not yet been received.

A certificate to this effect obtained from M/s U. Shanker & Associates., Chartered Accountants, the Statutory Auditors of the Company, has been attached to this Annual Report. The Company's shares are among the liquid and actively traded shares on Indian Stock Exchanges.

xii. Plant Locations:

The Company's plants are located at Gharaunda, Libertypuram and Karnal in Haryana, at Roorkee in Uttarakhand and at Ponta Sahib in Himachal Pradesh.

xiii. Outstanding Global deposits receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

The Company does not have outstanding Global deposits receipts or American depository receipts or warrants or any convertible instruments, therefore the above provisions are not applicable in our case.

xiv. Policy for determination of a material subsidiary:

There is no material subsidiary of the Company; therefore the Company has not adopted the Policy so far.

xv. Policy on Related Party Transactions:

The Company has in place policy on Related Party Transactions and the same may be accessed on the Company's website at www.libertyshoes.com.

xvi. Disclosure with respect to demat suspense account/unclaimed suspense account (unclaimed shares):

Pursuant to Regulation 39 of the Listing Regulations, reminders letters have been sent to shareholders whose shares remain unclaimed from the Company. Based on response, such shares will be transferred to "unclaimed suspense account" as per the provisions of schedule VI of the Listing Regulations. The disclosure as required under schedule V of the Listing Regulations is given below:

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year- Nil
- (b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year-Nil
- (c) Number of shareholders to whom shares were transferred from suspense account during the year- Nil

- (d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year- Nil
- (e) Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares- NA

xvii. Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with the same.

xviii. Code for prevention of Insider Trading

As on date, the Company has also in place code based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all Promoters, Directors, designated employees and other connected person. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information. The Code has been circulated to all the Promoters, members of the Board, Senior Management and other connected persons and majority of them have affirmed compliance with the code. The code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of Company and cautioning them of the consequences of violations. The code clearly specifies that the Promoters, Directors, designated employees and other connected persons of the Company can trade in the shares of the Company only during the period when 'trading window' is open and when there is no unpublished price sensitive information is in possession of the above persons. The trading window, amongst others, is closed during the time of declaration of financial results and occurrence of any

material events as per the code. The above Codes were also adopted by the Board of Directors of the Company and thereafter the same have been posted on Company's website www.libertyshoes.com and also submitted with the Stock Exchanges for their records in compliance with the SEBI guidelines.

xix. Transfer of unclaimed amount to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of erstwhile Section 205A 205C and other relevant rules of the Companies Act, 1956 and as amended as per the Companies Act, 2013, the dividend declared by the Company which remain unclaimed for a period of seven years shall be transferred by the Company to Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has transferred all unclaimed/ unpaid amount of dividend to IEPF. During the year under review, the Company was not required to transfer any amount of unclaimed/unpaid dividend to IEPF.

xx. CIN: L19201HR1986PLC033185

xxi. CEO/CFO certification

In compliance with Regulations 17(8) of the SEBI (Listing Regulations and Disclosure Requirement) Regulations, 2015, a certificate from Chief Executive Officer & Chief Financial Officer of the Company to the Board of Directors specified in Part B of Schedule II of the said Regulations is annexed to this report.

xxii. Address for Correspondence:

For any query related to Annual report, transfer/ dematerialization of shares, dividend, and any other matter related to shares, please contact at either of the following address:

Link Intime India Pvt. Ltd.

(Registrar and Share Transfer Agent)
Noble Heights, 1st Floor, Plot No.
NH 2, C-1 Block, Near Savitri Market,
Janakpuri, New Delhi-110058
Tel.: (91) - 11- 41410592 -94
Fax: (91) - 11- 41410591
E-mail: delhi@linkintime.co.in

Liberty Shoes Ltd.

Department of Investors' Relations
Ground Floor, Tower A, Building No: 8,
DLF Cyber City, Phase-II,
Gurugram - 122 022, Haryana
Tel : (91) 124-4616200
Fax : (91) 124-4616222
Email: investorcare@libertyshoes.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015

To,

The Members of,

Liberty Shoes Ltd.

1. The accompanying Corporate Governance Report prepared by Liberty Shoes Ltd. (hereinafter the "Company") contains details as required by the provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2020. This report is required by the Company for annual submission to the Stock exchanges and to be sent to the Members of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Specific Purposes and the

Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t. executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register as on March 31, 2020 and verified that atleast one women director was on the Board during the year;
 - iv. Obtained and read the Minutes of the following meetings held during the period from April 1, 2019 to March 31, 2020:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Nomination and Remuneration Committee;
 - (d) Stakeholders Relationship Committee; and
 - (e) Corporate Social Responsibility Committee;

- v. Obtained necessary representations and declarations from directors of the Company including directors; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from the management. The above mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2020, referred to paragraph 1 above, except as under:

- (a) Non-Compliance related to the composition of Board of Directors under Regulation 17 (1) of the above Regulations during the respective Quarters ended 30th June, 2019 and 30th September, 2019.

The National Stock Exchange of India Limited and BSE Limited have levied fine for the above non compliance. The Company has complied with the stipulations of the Stock Exchanges; and

- (b) Non compliance related to filing of Report on Corporate Governance for the Quarter ended 31st December, 2019. The National Stock Exchange of India has levied fine for the above non compliance. The Company has complied with the stipulations of the National Stock Exchange of India Limited.
- (c) Non compliance of provisions of Regulation 17(1), 18(1), 19(1) (2), 20 (2), 21(2) and 27 (2) of SEBI LODR Regulations for the Quarter ended 31st

December, 2019. BSE Limited has levied fine for the non compliance under the said provisions. The Company submitted its representation for the waiver of fine and BSE outcome in response to Company representation has not yet been received.

Other matters and Restriction on Use

- 9. This report 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.
- 10. This report is addressed to and provided to the Members of the Company solely for the purpose of enabling it to comply with its obligations under Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors and 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 or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For U. Shanker & Associates.
Firm Registration No. 014497N
Chartered Accountants

Uma Shanker Gupta
Partner
Membership No. 089919
(UDIN: 20089919AAAADA1892)

Place: New Delhi
Dated: Friday, 31st July, 2020

CEO/CFO CERTIFICATION PURSUANT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA

(Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors

Liberty Shoes Ltd.

We, the undersigned, in the representative capacity of Chief Executive Officer and CFO & Company Secretary respectively, hereby certify to the best of our knowledge and belief that :

- a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2020 and that:
 - i. these statements do not contain any materially 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.
- b) During the year ended 31st March, 2020, no transactions were entered into by the Company, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) 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 the 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 in the 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.
- d) We have indicated to the Auditors and the Audit Committee that:
 - i. there have not been any significant changes in internal control over financial reporting during the financial year ended March 31, 2020;
 - ii. there have not been any significant changes in accounting policies as disclosed in the financial statements of the Company during the financial year ended March 31, 2020; and
 - iii. there are no instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Adesh Kumar Gupta
Chief Executive Officer
DIN-00143192

Munish Kakra
CFO &
Company Secretary
M. No. ACS 6262

Place: Gurugram, Haryana
Dated: Friday, 31st, July, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS OF LIBERTY SHOES LIMITED

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

To,
The Members of
LIBERTY SHOES LIMITED
Liberty Puram, 13th Milestone, GT Karnal Road, Kutail
P.O. Bastara, Karnal, Haryana - 132114

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of LIBERTY SHOES LIMITED having CIN: L19201HR1986PLC033185 and having Registered Office at Liberty Puram, 13th Milestone, GT Karnal Road, Kutail, P.O. Bastara, Karnal, Haryana-132114, (hereinafter referred to as "the Company") produced before us 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal - www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending 31st March, 2020 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, Government of India or any such Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of Appointment in Company |
|---------|---------------------------|----------|--------------------------------|
| 1 | Sh. Adesh Kumar Gupta | 00143192 | 16/07/2001 |
| 2 | Sh. Sunil Bansal | 00142121 | 28/09/1990 |
| 3 | Sh. Shammi Bansal | 00138792 | 01/04/2010 |
| 4 | Sh. Adish Kumar Gupta | 00137612 | 12/08/2011 |
| 5 | Sh. Raghubar Dayal | 00481803 | 20/09/2006 |
| 6 | Sh. Aditya Khemka | 00514552 | 27/09/2019 |
| 7 | Smt. Lovelena Mody | 01279148 | 23/01/2015 |
| 8 | Sh. Arvind Bali Kumar | 02520675 | 12/11/2019 |
| 9 | Sh. Ramesh Chandra Palhan | 05241019 | 28/03/2012 |
| 10 | Sh. Ashok Kumar | 06883514 | 23/01/2015 |

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 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.

For JVS & Associates
Company Secretaries

Jyoti Sharma

Proprietor

CP No.: 10196

Membership No.: FCS-8843

Firm Registration No.: I2011DE848300

UDIN : F008843B000473527

Place: New Delhi
Date: 18th July, 2020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Indian Footwear Industry-Structure and Development

The Indian footwear industry holds a distinguish reference in the Indian economy for its potential for employment, especially for the economically weaker sections, for supporting the economy through foreign exchange earnings and also its emergence as a champion sector in recently announced "Make in India 2" initiative by the Govt. of India. India at present is the second largest footwear producer in the world, with footwear production accounting for approximately 9% of the global annual production of 22 billion pairs, as compared to China, which produces over 60% of the global production. India annually produces over 22 billion pairs of footwear of which 90% is consumed domestically while remaining are exported primarily to European and Middle East countries. Though India is already among the world's top 10 largest footwear exporters yet Liberty believes that India has accelerated potential available in the overseas markets to grow its share. Some of the largest importers from the Indian footwear industry include the USA, UK, Germany, France, Italy, and UAE. Industry experts believe that the exports of India's footwear products will witness further growth in regions like Europe, and the Middle East over the next few years.

This sector, in spite of falling under de-reservation category, is still fragmented and close to 75% production comes from the unorganized sector including small and medium enterprises. As a traditionally labor-intensive sector, the footwear industry in India is currently transforming towards a more technological and highly specialized sector, where machine production with a systematic labor flow is deriving the industry to an international level. While the industry is currently dominated by the unorganized domestic SME footwear manufacturers, but with changing consumer behavior and their awareness and lifestyle, the branded footwear products with upgraded technology by medium and large players are likely to witness better sales in the near future.

Over the years the Indian footwear market has been conquered by men's footwear category which contributes close to 58% of the total Indian footwear retail market and still has a potential to grow at a CAGR of 10% in next few years. On the other hand though the women's footwear segment contributes little less than men's segment but is projected to grow at a much faster CAGR of 20% in next few years clearly indicating that future belongs to this segment and footwear players have to be aggressive in this category to be the part of growth story. In term of product type, casual footwear in the past few years has emerged as leading segment in India's footwear market with its contribution of approximately 67% of the total footwear retail market. During the post pandemic period

where consumers have less preference for non essential items like footwear but casual footwear's category have shown different trend and its sales wherever happening is picking up and Liberty is fully equipped to take advantage of this situation.

Opportunities and Threats

Opportunities:

Overall Indian Footwear Sector is buoyant with growing awareness about the latest trends and consciousness among consumers and the consumption pattern being followed by Indian consumers in line with the developing countries. Indian footwear industry has been experiencing a rapid expansion and witnessing a significant growth, primarily due to increased demand for trendy and comfortable footwear among all age groups and innovative footwear products being introduced by its international counterparts apart from Indian footwear manufacturers. Development of Tier II and Tier III cities, demographic changes including ever increasing demand of middle class population with the rising disposable income, changing lifestyles and consumption pattern, well being awareness, materialization and popularity of e-commerce business etc., are now leading to men, women and children all wearing a assortment of footwear in their daily lives. The per capita consumption of footwear in India though showing trends of improvement yet would require more awareness and optimistic attitude to be at par with developed economies.

In the post pandemic scenario to follow social distancing norms and to comply with the traveling and lock down restrictions consumers have preferred their buying of footwear thru on line channel rather than going to brick & mortar stores, creating additional extended channel of sales for footwear players and Liberty in line with market dynamics has further reinforced and supported its e-commerce platform. Due to outbreak of COVID initially thru China and consequent increased negative sentiments of trade dealing with China by most of the countries, India with a advantage of low cost production and availability of all other required resources can see a major opportunity in near future where MNCs and large buying house will start shifting their manufacturing and sourcing base from China to countries like India. Govt of India has also mentioned this opportunity in its recent policy reforms of Make in India 2.0 to revive and stimulate the economic development in the country.

Under Make in India 1.0 and thereafter Make in India 2.0, the Footwear Sector has been chosen as Champion Sector and has been identified as the manufacturing Sector having potential to drive double digit growth and also increase Indian manufactured footwear share in the overseas markets. The

Government has been supporting this sector with various policy initiatives but its real time exploitation is another crucial factor for the future development of India's footwear Industry.

Liberty always keens to experiment with new ideas and activities and feel appreciative to fulfill the expectation that its consumers have from it. Satisfying with the growth of the footwear industry over the years, Liberty feel innovating not only in its products, but also in the way of presenting the brand to the consumer and the same has become a part of brand identity. Liberty tries its best to stand by its values which is the strength of its brand.

Threats:

Indian footwear Industry has been facing significant impediments due to challenging internal and external environment like challenge from China and other low cost markets, lack of availability of accurate and authentic statistics, non-availability of Footwear Research Institute, lack of branding in Indian footwear, unorganized industry structure, fast changing fashion trends which are difficult to acclimatize by the Indian footwear industry with stiff competitions from the International players coming in to the Indian market. This sector is also facing headwinds due to present Tax and Trade Regulations in India. The two GST slabs of 5% and 18% have divided the industry and created an uncertainty and confusion. Being highly labor intensive industry, having huge manufacturing overheads, interest cost, rentals as well as Retailers Margin required to absorb the cost of showroom rentals, cost of electricity and maintenance, sales staff, showroom furnishing, loss of margin during clearance/end of season sales, Value Addition in case of Footwear & Accessories is very high, the present rates of GST are on higher side and need to be rationalized for all type of footwear/accessories which would result in reduction of ultimate cost to consumer, demand creation and will help the industry to grow for the success of Make in India Initiative.

Emergence of Covid-19

Covid-19 is seen having an unprecedented impact on people and economies worldwide. With the Covid-19 pandemic impacting people across the globe, Liberty has not been untouched with its impact which has effected its sales operations especially during the later part of March 2020. The nationwide lock down started from 23rd March 2020 across India has not been completely lifted in most of the States till date which has adversely affected the operations of the Company in terms of Sales, manufacturing, Retailing and other activities. The Company is taking all necessary measures including but not limited to renegotiating its occupancy cost,

rationalizing HR cost, digitalization and more use of social media and also focusing more on MTO to mitigate the impact of the challenges being faced in the business.

Economy and market outlook

The Indian economy before the breakout of COVID 19 pandemic had been witnessing major challenges in terms of lower GDP rates, liquidity crunch, peak unemployment rates resulted in sluggish demand, gloomy and weaken consumer sentiments. Government in order to boost the economy has initiated various measures including direct benefit transfer, increased emphasis on key sectors covering infrastructure, agriculture, MSMEs etc. The reduction in corporate tax rate is a major boost to the industry, it makes India much more competitive globally and should foster investments in the economy. Besides this the Indian Government has also been focusing on uplifting the rural economy, reforming of Banking and financial sector, healthcare for the economically less privileged, foster job creation, ease of doing business, demand creation, Export promotion, housing for all, road and railway connectivity, digitalization and electrification of all villages.

The various policy measures and announcements are welcome and indicating the Government's strong commitment to curtail and reverse the slowdown. The Government also recently announced a special economic package of ₹20 lakh crore (equivalent to 10% of India's GDP) with the aim of making the country independent (Atmanirbhar Bharat/ a Self reliant Country) against the tough competition in the global supply chain and to help in empowering the poor, labourers, migrants who have been adversely affected by COVID-19 pandemic.

India, by 2025, has set a target of becoming a USD 5 trillion economy. Make in India 1.0 was successful in kicking off the manufacturing movement in India and with the objective to lay down the foundation for a robust manufacturing base the Indian Government has started Make in India 2.0 initiatives. To achieve the objective and focusing on India's industrial growth strategy, Government has identified the Champion Sectors including Footwear & Leather under Make in India 2.0 which have the potential to become global champions and drive double-digit growth in manufacturing.

Liberty is also optimistic that with the successful implementation of above initiatives, the Indian Manufacturing Sector will validate its position and will help Indian economy to increase its presence and share in the global markets.

Risk, Concerns and Contingent Liabilities

Risks are an integral part of any business environment and it is essential that Company should have suitable processes in

place which are capable of identifying and alleviating the risks concerning the business of the company. Liberty believes that adequate risk management ensures controls and monitoring mechanism for the smooth and uninterrupted running of the Company's business. The board is responsible for reviewing the risk policy of the Company whereas the audit committee of the Board is responsible for evaluating the risk management systems in the company.

The identified risk and concerns before your Company are competitive business environment, varying consumer preferences, import of cheap complete shoes, showroom/office occupancy cost, foreign currency fluctuation and the fragmented structure of the industry.

During the normal course of business operations, your Company has been subjected to several legal cases in connection with or incidental thereto. These litigations include civil matters, Direct and indirect tax related cases, old labour matters and infringement of intellectual properties like Trade Mark and Designs etc. filed by and against the Company. These cases are being pursued with due importance and in consultation with outside legal experts wherever required in respective areas.

Your Directors believes that the outcome of these cases is unlikely to cause a materially adverse effect on the Company's profitability or business performance. Your Company has a Contingent Liability of ₹2,547.10 Lakh as on 31st March, 2020 as compared to the previous year ₹2,935.32 Lakh as on 31st March, 2019.

Internal Control System and its Adequacy

Liberty's has a well recognized and far reaching internal control structures across all functions to ensure that all assets are protected, to prevent and detect frauds and errors to maintain accuracy and completeness of its accounting records and to further enable it in timely preparation of reliable financial information. These controls have been integrated with the Company's risk management policy to ensure that control measures for the effective mitigation of risks identified are in place. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

The Company has in place a strong and independent Internal Audit Department which is responsible for assessing and improving the effectiveness of internal financial control and governance. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit

Committee and also places its report personally in the audit committee meeting.

Liberty has an independent Audit committee which acts in accordance with the terms of reference specified in writing by the Board including evaluation of internal financial controls and risk management system.

The Audit Committee, on behalf of the Board, assesses the adequacy and effectiveness of the internal control system in detecting fraud, irregularities or infringement of laws, rules and regulations or material control failures on a regular basis by reviewing the work and findings of Internal Audit Department.

The CEO/CFO certification provided elsewhere in the Annual Report confers the adequacy of internal control systems and procedures followed by the Company.

Financial Performance

The highlights of the financial performance of the Company during the year ended 31st March, 2020 have been stated in the Directors' Report for the year ended 31st March, 2020, which appears separately in the Annual Report.

The brief details of the performance of the Company during the year under consideration are given as under:

Tangible and Intangible Assets: In the year 2019-20, Liberty's Fixed Assets Gross Block (including tangible and intangible assets) has increased by ₹1,553.95 Lakhs (other than Leasehold Rights) mainly because of purchase of furniture & fixtures for new retail stores, new moulds and supporting machinery at plants as well as towards other normal capital expenditure in furtherance to the business operations of the Company and has decreased by ₹919.21 Lakhs due to sale of Land and Building of one Plant situated at Dehradun besides sale/writing off of some of the old non-usable assets. In addition to the same during the year in accordance to the Ind-AS-116, the Company has recognized its leasehold rights at present value aggregating to ₹11,216.53 Lakh and the same is also made part of the Intangible Assets.

Non-Current Investments: At the year end, Liberty's non-current investments in its erstwhile overseas Wholly Owned Subsidiary (WOS) M/s Liberty Foot Fashion Middle East FZE, Dubai, has reported no change and has stood at ₹121.93 Lakhs (Previous Year ₹121.93 Lakhs). Further as reported earlier also, the Board of Directors had decided to discontinue the same and had initiated the process for liquidation of its Assets for which requisite resolution by the Shareholders of the Company was also passed in 32nd Annual General

Meeting held on 24 August, 2018. Further, considering no likely diminution in the realizable value of the investment made, it has been reported in the financial statements at cost.

Long Term Loans & Advances: Long term loans & advances amounting to ₹1,029.41 Lakh (Previous year ₹1,265.95 Lakh) consists of security deposits of ₹796.41 Lakh (Previous year ₹882.84 Lakh), receivable from its Erstwhile WOS of ₹180.49 Lakh (Previous year ₹180.49 Lakh) and MAT Credit Entitlement Nil (Previous year ₹ 188.21 Lakh). During the year, the Company has kept the provision for the security deposits considered as doubtful at ₹12.72 Lakhs (Previous year ₹13.65 Lakh).

Inventories: Inventories, comprising finished goods, raw materials, work in process etc. as at 31st March, 2020 stood at ₹19,906.27 Lakh as against previous year's ₹17,436.30 Lakh. The Inventory turnover ratio for the year ended 31st March, 2020 was 112 days as against 106 days in the previous year.

Trade Receivables: Trade Receivables, with an average realization period of 114 days (63 days in the previous year) stood at ₹20,268.99 Lakh in 2019-20 as against the previous year's ₹10,395.92 Lakh. Out of the trade receivables, ₹1,694.41 Lakh as against the previous year's ₹1,609.11 Lakh were due from overseas customers. The trade receivables having outstanding for more than 180 days as on 31st March, 2020 stood at ₹5,354.75 Lakhs (Previous year ₹1,924.33 Lakhs) and are due against Government Tender Supplies and some of Overseas and Domestic Customers dealing with the Company since long and are recoverable in nature except ₹107.09 Lakh (Previous year NIL) which seem doubtful and for which necessary provision for doubtful debts has been made. The trade receivables during the current year are on higher side because of institutional supply of more than ₹7,500 Lakh made during the month of Feb/March, 2020 .

The Company after considering the collection process has made a provision of ₹107.09 Lakh against previous year's ₹NIL for doubtful debts. During the year, the Company has written off its book debts of ₹466.04 Lakh as against previous year's ₹416.48 Lakh.

Short Term Loans & Advances: The Short Term Loans and Advances amounting to ₹4,264.25 Lakhs (Previous year ₹3088.07 Lakhs) given by the Company includes unutilized amount of Input Tax Credit of the GST paid on inputs/services amounting to ₹2,386.84 Lakhs as against the previous year's ₹1,486.37 Lakhs, export benefit receivables of ₹128.06 Lakh

as against the previous year's ₹113.76 Lakh and prepaid expenses of ₹265.58 Lakh as against the previous year's ₹163.82 Lakh.

Capital Structure: During the year, there has been no change in the Capital Structure of the Company and Paid up Capital of the Company was ₹1,704 Lakh as on 31st March, 2020.

Reserves & Surplus: The Company's reserves and surplus has increased from ₹16,909.90 Lakh to ₹15,810.16 Lakh in 2019-20.

Long Term Borrowings: During the year under review, the Company availed Term Loan of ₹258.24 Lakhs as against previous year's ₹29.62 Lakh. The outstanding amount of the Term Loan (Non Current and Current maturities) as on 31st March, 2020 was ₹336.24 Lakh as against previous year's ₹591.96 Lakh.

Other Long Term Liabilities: During the year under review, the other long term liabilities, which consists of securities received from channel partners, decreased by ₹6.44 Lakh and stood at Rs. 2,067.16 Lakh (Previous year ₹2,073.60 Lakh). Also during the year, in compliance to Ind-AS-116, the Company has recognized the leasehold obligations at present value (net of depreciated/amortized during the year) aggregating to ₹9,219.43 Lakhs.

Short Term Borrowings: The amount of working Capital loan secured through the Company's current assets has increased by ₹1,795.64 Lakh and stood at ₹12,081.07 Lakh as compared to ₹10,285.43 Lakh in the previous year.

Trade Payables: The Trade Payables of ₹20,148.02 Lakh (Previous year ₹9,576.55 Lakh) included an amount of ₹9.26 Lakh (as against the previous year's ₹NIL Lakh) & ₹4.95 Lakh (as against the previous year's ₹2.54 Lakh) due towards Liberty Footwear Co. & Liberty Group Marketing Division, the partnership firm(s) respectively in which few of the Directors and their relatives are interested, under the terms of the agreement. The trade payables at the year-end are on higher side because of institutional supply for more than ₹7,500 Lakh made during the months of February/March, 2020.

Other Current Liabilities & Provisions: Other current liabilities & provisions amounting to ₹1,745.18 Lakh (Previous year ₹2,033.23 Lakh) consists of long term debts from banks and others due within 12 months from the date of reporting, advances from customers, expenses payables, other liabilities, provision for taxation (net of MAT credit entitlement and taxes paid including advance income tax).

Revenue from Operations and Profits: Liberty's total Income, comprising sales and other Income, Increased from ₹60,117.16 Lakh to ₹64,954.16 Lakh in 2019-20. Profit before tax, after making a provision for depreciation, increased from ₹1,346.59 Lakh to ₹1,781.40 Lakh in 2019-20. The Company's net profit, after considering a tax provision of ₹485.74 Lakh as against the previous year's ₹287.83 Lakh, MAT Credit Set off of ₹188.21 Lakh (Previous year's ₹324.21 Lakh) and earlier year adjustment on account of payment of Income tax of ₹7.71 Lakh (Previous year's of ₹50.28 Lakh) stood at ₹1,099.73 Lakh in 2019-20 as against the Previous year's ₹684.27 Lakh.

Finance Costs: Liberty's finance costs stood at ₹1,163.55 Lakh in 2019-20 (Previous year's ₹1,266.40 Lakh), comprising interest on term loans, working capital loans & other loans. The Bank charges paid for various arrangements like merchant discount rate (MDR), cash pick up charges/CMS Charges and other miscellaneous charges are ₹268.03 Lakh in 2019-20 (Previous year's ₹214.17 Lakh).

Material developments in Human Resources/Industrial Relations front and Number of people employed

Liberty always believes in people and its Human Resources play a key role in developing, reinforcing and changing the

culture of an organisation. Liberty HR structure has been designed to support the business in achieving its objectives with simultaneous growth of its employees. Liberty has a full fledged HR Policies for all employees/ workers across all plants/Offices defining the functions, duties and responsibilities at all level for performing the job in most transparent and structured manner. During the year under consideration, several initiatives through training & motivational programmes were taken to improve employees' knowledge, skills and effectiveness to improve productivity and to establish better inter se relations amongst themselves. The relationship with the employees has been cordial and they have extended their support to the financial performance of the Company.

As on 31st March, 2020, the total employees' strength of the Company stood at 2070 as compared to previous year's 2163.

Details of significance changes in key financial ratios along with detailed explanations

In compliance with the requirement of the Listing Regulations, the key financial ratios of the Company along with explanation for significant changes (i.e. 25% or more as compared to the immediately previous financial year will be termed as "significant changes"), has been provided here under:

| Sr. No. | Particulars | 2019-20 | 2018-19 |
|---------|---------------------------------------|---------|---------|
| 1 | Debtors to Sales (in days)* | 114 | 63 |
| 2 | Inventory to Turnover Ratio (in days) | 112 | 106 |
| 3 | Interest coverage Ratio | 2.15 | 2.07 |
| 4 | Current Ratio | 1.33 | 1.45 |
| 5 | Debt Equity Ratio | 1.95 | 1.40 |
| 6 | Operating Profit Margin (%) | 6.35% | 6.97% |
| 7 | Net Profit Margin (%) | 1.69% | 1.14% |
| 8 | Return on Net Worth (%)** | 5.91% | 3.91% |

* The Significant changes in days of trade receivables have increased because of amount due against Government Tender Supplies and some of Overseas and Domestic Customers dealing with the Company since long and are recoverable in nature.

** The significant changes in Return on Net Worth is due to gain on account of sale land and building of one of the discontinued plants of the Company and shown under exceptional items.

Cautionary Statement: Statements in the Management's discussion and analysis, describing the Company's objectives, expectations and industrial outlook, may constitute forward looking statement within the meaning of applicable laws. The actual results might differ materially from those either expressed or implied.

INDEPENDENT AUDITORS' REPORT

To
The Members of
Liberty Shoes Ltd.

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Liberty Shoes Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under

section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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 matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Addressing the Key Audit Matters |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) | Trade Receivables – Outstanding for more than 180 days | <p>Principal Audit Procedures followed:</p> <p>Our audit procedures based on which we arrived at the conclusion regarding reasonableness of trade receivables outstanding for more than 180 days:</p> <ul style="list-style-type: none"> • Obtained the detail of parties having outstanding for more than 180 days; • Evaluated the facts, terms & conditions, status of legal proceedings wherever initiated and management's rationale for the recoverability of the outstanding dues; • Meeting with the management. |
| (ii) | <p>Recoverability of Input Tax Credit receivable – under the account head 'Loans & Advances – recoverable in cash or kind or for the value to be received' – Note No. 4 & 9</p> <p>As at March 31, 2020, Long Term Advances (Note No. 4) and Short Term Advances (Note No. 9) consist of Balance with and other Statutory Authorities amounting ₹ 2477.40 Lakhs including unutilized amount of Input Tax Credit of GST of ₹ 2386.84 Lakhs.</p> | <p>Principal Audit Procedures followed:</p> <p>We reviewed the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.</p> |

| | | |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(iii)</p> | <p>Contingent Liabilities – relating to VAT, Service Tax, EPCG, Labour and TDS (Note 39 [(III) to (VII)])</p> <p>There are certain pending matters relating to VAT for the year financial year 2005-06, 2006-07, 2007-08 & 2008-09 on account of classification of goods at different rate of tax, service tax on GTA services for the period from January 2005 to March 2007, pending compliances relating to EPCG licenses, few labour matters pertaining to earlier years and demand on account of non-deduction of tax at source and disallowance of certain business expenditure.</p> <p>These are pending before various judicial forums and consequential and possible impact thereof and provisions/disclosure required have been based on the management's assessment of the probability of the occurrence of the liability</p> | <p>Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the related Contingent Liabilities include the following:</p> <ul style="list-style-type: none"> • Obtained the status of the cases from the related department and their view on the matter; • Evaluated the facts and terms and conditions and management's rationale for the adequacy of the provision so far made and the amount remaining unprovided against the demands made against the Company; • Meeting with management and reading/ reviewing the correspondences Memos and Notes on related matters. • Reliance has been placed on the legal views and decisions on similar matters and probability of the liability arising therefrom pending final judgement/ decisions; • Reviewed the appropriateness and adequacy of the disclosure by the management as required in terms of the requirement of IND AS 37 "Provisions, Contingent Liabilities and Contingent Assets". |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Information Other than the Financial Statements and Auditor's Report Thereon.

The Company's Board of Directors is responsible for the preparation of 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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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. We have nothing to report in this regard.

Management's Responsibility 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 and presentation of these Ind-AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing (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 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 standalone 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 financial controls 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 system 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public

disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit we report, to the extent applicable, 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 purpose 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, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind-AS financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's 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, as amended, 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.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For U. Shanker & Associates
Firm Registration No. 014497N
Chartered Accountants

Uma Shanker Gupta
Partner
Membership No. 089919
(UDIN: 20089919AAAAADA1892)

Place: Gurugram, Haryana
Dated: Friday, 31st July, 2020

Annexure - A to Independent Auditors' Report

(Referred to in paragraph 1(f) under the heading "Report on other legal and regulatory requirements" of our report of even date on the Financial Statements of Liberty Shoes Ltd.)

Report on the Internal Financial Controls Over Financial Reporting 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 Liberty Shoes Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the 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.

Auditor's 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 as specified 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 judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 March 31, 2020, 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 U. Shanker & Associates
Firm Registration No. 014497N
Chartered Accountants

Uma Shanker Gupta
Partner
Membership No. 089919
(UDIN: 20089919AAAADA1892)

Place: Gurugram, Haryana
Dated: Friday, 31st July, 2020

Annexure - B to Independent Auditors' Report

(Referred to in paragraph 2 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Reg.: Liberty Shoes Limited (the Company)

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All fixed assets have not been physically verified by the management during the year but there exists a regular programme of verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanation given by the management, the title deeds of the immovable properties included in the property, plant and equipment/fixed assets are held in the name of the Company.
- 2) The management has conducted the physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- 3) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and

explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

- 5) The Company has not accepted any deposits from the public.
- 6) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of Cost Records under sub-section (1) of Section 148 of the Companies Act, 2013, for the products of the Company.
- 7) According to the information and explanations given to us in respect of statutory dues:
 - a) The Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and other material statutory dues applicable to it with appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - c) According to the records of the Company, the dues outstanding of Income Tax, Goods & Service Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess on account of any dispute, are as follows:

| Nature of Statute | Nature of dues | Amount (in ₹) | Period to which the amount relates | Forum where the dispute is pending |
|------------------------------|--------------------------------------------------------------------------------|---------------|------------------------------------|----------------------------------------------------------------|
| Service Tax Act, 1994 | Service Tax on GTA Services | 2,33,486 | January 2005 to March 2007 | Customs, Excise and Service Tax Appellate Tribunal, Chandigarh |
| Service Tax Act, 1994 | Service Tax on GTA Services | 2,95,112 | April 2005 to March 2007 | Customs, Excise and Service Tax Appellate Tribunal, Chandigarh |
| Punjab Value Added Tax, 2005 | Value Added Tax on account of classification of goods at different rate of tax | 19,13,016 | Financial Year 2006-07 | Deputy Commissioner (Appeals) |
| Punjab Value Added Tax, 2005 | Value Added Tax on account of classification of goods at different rate of tax | 22,30,998 | Financial Year 2007-08 | Deputy Commissioner (Appeals) |
| Income Tax | Non/shot-deduction of Tax at source | 1,06,24,897 | Financial Year 2016-17 | Commissioner (Appeals) |

| | | | | |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------------------------------------|---------------------------|
| Income Tax | Disallowance of certain expenditure on a/c of non-deduction of tax at source which otherwise are not liable for deduction in terms of applicable provisions of the law and for which Company is under appeal. Company has also preferred an appeal against the same before the appropriate authority. | 1,72,88,017 | Financial Year 2016-17 (Assessment year 2017-18) | Commissioner (Appeals) |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------------------------------------|---------------------------|

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) According to the information and explanations given by the management, the Company during the year has not raised any money by way of initial public offer/ further public offer/ debt instruments except by way of term Loans from the bank and the same were applied for the purposes for which it was raised.
- 10) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the management, we report that no material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the year.
- 11) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the notes to the Financial Statements as required by the applicable accounting standards.
- 14) According to information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3 (xiv) of the Order are not applicable to the Company and not commented upon.
- 15) According to the information and explanations given by the management, the Company has not entered into any non cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- 16) According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For U. Shanker & Associates
Firm Registration No. 014497N
Chartered Accountants

Uma Shanker Gupta
Partner
Membership No. 089919
(UDIN: 20089919AAAADA1892)

Place: Gurugram, Haryana
Dated: Friday, 31st July, 2020

BALANCE SHEET

as at 31st March, 2020

(Amount in ₹)

| PARTICULARS | NOTE NO. | | 31.03.2020 | | 31.03.2019 |
|--------------------------------------------------------------|----------|----------------|-----------------------|----------------|-----------------------|
| Assets | | | | | |
| Non-current Assets | | | | | |
| Tangible Assets | | | | | |
| Property, Plant & Equipments | 2(a) | 85,29,46,749 | | 87,45,81,615 | |
| Capital Work in Progress | 2(c) | 89,50,649 | | 31,73,127 | |
| Intangible Assets (refer to Note 32) | 2(b) | 92,86,44,078 | | 78,19,927 | |
| Financial Assets | | | | | |
| Non-current Investments | 3 | 1,22,38,091 | | 1,22,38,091 | |
| Loans & Advances | 4 | 10,29,41,416 | | 12,65,95,013 | |
| Other Non-current Assets | 5 | - | | - | |
| Total Non-current Assets | | | 1,90,57,20,983 | | 1,02,44,07,773 |
| Current Assets | | | | | |
| Inventories | 6 | 1,99,06,27,595 | | 1,74,36,30,354 | |
| Financial Assets | | | | | |
| Trade Receivables | 7 | 2,02,68,98,899 | | 1,03,95,92,144 | |
| Cash and Bank Balances | 8 | 7,01,49,896 | | 7,94,01,254 | |
| Loans & Advances | 9 | 42,64,25,218 | | 30,88,06,789 | |
| Total Current Assets | | | 4,51,41,01,608 | | 3,17,14,30,541 |
| Total Assets | | | 6,41,98,22,591 | | 4,19,58,38,314 |
| Equity & Liabilities | | | | | |
| Equity | | | | | |
| Equity Share Capital | 10 | 17,04,00,000 | | 17,04,00,000 | |
| Other Equity | | | | | |
| Reserves and Surplus | 11 | 1,69,09,89,693 | | 1,58,10,16,199 | |
| Total Equity | | | 1,86,13,89,693 | | 1,75,14,16,199 |
| Liabilities | | | | | |
| Non-current Liabilities | | | | | |
| Financial Liabilities | | | | | |
| Long Term Borrowings | 12 | 2,21,07,028 | | 3,99,75,351 | |
| Deferred Tax Liability (Net) | 13 | - | | - | |
| Other Long Term Liabilities | 14 | 1,12,86,58,898 | | 20,73,60,388 | |
| Long Term Provisions | 15 | 1,02,39,884 | | 75,65,332 | |
| Total Non-current Liabilities | | | 1,16,10,05,810 | | 25,49,01,071 |
| Current Liabilities | | | | | |
| Financial Liabilities | | | | | |
| Short Term Borrowings | 16 | 1,20,81,07,005 | | 1,02,85,43,226 | |
| Trade Payables | 17 | 2,01,48,02,031 | | 95,76,55,196 | |
| Other Current Liabilities | 18 | 16,59,23,170 | | 18,58,81,821 | |
| Short Term Provisions | 19 | 85,94,882 | | 1,74,40,801 | |
| Total Current Liabilities | | | 3,39,74,27,088 | | 2,18,95,21,044 |
| Total | | | 6,41,98,22,591 | | 4,19,58,38,314 |
| Significant Accounting Policies | 1 | | | | |
| Notes on Financials Statements | 2 to 54 | | | | |
| The notes are an integral part of these Financial Statements | | | | | |

Signed in terms of our Audit Report of even date.

For U. Shanker & Associates
Firm Registration No. 014497N
Chartered Accountants

for and on behalf of the Board

Uma Shanker Gupta
Partner
Membership No. 089919

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

Munish Kakra
CFO & Company Secretary
M. No. ACS 6262

Place: Gurugram, Haryana
Dated: Friday, 31st July, 2020

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2020

| PARTICULARS | NOTE NO. | | 31.03.2020 | | 31.03.2019 |
|------------------------------------------------------------------------------------------------|----------|----------------|-----------------------|----------------|-----------------------|
| Continuing Operations | | | | | |
| Revenue from Operations | | | | | |
| Sales | | 6,49,54,16,245 | | 6,01,17,15,699 | |
| Other Operating Revenues | 20 | 2,51,24,791 | 6,52,05,41,036 | 1,18,30,320 | 6,02,35,46,019 |
| Other Income | 21 | | 45,03,379 | | 42,72,420 |
| Total Income | | | 6,52,50,44,415 | | 6,02,78,18,439 |
| Expenses | | | | | |
| Cost of Materials Consumed | 22(a) | 1,64,48,01,317 | | 1,96,18,03,098 | |
| Purchase of Stock-in-trade | 22(b) | 1,92,14,08,310 | | 1,16,58,82,932 | |
| Change in Inventories of Finished Goods, Goods in Process and Stock-in-Trade | 23 | (15,12,50,842) | | (5,97,17,998) | |
| Employee Benefit Expenses | 24 | 90,27,68,389 | | 83,75,35,544 | |
| Finance Cost | 25 | 14,31,58,297 | | 14,80,56,705 | |
| Depreciation & Amortisations (refer to Note 32) | 2 | 33,49,04,916 | | 13,46,88,582 | |
| Other Expenses | 26 | 1,59,54,04,595 | | 1,70,34,44,445 | |
| Total Expenses | | | 6,39,11,94,982 | | 5,89,16,93,308 |
| Profit before exceptional items and tax | | | 13,38,49,433 | | 13,61,25,131 |
| Exceptional Items | 27 (a) | | (4,84,91,037) | | 14,65,656 |
| Profit before Tax from Continuing Operations | | | 18,23,40,470 | | 13,46,59,475 |
| Extraordinary items | 27 (b) | | 42,00,000 | | - |
| Profit before Tax from Continuing Operations | | | 17,81,40,470 | | 13,46,59,475 |
| Income Tax Expense | | | | | |
| Current tax | | 4,85,74,151 | | 2,87,83,199 | |
| MAT Credit Set-off/(Entitlement) | | 1,88,21,477 | | 3,24,21,078 | |
| Income tax for earlier years | | 7,71,348 | | 50,28,304 | |
| Deferred Tax | | - | 6,81,66,976 | - | 6,62,32,581 |
| Profit from Continuing Operations | | | 10,99,73,494 | | 6,84,26,894 |
| Discontinued Operations | | | | | |
| Profit from discontinued operations before tax | | | - | | - |
| Tax expense of discontinued operations | | | - | | - |
| Profit from discontinued operations | | | - | | - |
| Profit for the year | | | 10,99,73,494 | | 6,84,26,894 |
| Other Comprehensive Income | | | | | |
| Items that will not be reclassified to profit or loss in subsequent period | | | - | | - |
| Other Comprehensive Income for the year | | | - | | - |
| Total Comprehensive Income for the year, net of Income Tax | | | 10,99,73,494 | | 6,84,26,894 |
| Earnings per Equity Share, of ₹10 each, for profit from continuing operations | | | | | |
| Basic earning per share | | | 6.45 | | 4.02 |
| Diluted earning per share | | | 6.45 | | 4.02 |
| Earnings per Equity Share, of ₹10 each, for profit from discontinued operations | | | | | |
| Basic earning per share | | | - | | - |
| Diluted earning per share | | | - | | - |
| Earnings per Equity Share, of ₹10 each, for profit from continuing and discontinued operations | | | | | |
| Basic earning per share | | | 6.45 | | 4.02 |
| Diluted earning per share | | | 6.45 | | 4.02 |
| Significant Accounting Policies | 1 | | | | |
| Notes on Financials Statements | 2 to 54 | | | | |
| The notes are an integral part of these Financial Statements | | | | | |

Signed in terms of our Audit Report of even date.

For U. Shanker & Associates
Firm Registration No. 014497N
Chartered Accountants

for and on behalf of the Board

Uma Shanker Gupta
Partner
Membership No. 089919

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

Munish Kakra
CFO & Company Secretary
M. No. ACS 6262

Place: Gurugram, Haryana
Dated: Friday, 31st July, 2020

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2020

(Amount in ₹)

| Particulars | Equity Share Capital | Other Equity | | | | Total | |
|------------------------------------------------|----------------------|-----------------|---------------------|-----------------------|---------------------|----------|----------------------------|
| | | Capital Reserve | Securities Premium | General Reserve | Retained Earnings | | Other Comprehensive Income |
| Balance as at April 1, 2018 | 17,04,00,000 | 3,99,500 | 11,27,20,644 | 1,16,70,09,364 | 23,24,59,797 | - | 1,68,29,89,305 |
| Profit for the year | | | | | 6,84,26,894 | - | 6,84,26,894 |
| Other Comprehensive Income | | | | | - | - | - |
| Total Comprehensive Income for the year | - | - | - | - | 6,84,26,894 | - | 6,84,26,894 |
| Transfer to General Reserve | | | | 3,00,00,000 | (3,00,00,000) | | - |
| Balance as at March 31, 2019 | 17,04,00,000 | 3,99,500 | 11,27,20,644 | 1,19,70,09,364 | 27,08,86,691 | - | 1,75,14,16,199 |
| Profit for the year | | | | | 10,99,73,494 | | 10,99,73,494 |
| Other Comprehensive Income | | | | | | | - |
| Total Comprehensive Income for the year | - | - | - | - | 10,99,73,494 | - | 10,99,73,494 |
| Dividend | | | | | | | - |
| Dividend Distribution Tax | | | | | | | - |
| Transfer to General Reserve | | | | 3,00,00,000 | (3,00,00,000) | | - |
| Balance as at March 31, 2020 | 17,04,00,000 | 3,99,500 | 11,27,20,644 | 1,22,70,09,364 | 35,08,60,185 | - | 1,86,13,89,693 |

Signed in terms of our Audit Report of even date.

For U. Shanker & Associates
Firm Registration No. 014497N
Chartered Accountants

for and on behalf of the Board

Uma Shanker Gupta
Partner
Membership No. 089919

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

Munish Kakra
CFO & Company Secretary
M. No. ACS 6262

Place: Gurugram, Haryana
Dated: Friday, 31st July, 2020

CASH FLOW STATEMENT

for the year ended 31st March, 2020

(Amount in ₹)

| PARTICULARS | 31.03.2020 | 31.03.2019 |
|-------------------------------------------------------------------|-------------------------|-----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before Income Tax from | | |
| Continuing Operations | 17,81,40,470 | 13,46,59,475 |
| Discontinued Operations | - | - |
| Profit before Income Tax including discontinued operations | 17,81,40,470 | 13,46,59,475 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 33,49,04,916 | 13,46,88,582 |
| Loss/(Gain) on sale of Non-current Assets | (4,84,91,037) | 14,65,656 |
| Bank & Other Interest classified as investing cash flows | (45,03,379) | (42,72,420) |
| Finance Cost | 14,31,58,297 | 14,80,56,705 |
| Unrealised Foreign Exchange Difference | (1,69,48,020) | (53,33,097) |
| Changes in operating assets and liabilities | | |
| (Increase)/Decrease in Trade Receivables | (98,73,06,755) | (2,79,92,281) |
| (Increase)/Decrease in Inventories | (24,69,97,241) | (4,97,28,637) |
| Increase/(Decrease) in Trade & Other Payables | 2,27,18,96,989 | (2,72,33,019) |
| (Increase)/Decrease in other non-current assets | 2,28,82,249 | (3,17,17,477) |
| (Increase)/Decrease in other current assets | (6,98,47,081) | 4,27,14,325 |
| Cash generated from operations | 1,57,68,89,408 | 31,53,07,812 |
| Direct Taxes Paid | 4,77,71,348 | 2,86,28,231 |
| Net Cash Flow from Operating Activities | 1,52,91,18,060 | 28,66,79,581 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payments for Purchase of Non-current Assets | (1,27,70,48,309) | (12,78,54,157) |
| Proceeds from Sale of Non-current Assets | 856,67,625 | 1,43,83,555 |
| Bank and Other Interest | 45,03,379 | 42,72,420 |
| Net Cash outflow from Investing Activities | (1,18,68,77,305) | (10,91,98,183) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Payment of Lease Liabilities | (19,97,10,163) | - |
| Proceeds from long term borrowings | 2,58,24,526 | 29,62,498 |
| Repayment of long term borrowings | (5,13,96,198) | (4,58,83,550) |
| Interest paid | (14,31,58,297) | (14,80,56,705) |
| Net Cash inflow/outflow from Financing Activities | (36,84,40,132) | (19,09,77,757) |
| Net Increase/(Decrease) in Cash & Cash Equivalents | (2,61,99,377) | (1,34,96,358) |
| Cash & Cash Equivalents (Opening Balance) | 7,94,01,254 | 8,75,64,515 |
| Unrealised Foreign Exchange Difference | 1,69,48,020 | 53,33,097 |
| Cash & Cash Equivalents (Closing Balance) | 7,01,49,896 | 7,94,01,254 |
| Components of Cash & Cash Equivalents | | |
| Cash in hand including imprest | 65,92,016 | 1,43,95,934 |
| Balance with Scheduled Banks | | |
| Current Accounts | 60,82,538 | 1,35,24,348 |
| Cheques on hand | 42,86,297 | 37,59,672 |
| Fixed Deposits | 5,31,89,045 | 4,77,21,300 |
| Total | 7,01,49,896 | 7,94,01,254 |

Notes: 1) Purchase of Fixed Assets include movements of capital work in progress between the beginning & at the end of the year and leasehold rights recognised during the financial year in accordance to Ind-AS-116 2) The Cash Flow Statement has been prepared under the indirect method as set out in Ind-AS - 7 Statement of Cash Flows notified under Section 133 of the Companies Act, 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Signed in terms of our Audit Report of even date.

For U. Shanker & Associates
Firm Registration No. 014497N
Chartered Accountants

for and on behalf of the Board

Uma Shanker Gupta
Partner
Membership No. 089919

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

Munish Kakra
CFO & Company Secretary
M. No. ACS 6262

Place: Gurugram, Haryana
Dated: Friday, 31st July, 2020

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**CORPORATE INFORMATION**

Liberty Shoes Ltd is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 3rd September, 1986. The shares of the Company are listed on two stock exchanges in India i.e National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is engaged in the business of manufacturing and trading of footwear, accessories and lifestyle products through its retail and wholesale network. The Registered Office of the Company is situated at Libertypuram, Karnal, Haryana.

1. SIGNIFICANT ACCOUNTING POLICIES**a) Basis of preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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 accounting policy hitherto in use.

The financial statements have been prepared on a historical cost basis.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Schedule III to the Companies Act, 2013.

b) Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at

least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities respectively. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Revenue Recognition

- Sales revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer on dispatch or delivery of goods, net of sales returns, trade discount and VAT/Sales tax/GST but inclusive of excise duty and do not include the cost of materials used for captive consumption.
- Export Incentives are accounted on accrual basis and include the estimated value of incentives receivable under the DEPB Scheme, the Duty Drawback Scheme, the Focus Product Scheme and the Merchandise Export from India Scheme. Any difference at the time of actual receipt is accounted for in the year of receipt. The amount of export incentives has been adjusted with the cost of raw materials consumed.
- Gain/Loss on transfer of Duty Credit Entitlements received under the DEPB Scheme is accounted for in the year of transfer.

d) Inventory Valuation

Inventories are valued at the lower of cost and net

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

realisable value. Cost of inventories, other than for manufactured finished goods and goods in process, is determined on Weighted Average Cost Method (net of CENVAT/Input Tax credit availed) of stock accounting. Cost of manufactured finished goods and goods in process include cost of raw materials consumed on weighted average basis and appropriate portion of allocable overheads and Excise Duty and Taxes, wherever applicable. Scrap, if any, at the year-end does not form part of the closing inventory.

e) Fixed Assets and Capital work in progress

Fixed assets are stated at original cost (net of CENVAT/Input Tax credit availed, wherever eligible) but including freight inward, duties, taxes and other incidental expenses relating to acquisition and installation thereof. Capital work in progress includes cost of fixed assets under installation and other incidental expenses. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains and losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

f) Depreciation

The useful lives of the assets are based on technical estimates approved by the Management and lower than or the same as the useful lives prescribed under schedule II of the Companies Act, 2013 in order to reflect the period over which depreciable assets are expected to be used by the Company. Depreciation is provided on a pro rata basis on the Straight Line Method (SLM) on the estimated useful lives of the assets as stated below:

| Assets | Useful Life |
|-------------------|--------------------|
| Factory Building | 30 Years |
| Plant & Equipment | 15 Years |
| Dies & Moulds | 15 Years |

| | |
|------------------------------------|----------|
| Electric Installation & Equipments | 10 Years |
| Furniture & Fixtures | 10 Years |
| Office Equipment | 5 Years |
| Computers | 3 Years |
| Servers & Networks | 6 Years |
| Motor Cars & Buses | 8 Years |
| Motor Cycles | 10 Years |

Assets individually costing less than ₹ 5,000/- are fully depreciated in the year of acquisition.

g) Impairment of Assets

Usually the Company reviews the carrying value of assets for any possible impairment at each balance sheet date. However, the assets that are subject of amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, higher of the assets' fair value less cost to sell and value in use is considered.

h) Operating Lease

The Company, as a lessee, recognizes leasehold rights and leasehold obligations for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The leasehold rights are depreciated/amortized using the straight line method from the commencement date over the shorter of lease term or useful life of right to use.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

i) Valuation of Investments

Long term Investments are valued at cost and Short Term Investments are valued at lower of cost and fair value, calculated individually for each investment.

j) Provisions and Contingent Liabilities

The Company recognizes a provision where there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation and accordingly all known liabilities wherever material are provided for. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

k) Employee Benefits

- (i) Short-term employee benefits are recognized as an expense in the Statement of Profit & Loss of the year in which the related service is rendered.
- (ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected method made at the end of the financial year.

The Company has created a trust under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) and amount paid/payable in respect of the present value of liability for past services is charged to the Statement of Profit & Loss every year. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with LIC is provided for as liability in the books.

l) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue in the period in which they are incurred.

m) Foreign Exchange Transactions

- (i) Assets and liabilities relating to foreign currency transactions remaining unsettled at the year-end

are converted into Indian rupees at closing rates and any gain or loss arisen is adjusted in Statement of Profit and Loss.

- (ii) Gains/losses arising out of fluctuations in foreign exchange rates between the transaction date and settlement date are recognized in the Statement of Profit and Loss under the head "Exchange Rate Fluctuation".
- (iii) The difference between the forward rate and the exchange rate on date of inception of a forward contract in respect of forward contracts with underlying assets or liabilities is recognized as income or expense and is amortized over the life of the contract.
- (iv) Forward exchange contracts entered to hedge the foreign currency risk are marked to market as at the year end and the resultant exchange gain or loss is recognised in the Statement of Profit & Loss.
- (v) Non monetary foreign currency items are carried at cost and accordingly the investment in foreign subsidiary is expressed in Indian Currency at the exchange rate prevailing at the date of the transaction.

n) Provision for Taxation

Provision for taxation is made taking into consideration the provisions of Income Tax Act, 1961 and Wealth Tax Act, 1957. Adjustment, if any, arising out of the assessment is made in the year the assessment is completed.

o) Provision for Deferred Taxation

Deferred tax has been provided for all timing differences as required under the provisions of Accounting Standards issued by the Institute of Chartered Accountants of India.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

| Note 2. Tangible & Intangible Assets and Capital Work in Progress | | | | | | | | | | |
|------------------------------------------------------------------------------|------------------------|-----------------------------|------------------------------|------------------------|------------------------|---------------------|------------------------------|------------------------|-----------------------|---------------------|
| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
| | Total as on 01.04.2019 | Additions during the period | Sales/Adj. during the period | Total as on 31.03.2020 | Total as on 01.04.2019 | For the period | Sales/Adj. during the period | Total as on 31.03.2020 | As on 31.03.2020 | As on 31.03.2019 |
| (a) Tangible Assets (Not under Lease) | | | | | | | | | | |
| Property, Plant & Equipments | | | | | | | | | | |
| Land | 12,64,55,140 | - | 37,79,500 | 1,22,67,5,640 | - | - | - | - | 12,26,75,640 | 12,64,55,140 |
| Building | 26,59,34,570 | 32,02,401 | 1,84,19,289 | 25,07,17,682 | 11,52,14,703 | 83,75,316 | 84,98,713 | 11,50,91,306 | 13,56,26,376 | 15,07,19,867 |
| Plant & Equipments | 84,95,30,800 | 4,43,43,813 | 3,38,88,824 | 85,99,85,789 | 67,17,22,092 | 4,09,04,781 | 2,99,16,517 | 68,27,10,356 | 17,72,75,433 | 17,78,08,708 |
| Furniture & Fixture | 41,16,39,182 | 2,26,57,392 | 1,38,16,068 | 42,04,80,506 | 20,90,51,015 | 3,61,38,781 | 88,99,053 | 23,62,90,743 | 18,41,89,763 | 20,25,88,167 |
| Vehicles | 19,62,20,700 | 3,35,63,280 | 64,69,915 | 22,33,14,065 | 12,53,97,025 | 1,79,26,097 | 60,20,740 | 13,73,02,382 | 8,60,11,683 | 7,08,23,675 |
| Office Equipments | 17,81,07,877 | 1,08,42,683 | 14,65,220 | 18,74,85,340 | 13,24,46,177 | 1,68,85,158 | 13,77,534 | 14,79,53,802 | 3,95,31,539 | 4,56,61,699 |
| Moulds | 34,00,02,349 | 3,44,97,760 | 1,40,82,618 | 36,04,17,491 | 23,94,77,990 | 1,33,35,475 | 32,289 | 25,27,81,176 | 10,76,36,315 | 10,05,24,359 |
| Total Tangible Assets | 2,36,78,90,618 | 14,91,07,328 | 9,19,21,433 | 2,42,50,76,513 | 1,49,33,09,002 | 13,35,65,608 | 5,47,44,845 | 1,57,21,29,765 | 85,29,46,749 | 87,45,81,615 |
| Previous Year | 2,30,85,05,589 | 12,62,25,987 | 6,68,40,958 | 2,36,78,90,618 | 1,41,28,90,966 | 13,14,21,822 | 5,10,03,786 | 1,49,33,09,002 | 87,45,81,615 | 89,56,14,623 |
| (b) Intangible Assets | | | | | | | | | | |
| Patents | 15,500 | - | - | 15,500 | 3,838 | - | - | 3,838 | 11,662 | 11,662 |
| Softwares | 3,17,93,406 | 5,10,131 | - | 3,23,03,538 | 2,39,85,142 | 16,29,144 | - | 2,56,14,286 | 66,89,252 | 78,08,265 |
| Leasehold Rights (refer to Note 32) | - | 1,12,16,53,327 | - | 1,12,16,53,327 | - | 19,97,10,163 | - | 19,97,10,163 | 92,19,43,164 | - |
| Total Intangible Assets | 3,18,08,906 | 1,12,21,63,458 | - | 1,15,39,72,365 | 2,39,88,980 | 20,13,39,307 | - | 2,25,28,287 | 92,86,44,078 | 78,19,927 |
| Previous Year | 3,09,19,007 | 9,05,408 | 15,508 | 3,18,08,906 | 2,07,25,690 | 32,66,760 | 3,470 | 2,39,88,980 | 78,19,927 | 1,01,93,317 |
| (c) Capital work in progress: | | | | | | | | | | |
| a) Building under construction | 30,34,452 | 72,66,534 | 14,89,012 | 88,11,974 | - | - | - | - | 88,11,974 | 30,34,452 |
| b) Assets under installation | 1,38,675 | - | - | 1,38,675 | - | - | - | - | 1,38,675 | 1,38,675 |
| Total Capital work in progress | 31,73,127 | 72,66,534 | 14,89,012 | 89,50,649 | - | - | - | - | 89,50,649 | 31,73,127 |
| Previous year | 24,50,364 | 30,34,452 | 23,11,689 | 31,73,127 | - | - | - | - | 31,73,127 | 24,50,364 |
| Grand Total | 2,40,28,72,651 | 1,27,85,37,321 | 9,34,10,445 | 3,58,79,99,527 | 1,51,72,97,982 | 33,49,04,914 | 5,47,44,845 | 1,79,74,58,051 | 1,79,05,41,476 | 88,55,74,669 |
| Previous year | 2,34,18,74,960 | 13,01,65,846 | 6,91,68,155 | 2,40,28,72,651 | 1,43,36,16,656 | 13,46,88,582 | 5,10,07,256 | 1,51,72,97,982 | 88,55,74,669 | 90,82,58,304 |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

| | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------------------------------------------------------------------|------------------------|------------------------|
| Note 3. Non-current Investments (Non-Trade) | | |
| Investments in Government Securities (Valued at Cost) | | |
| (6 Years National Saving Certificates VIII Issue) | 44,834 | 44,834 |
| Liberty Foot fashion Middle East FZE | | |
| 1 (Previous Year 1) Equity Share of UAE Dhiram 10,00,000 fully paid | 1,21,93,257 | 1,21,93,257 |
| Total Non-current Investments | 1,22,38,091 | 1,22,38,091 |
| Aggregate amount of Quoted Investments | - | - |
| Aggregate amount of Unquoted Investments | 1,22,38,091 | 1,22,38,091 |
| Aggregate Market Value of Quoted Investments | - | - |
| 4 Long term Loans & Advances | | |
| (Unsecured and considered good unless stated otherwise) | | |
| Capital Advance | 65,24,217 | 28,06,544 |
| Security Deposits | | |
| to Related Parties | 60,00,000 | 60,00,000 |
| to Others | 7,36,40,713 | 8,22,83,506 |
| Share Application Money paid to Subsidiaries (Pending Allotment) | 1,80,48,696 | 1,80,48,696 |
| MAT Credit Entitlement | - | 1,88,21,477 |
| | 10,42,13,626 | 12,79,60,223 |
| Less: Provision for doubtful security deposits to others | 12,72,210 | 13,65,210 |
| Total Long term Loan & Advances | 10,29,41,416 | 12,65,95,013 |
| 5 Other Non-current Assets | | |
| (Unsecured and considered good unless stated otherwise) | | |
| | - | - |
| Total Other Non-current Assets | - | - |
| 6 Inventories (As valued and certified by the Management) | | |
| Raw Materials | 40,24,35,321 | 31,14,34,931 |
| Goods in Process | 24,20,36,113 | 17,23,03,728 |
| Finished Goods | | |
| Manufactured | 1,10,96,43,711 | 99,76,65,727 |
| Traded | 17,04,38,399 | 20,08,97,926 |
| Packing Materials | 2,63,31,558 | 2,29,52,439 |
| Stores & Spares | 3,80,26,191 | 3,66,95,525 |
| Oil & Lubricants | 17,16,302 | 16,80,078 |
| Total Inventories | 1,99,06,27,595 | 1,74,36,30,354 |
| 7 Trade Receivables | | |
| (Unsecured and considered good unless stated otherwise) | | |
| Debts outstanding for a period exceeding six months from the due date | | |
| Considered good | 52,47,66,303 | 19,24,33,074 |
| Considered doubtful | 1,07,09,516 | - |
| Other Debts | | |
| Considered good | 1,50,21,32,596 | 84,71,59,070 |
| | 2,03,76,08,415 | 1,03,95,92,144 |
| Less: Provision for doubtful debts | 1,07,09,516 | - |
| Total Trade Receivables | 2,02,68,98,899 | 1,03,95,92,144 |
| 8 Cash and Bank Balances | | |
| Cash and Cash equivalents | | |
| Balances with banks: | | |
| In Current Accounts* | 60,82,538 | 1,35,24,348 |
| Cheques on hand | 42,86,297 | 37,59,672 |
| Cash in hand including imprest | 65,92,016 | 1,43,95,934 |
| Fixed Deposits with Banks (Margin Money deposit for LC/Bank Guarantees)** | 5,31,89,045 | 4,77,21,300 |
| Total Cash and Bank Balances | 7,01,49,896 | 7,94,01,254 |

*Includes Unclaimed Dividend of ₹10.62 Lakhs (Previous year ₹10.62 Lakhs) **Includes Fixed Deposits for ₹Nil Lakhs (Previous year ₹Nil Lakhs) having maturity of more than 12 months

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

| | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Note 9. Short-term Loans & Advances (Unsecured and considered good unless stated otherwise) | | |
| Advances recoverable in cash or in kind or for the value to be received | 11,14,86,507 | 10,19,27,495 |
| Security Deposit for less than 12 Months | | |
| to Related Parties | - | - |
| to Others | 3,11,90,121 | 2,39,44,565 |
| Balance with Excise and other Statutory Authorities (including VAT recoverable and taxes paid under protest) | 24,77,40,560 | 15,73,76,686 |
| Prepaid Expenses | 2,65,57,568 | 1,63,81,942 |
| Loans and advances to employees | 94,50,462 | 91,76,101 |
| Total Short-term Loans & Advances | 42,64,25,218 | 30,88,06,789 |
| Equity | | |
| 10 Equity Share Capital | | |
| Authorised Share Capital | | |
| 63500000 (Previous year 63500000 Equity Shares) of ₹10 each | 63,50,00,000 | 63,50,00,000 |
| Issued, Subscribed & Fully Paid Up Capital | | |
| 17040000 (Previous year 17040000) Equity Shares of ₹10 each fully paid up. | 17,04,00,000 | 17,04,00,000 |
| | 17,04,00,000 | 17,04,00,000 |
| 10(a) Reconciliation of Number of Shares | | |
| Equity Shares | | |
| Balance at the beginning of the year 17040000 (Previous year 17040000) Equity Shares of ₹10 each fully paid up. | 17,04,00,000 | 17,04,00,000 |
| Add: Shares issued during the year | - | - |
| Balance at the end of the year | 17,04,00,000 | 17,04,00,000 |

10(b) Terms/Rights attached to Equity Shares

The Company has one class of equity shares having a par value of ₹10/- each. Each shareholder is eligible for one vote per share held in the Company. The dividend proposed by the Board of Directors of the Company, if any, is subject to approval of the members in the ensuing general meeting, except in the case of interim dividend, if declared. In the event of liquidation of the Company, equity shareholders shall be entitled to receive the remaining assets, after the distribution to preferred shareholders, if any, in proportionate of their shareholding.

10(c) Detail of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Name of Equity Shareholders | As at 31st March, 2020 | | As at 31st March, 2019 | |
|------------------------------------|------------------------|------------------|------------------------|------------------|
| | % of shareholding | No. of Shares | % of shareholding | No. of Shares |
| Equity Shares | | | | |
| Geofin Investments Private Limited | 26.25 | 44,72,517 | 26.25 | 44,72,517 |
| Total | 26.25 | 44,72,517 | 26.25 | 44,72,517 |

10(d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the five years immediately preceding the reporting date

Equity Shares Nil Nil

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

| Other Equity | As at 31st March, 2020 | As at 31st March, 2019 |
|--------------------------------------------------------------|------------------------|------------------------|
| 11. Reserves & Surplus | | |
| (a) Capital Reserve | 3,99,500 | 3,99,500 |
| (b) Securities Premium Account | | |
| Balance at the beginning of the year | 11,27,20,644 | 11,27,20,644 |
| Add: Additions/(Utilisations) during the year | - | - |
| Balance at the end of the year | 11,27,20,644 | 11,27,20,644 |
| (c) General Reserve* | | |
| Balance at the beginning of the year | 1,19,70,09,364 | 1,16,70,09,364 |
| Add: Transfer from surplus in the Statement of Profit & Loss | 3,00,00,000 | 3,00,00,000 |
| Balance at the end of the year | 1,22,70,09,364 | 1,19,70,09,364 |
| (d) Retained Earnings** | | |
| Balance at the beginning of the year | 27,08,86,691 | 23,24,59,797 |
| Add: Profit for the year | 10,99,73,494 | 6,84,26,894 |
| | 38,08,60,185 | 30,08,86,691 |
| Less: Appropriations/adjustments | | |
| Transfer to General Reserve | 3,00,00,000 | 3,00,00,000 |
| Balance at the end of the year | 35,08,60,185 | 27,08,86,691 |
| Total Reserves & Surplus | 1,69,09,89,693 | 1,58,10,16,199 |

*The general reserve is used from time to time to transfer profit from retained earnings for apportion purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

**The portion of profits not distributed among the shareholders are termed as retained earnings. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

(Amount in ₹)

| Long Term Borrowings | As at 31st March, 2020 | | As at 31st March, 2019 | |
|------------------------------------------------------------------------|------------------------|--------------------|------------------------|--------------------|
| | Non Current | Current Maturities | Non Current | Current Maturities |
| 12. Secured | | | | |
| Term Loans | | | | |
| (i) from Banks: | | | | |
| Rupee Term Loans | 2,21,07,028 | 1,15,17,015 | 3,99,75,351 | 1,75,89,033 |
| (ii) from Others: | | | | |
| Rupee Term Loans | - | - | - | 16,31,331 |
| | 2,21,07,028 | 11,517,015 | 3,99,75,351 | 1,92,20,364 |
| Less: Amount disclosed under other Current Liabilities (Refer Note 18) | - | 11,517,015 | - | 1,92,20,364 |
| Net Long Term Borrowings | 2,21,07,028 | - | 3,99,75,351 | - |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

| Particulars of Loan | Detail of Security | Outstanding Balance as at 31.03.2020 | Repayment Terms |
|-------------------------------|---------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) from Banks | | | |
| Term Loan from HDFC Bank | Hypothecation of Vehicles | 2,65,92,880 | 33% in Monthly Installment in 2020-21 30% in Monthly Installment in 2021-22 26% in Monthly Installment in 2022-23 6% in Monthly Installment in 2023-24 5% in Monthly Installment in 2024-25 |
| Vehicle Loans from ICICI Bank | Hypothecation of Vehicles | 18,10,431 | 49% in Monthly installment 2020-21 47% in Monthly installment 2021-22 4% in Monthly installment 2022-23 |
| Vehicle Loans from Axis Bank | Hypothecation of Vehicles | 52,20,732 | 35% in Monthly installment 2020-21 32% in Monthly installment 2021-22 31% in Monthly installment 2022-23 2% in Monthly installment 2023-24 |
| Total | | 3,36,24,043 | |
| (ii) from Others | | | |
| | | - | |
| Total | | - | |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

| | As at 31st March, 2020 | As at 31st March, 2019 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| 13. Deferred Tax Liability (Net) | | |
| Balance at the beginning of the year | - | - |
| Add: for the year | - | - |
| Balance at the end of the year | <u>-</u> | <u>-</u> |
| 14 Other Long Term Liabilities | | |
| Security Deposits | 20,67,15,734 | 20,73,60,388 |
| Lease Rental Obligations (refer to Note 32) | 92,19,43,164 | - |
| Total Other Long Term Liabilities | <u>1,12,86,58,898</u> | <u>20,73,60,388</u> |
| 15 Long Term Provisions | | |
| Provision for Gratuity | 1,02,39,884 | 75,65,332 |
| Total Other Long Term Provisions | <u>1,02,39,884</u> | <u>75,65,332</u> |
| 16 Short Term Borrowings | | |
| Secured | | |
| Loans repayable on demand | | |
| from Banks: | 1,20,81,07,005 | 1,02,85,43,226 |
| (Secured against hypothecation of Company's entire stock of raw materials, stock in process, finished goods, consumables, stores and spares, finished goods in stores, in transit and with shippers at port awaiting shipment for exports, receivables, cheques, bank drafts and all other current assets and 2nd paripassu charge on Plant & Machinery.) | | |
| Total Secured Loans | <u>1,20,81,07,005</u> | <u>1,02,85,43,226</u> |
| 17 Trade Payables | | |
| Trade Payables for goods & services (Includes sundry creditors) | 2,01,48,02,031 | 95,76,55,196 |
| Total Trade Payables | <u>2,01,48,02,031</u> | <u>95,76,55,196</u> |
| 18 Other Current Liabilities | | |
| (a) Current Maturities of Long Term Debts (refer Note 12) | | |
| from Banks | 1,15,17,015 | 1,75,89,033 |
| from Others | - | 16,31,331 |
| Total Current Maturities of Long Term Debts | <u>1,15,17,015</u> | <u>1,92,20,364</u> |
| (b) Other Payables | | |
| Advances from Customers | 3,44,36,598 | 6,67,07,190 |
| Expenses Payable | 6,15,33,706 | 8,33,54,499 |
| Other Liabilities | 5,84,35,851 | 1,65,99,768 |
| Total Other Payables | <u>15,44,06,155</u> | <u>16,66,61,457</u> |
| Total Other Current Liabilities (a + b) | <u>16,59,23,170</u> | <u>18,58,81,821</u> |
| 19 Short Term Provisions | | |
| Provision for taxation (Net of MAT Credit Setoff/(Entitlement)) | - | 65,83,199 |
| Provision for Gratuity | 85,94,882 | 1,08,57,602 |
| Total Short Term Provisions | <u>85,94,882</u> | <u>1,74,40,801</u> |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

| | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------------------------------------------------------------------------------------|------------------------|------------------------|
| 20. Other Operating Income | | |
| Freight | 21,57,159 | 25,95,679 |
| Miscellaneous Income | 1,06,65,730 | 39,26,464 |
| Gain on Exchange Rate Fluctuations | 1,23,01,902 | 53,08,177 |
| Total Operating Income | 2,51,24,791 | 1,18,30,320 |
| 21 Other Income | | |
| Bank and Other Interest (Tax deducted at Source ₹3.39 Lakhs [Previous Year ₹2.81 Lakhs]) | 45,03,379 | 42,72,420 |
| Total Other Income | 45,03,379 | 42,72,420 |
| 22 Cost of Materials consumed and Finished Goods Purchased | | |
| a) Raw Materials (Refer to Note 49) | | |
| Stock at the beginning of the year | 31,14,34,931 | 32,74,63,019 |
| Add: Purchases | 1,73,58,01,707 | 1,94,57,75,010 |
| | 2,04,72,36,638 | 2,27,32,38,029 |
| Less : Stock at the end of the year | 40,24,35,321 | 31,14,34,931 |
| Raw Materials Consumed | 1,64,48,01,317 | 1,96,18,03,098 |
| b) Finished Goods Purchased | 1,92,14,08,310 | 1,16,58,82,932 |
| Total Cost of Materials consumed and Finished Goods Purchased (a + b) | 3,56,62,09,627 | 3,12,76,86,030 |
| 23 Change in Inventories of Finished Goods, Goods in Process and Stock-in-Trade | | |
| a) Inventories at the end of the year | | |
| Finished Goods/Stock-in-Trade | 1,28,00,82,110 | 1,19,85,63,653 |
| Goods in Process | 24,20,36,113 | 17,23,03,728 |
| Total | 1,52,21,18,223 | 1,37,08,67,381 |
| b) Inventories at the beginning of the year | | |
| Finished Goods/Stock-in-Trade | 1,19,85,63,653 | 1,13,06,05,088 |
| Goods in Process | 17,23,03,728 | 18,05,44,295 |
| Total | 1,37,08,67,381 | 1,31,11,49,383 |
| (Increase)/Decrease in Inventories (b - a) | (15,12,50,842) | (5,97,17,998) |
| 24 Employee Benefits Expense | | |
| Salaries, Wages and Bonus | 83,16,88,012 | 76,98,68,944 |
| Directors' Remuneration | 2,07,27,630 | 1,58,10,900 |
| Contribution to Provident and Other Funds (Refer to Note 46) | 4,01,90,072 | 4,14,76,479 |
| Staff Welfare Expenses | 1,01,62,675 | 1,03,79,221 |
| Total Employee Benefits Expense | 90,27,68,389 | 83,75,35,544 |
| 25 Finance Cost | | |
| Interest Expense | | |
| to Banks | 10,84,01,683 | 11,47,92,244 |
| to others (Refer to Note 36) | 79,53,460 | 1,18,47,835 |
| Bank Charges | 2,68,03,154 | 2,14,16,626 |
| Total Finance Cost | 14,31,58,297 | 14,80,56,705 |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

| | As at 31st March, 2020 | As at 31st March, 2019 |
|------------------------------------------------------|------------------------|------------------------|
| 26. Other Expenses | | |
| a) Manufacturing Expenses | | |
| Freight Inwards | 2,29,07,379 | 2,08,32,256 |
| Upper Production Charges | 12,70,47,962 | 11,84,58,099 |
| Oil & Lubricants | 74,92,436 | 1,49,78,697 |
| Electricity Charges | 8,76,16,208 | 8,72,11,618 |
| Repairs to Machinery | 4,34,64,741 | 4,23,94,209 |
| Land Lease Rent | 2,91,145 | 2,64,675 |
| Franchise Fee | 1,25,00,000 | 1,25,00,000 |
| Total | 30,13,19,871 | 29,66,39,554 |
| b) Administration, Selling and Other Expenses | | |
| Packing Materials Consumed | 18,57,43,289 | 17,81,99,097 |
| Printing & Stationery | 49,73,656 | 49,32,388 |
| Claims | 2,56,51,431 | 2,69,42,966 |
| Tour, Travelling and Conveyance | 7,58,77,241 | 7,60,93,171 |
| Insurance Charges | 1,10,50,424 | 89,88,102 |
| Fees and Taxes | 2,46,17,007 | 1,33,88,135 |
| Postage, Telegram, Telephone and Telex | 1,22,22,361 | 1,30,38,385 |
| Subscriptions | 7,77,836 | 8,87,074 |
| Advertisements | 11,54,23,287 | 14,58,74,170 |
| Rent (refer to Note 32) | 3,64,83,513 | 22,74,21,578 |
| Donations | 28,51,247 | 1,41,56,175 |
| Export CIF Expenses | 13,176,201 | 1,30,98,105 |
| Freight Outward | 16,08,60,481 | 11,85,84,620 |
| Samples | 7,17,943 | 1,45,530 |
| Auditors' Remuneration: | | |
| Statutory Audit Fee | 6,00,000 | 6,00,000 |
| GST & Tax Audit Fee | 3,80,000 | 3,80,000 |
| Certification Fee | 20,000 | 20,000 |
| Cost Audit Fee | - | - |
| Miscellaneous Expenses | 3,85,38,609 | 3,85,35,786 |
| Royalty | 17,00,00,000 | 17,00,00,000 |
| Entertainment Expenses | 67,06,964 | 63,85,764 |
| Commission | 18,33,85,169 | 15,62,50,662 |
| Sales Promotion Expenses | 7,23,97,195 | 7,59,18,262 |
| Newspapers & Periodicals | 1,21,993 | 1,45,058 |
| Debts written off | 4,66,04,292 | 4,16,48,496 |
| Provision for doubtful debts (refer to Note 41) | 1,06,16,516 | (10,87,315) |
| Consultancy & Professional Charges | 4,34,92,598 | 2,96,80,587 |
| Repairs & Maintenance Expenses-Building | 2,80,79,826 | 2,75,60,995 |
| Repairs & Maintenance Expenses-Others | 2,27,15,645 | 1,90,17,100 |
| Total | 1,29,40,84,724 | 1,40,68,04,891 |
| Total Other Expenses (a + b) | 1,59,54,04,595 | 1,70,34,44,445 |
| 27. a) Exceptional Items | | |
| Profit on Sale of Fixed Assets | (5,32,36,564) | (41,38,776) |
| Loss on sale of Fixed Assets | 4,745,527 | 56,04,432 |
| Total | (4,84,91,037) | 14,65,656 |
| (b) Extraordinary Items | | |
| Prior Period Expenses | 4,200,000 | - |
| Total | 4,200,000 | - |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**28. Details of Managerial Remuneration:**

(Amount in ₹)

| Particulars | 31.03.2020 | 31.03.2019 |
|--------------------------------------------|-------------|-------------|
| Payment and provision for remuneration to: | | |
| • Executive Director(s) | 2,07,27,630 | 1,58,10,900 |

Computation of Net Profit in accordance with Section 198 of the Companies Act, 2013, for calculation of commission paid/payable to directors:

(Amount in ₹)

| Particulars | 31.03.2020 | 31.03.2019 |
|-----------------------------------------------------------------|---------------------|---------------------|
| Profit before tax as per Statement of Profit & Loss | 18,23,40,470 | 13,46,59,475 |
| Add: | | |
| Directors' Remuneration | 2,07,27,630 | 1,58,10,900 |
| (Profit)/Loss on sale of Fixed Assets (Net) | (4,84,91,036) | 14,65,656 |
| Directors' Sitting Fees | 5,00,000 | 2,90,000 |
| (Profit)/Loss on sale of Investments | - | - |
| Net Profit as per Section 198 of the Companies Act, 2013 | 15,50,77,064 | 15,22,26,031 |
| Commission paid/payable to Directors | - | - |

During the year under consideration, no remuneration has been paid to Non-Executive Directors except sitting fees of ₹5,00,000/- (Previous year ₹2,90,000/-) to Independent Directors.

29. In the opinion of the Board and to the best of its knowledge, the value of realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they have been stated in the Balance Sheet.
30. During the course of its business the Company usually extends credit terms for more than six months to some of its customers more particularly to overseas customers however during the year there has been an abnormal increase in such outstanding due to delay in release of payments under government tender supplies aggregating to ₹2,682.88 Lakhs on account of procedural compliances/clearances. The Company is in consistent follow up with the concerned authorities and is hopeful of getting it released in full within shorter period of time.
31. The Company has taken various retail stores and warehouses under operating lease arrangements. The lease agreements generally have an escalation clause and there

are no subleases. These leases are generally not non cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreements.

The leasehold rights are depreciated/amortized using the straight line method from the commencement date over the shorter of lease term or useful life of right to use.

32. The Company has implemented the Ind-AS-116 with effect from 1ST April, 2019 and accordingly has considered all the leasehold rights persisting on that date having maturity for more than 12 months and also entered during the year 2019-20 at its present value aggregating to ₹11,216.53 Lakhs as Intangible Rights in Schedule of Fixed Assets (refer to Note 2). Further during the year the Company has amortized the leasehold right for ₹1,997.10 Lakh. The impact of such change on net profit for the year is not material.

33. Derivative Instruments and Unhedged Foreign Currency Exposure, which are not intended for Trading or Speculation Purpose: Forward Contracts outstanding as at Balance Sheet date:

| Particulars of Forward Contracts | Currency | March 2020 | March 2019 | Purpose |
|----------------------------------|----------|-------------|------------|--------------------------------|
| Purchase | USD | - | - | To hedge the Trade Payable |
| Sales | USD | 4,40,380.27 | - | To hedge the Trade Receivables |
| | GBP | - | - | |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date:

| Particulars of Unhedged Foreign Currency Exposure | Amount in Foreign Currency | | | Amount in Indian Currency (₹ in Lakh) | |
|---------------------------------------------------|----------------------------|--------------|--------------|---------------------------------------|------------|
| | Currency | March 2020 | March 2019 | March 2020 | March 2019 |
| Trade Payables | USD | 2,88,634.90 | 1,16,298.00 | 217.51 | 80.55 |
| | EURO | 1,33,583.09 | 1,13,349.80 | 110.98 | 88.16 |
| Advance for Import Purchases | USD | 29,079.44 | 35,913.38 | 21.91 | 25.40 |
| | EURO | 4,509.00 | - | 3.75 | - |
| Advance from Customers | USD | 34,782.04 | 1,15,622.33 | 27.21 | 83.30 |
| | EURO | 2,864.00 | 4,014.00 | 2.38 | 3.14 |
| | GBP | 9,410.54 | 16,520.45 | 8.83 | 15.10 |
| Trade Receivables | USD | 19,62,629.10 | 22,38,030.80 | 1,478.99 | 1,501.63 |
| | EURO | 6,858.00 | 4,080.00 | 5.70 | 3.17 |
| | GBP | 11,486.44 | 23,379.75 | 10.78 | 21.20 |

34. The assessment of the Company in respect of Income Tax & Wealth Tax is completed up to the Assessment Year 2017-18.

35. In furtherance to the Company's earlier communication, considering the long term benefits of unlocking the shareholders' value through acquisition of the tangible and intangible assets including business rights of Liberty Enterprises (LE) & Liberty Group Marketing Division (LGMD), on March 31, 2015 the Company had entered into a Memorandum of Understanding (MOU) with these two Partnership Firms for acquisition of their respective business of footwear. In terms of the said MOU the related transactions were to be completed, as per the mode/structure to be recommended by the consultants, on or before March 31, 2016 but with retrospective effect from April 1, 2015. In continuation to the said MOU, considering the fact of non-formalization of terms and conditions for such takeover by March 31, 2016 due to certain technical reasons, parties to the above said MOU entered into a fresh agreement for continuing the existing arrangements till further period(s) as may be mutually agreed and accordingly extended the said arrangements initially for further period of 12 months commencing from April 1, 2016 onwards and thereafter for further period of 12 months commencing from April 1, 2017.

The Company, to protect the interest of its shareholders and to ensure long term continuance of the arrangements with these partnership firms namely LE and LGMD till materialization of the acquisition of their respective business of footwear in accordance to above referred MOU, have entered into fresh agreements with these two Partnership Firms for further period of 10 years commencing from April 1, 2018.

One of the partner of M/s Liberty Enterprises had challenged the validity of the extension of Agreement executed on 22nd March, 2017 commencing from 1st April 2017 before the Hon'ble Court at Karnal. Initially the Hon'ble Court at Karnal granted the restrained order against M/s Liberty Enterprises from entering into fresh contract and vacated the same subsequently. The petition is still pending before the Hon'ble Court for adjudication. Meanwhile the said agreement has been extended for further period of ten years from 1st April, 2018 onwards. In view of the legal opinion available the Company does not foresee any adverse impact on its working because of this litigation.

The objections to the Arbitral Award dated 11/07/2010, with regard to the erstwhile franchise agreement dated 31st March, 2003 has been dismissed by the Hon'ble Court at Karnal vide order dated 22/12/2017. Appeal against the same has been filed by the partners of M/s Liberty Enterprises and is pending before Hon'ble Punjab & Haryana High Court at Chandigarh. The Hon'ble High Court has stayed the execution of the award vide its order dated 30/04/2018.

During the year in terms of above referred agreements, the Company has paid/provided for franchise fee of ₹115 Lakh (Previous year ₹115 Lakh) to LE and ₹780 Lakh (Previous year ₹780 Lakh) to LGMD and in terms of the renewed agreement dated April 3, 2013 of the Company with Liberty Footwear Co. (LFC), another Partnership Firm of the group and owner of trademark "LIBERTY", for granting exclusive rights of usage of the trademark "LIBERTY" for a period of fifteen years from April 1, 2013 onwards and in conformity with the requisite approvals of the Central Government obtained by the Company in this regard, the Company has paid/provided for trademark license fee of ₹930 Lakh (Previous year ₹930 Lakh) to LFC.

36. Interest to others include ₹Nil (Previous year ₹56,80,417/-) against short term loan from M/s Geofin Investments Private Limited @ 12% p.a..

37. During the year, the Company has capitalized the borrowing cost of ₹Nil (Previous year ₹Nil) as part of the cost of the qualifying assets.

38. The Company has not maintained separate record of its suppliers, having payment terms exceeding 45 days, as micro & small because of no communication from the Company, from supplier as well as non-submission of any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small & Medium Enterprise Development Act, 2006) claiming their status as on 31st March, 2020 as Micro or Small Enterprise. Hence, no additional information as regards to the amount payable/overdue to such suppliers has been separately ascertained as on that date.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**39. Contingent Liabilities**

(Amount in ₹)

| Particulars | 2019-20 | 2018-19 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| I. Bank Guarantees issued on behalf of the Company submitted with various institutional customers in terms of their orders. | 19,73,45,802 | 15,92,20,955 |
| II. Letter of Credits issued in favour of the Domestic and Overseas vendors are for ₹15,51,78,392/- against which the goods have duly been received by the Company and are included in the Trade Payables as on 31st March, 2020 for ₹20,148.02 Lakhs | - | 5,23,87,662 |
| III. Value Added Tax ¹ for the financial year 2005-06, 2006-07, 2007-08 & 2008-09 on account of classification of goods at different rate of tax. | 55,69,829 | 55,69,829 |
| IV. Service Tax on GTA Services for the period from January 2005 to March 2007 | 5,28,598 | 5,28,598 |
| V. On account of compliance relating to obligations | 23,52,722 | 4,42,00,783 |
| VI. On account of few labour matters pertaining to earlier years in which Company has preferred an appeal before the Hon'ble High Court and has been granted stay | 2,10,00,000 | 2,10,00,000 |
| VII. Demand ² raised on account of non-deduction of tax at source by the Company on turnover incentives paid to its distributors/showrooms etc., which otherwise are not liable for deduction in terms of the applicable provisions of the law, and short deduction against advertising charges paid during the financial year 2016-17. The Company has preferred an appeal against the same before the appropriate authority | 1,06,24,897 | 1,06,24,897 |
| VIII. Disallowance of certain expenditure on a/c of non-deduction of tax at source which otherwise are not liable for deduction in terms of applicable provisions of the law and for which Company is under appeal. Company has also preferred an appeal against the same before the appropriate authority. | 1,72,88,017 | - |

¹Includng amount deposited under protest ₹14,25,815/- (Previous year ₹14,25,815/-)²Amount deposited under protest ₹21,24,980/- (Previous year ₹21,24,980/-)

40. Capital commitments not provided for are estimated at ₹85 Lakh (Previous year ₹70 Lakh).

41. Provision for doubtful debts:

During the year, the Company has considered debts for ₹1,07,09,516/- (Previous year ₹Nil) as doubtful debts/ securities and also has withdrawn ₹93,000/- (Previous year ₹10,87,315/-) out of the provisions made in

the earlier years for the same and written off as bad debts ₹Nil (Previous year ₹Nil). Further the difference of the provision made and amount withdrawn during the year, detailed as under, has been charged to Statement of Profit & Loss for the year and the balance has been carried in the balance sheet.

Statement of Profit & Loss

(Amount in ₹)

| Particulars | 2019-20 | 2018-19 |
|------------------------------------------------------------------------------------|-------------|-------------|
| Provision for the year | 1,07,09,516 | - |
| Less: Amount withdrawn from the provision made for doubtful debts in earlier years | 93,000 | 10,87,315 |
| Net debited/(credited) to Statement of Profit & Loss | 1,06,16,516 | (10,87,315) |

Balance Sheet

(Amount in ₹)

| Particulars | 2019-20 | 2018-19 |
|---------------------------------------------------|-------------|-----------|
| Opening Balance | 13,65,210 | 24,52,525 |
| Add: Provision for the year | 1,07,09,516 | - |
| Total | 1,20,74,726 | 24,52,525 |
| Less: Amount withdrawn during the year | 93,000 | 10,87,315 |
| Closing balance | 1,19,81,726 | 13,65,210 |
| Trade Receivables (Refer to Note No. 7) | 1,07,09,516 | - |
| Security Deposits to Others (Refer to Note No. 4) | 12,72,210 | 13,65,210 |

42. During the year, considering the non-recoverability of some of the debts/advances, the Company has written off the debts/advances amount to ₹4,66,04,292/- (Previous year ₹4,16,48,496/-).
43. The Board of Directors of the Company presently considers and maintains "Footwear" as the main business segment of the Company. Further during the

year the Company's Lifestyle division has also formally commenced its operations w.e.f. October 17, 2018, however the same has not been considered as separate business segment because of its insignificant contribution to revenue during the financial year 2019-20.

44. Basic and Diluted Earnings per share: The basic and diluted earnings per share of the Company is as under:

(Amount in ₹)

| Description | 2019-20 | 2018-19 |
|----------------------------------------------|--------------|-------------|
| Basic & Diluted | | |
| Profit after Taxation (A) | 10,99,73,494 | 6,84,26,894 |
| Weighted average number of Equity Shares (B) | 1,70,40,000 | 1,70,40,000 |
| Nominal Value per Equity Share | 10.00 | 10.00 |
| Basic & Diluted Earnings per share (A/B) | 6.45 | 4.02 |

45. Related Party Transactions:

The Company has made the following transactions with related parties as defined under the provisions of Ind-AS-24:

Name of related parties and related party relationship

I. Detail of Related Parties and description of relationship:

- (i) **Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP):**

| Name | Designation |
|-----------------------|--------------------------|
| Sh. Adesh Kumar Gupta | CEO & Executive Director |
| Sh. Adish Kumar Gupta | Executive Director |
| Sh. Sunil Bansal | Executive Director |
| Sh. Shammi Bansal | Executive Director |

- (ii) **Key Management Personnel (KMP)**

| | |
|------------------|-------------------------|
| Sh. Ashok Kumar | Executive Director |
| Sh. Munish Kakra | CFO & Company Secretary |

- (iii) **Entities where Individuals and Key Management Personnel (KMP) as defined in I (i) above exercise significant influence:**

| Name of Entities |
|------------------------------------------------------------------------------|
| Geofin Investments Pvt. Ltd. |
| Liberty Enterprises |
| Liberty Footwear Co. |
| Liberty Group Marketing Division |
| Anything Skool Limited (Earlier known as Liberty Innovative Outfits Limited) |
| Little World Constructions Private Limited |
| Liberty Fashion Outfits |
| LFO |
| A.P. Packaging |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Total Print & Packing

Sanjeev Bansal Charitable Trust

(iv) Relatives of Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Relatives of Key Management Personnel (KMP):

| Name | Relationship |
|------------------------|-------------------------------|
| Sh. Harish Kumar Gupta | Brother of Executive Director |
| Sh. Raman Bansal | Brother of Executive Director |
| Sh. Vivek Bansal | Brother of Executive Director |
| Sh. Anupam Bansal | Brother of Executive Director |
| Sh. Ayush Bansal | Son of Executive Director |
| Sh. Manan Bansal | Son of Executive Director |
| Sh. Akshat Gupta | Son of Executive Director |
| Smt. Garima Gupta | Wife of Executive Director |

(v) Independent Directors

Sh. Raghubar Dayal
 Sh. Ramesh Chandra Palhan
 Smt. Lovelena Mody
 Sh. Aditya Khemka (from 27th September, 2019)
 Sh. Pushpinder Singh Grewal (till 28th September, 2019)
 Sh. Arvind Bali Kumar (from 12th November, 2019)

II. Related Party Transactions

The Following table provides the total amount of transactions that have been entered in to with related parties

(Amount in ₹)

| Sr. No. | Nature of Transaction | Related Party | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|----------------|------------------------------|------------------------------------|-------------------------------------------|-------------------------------------------|
| (i) | Rent | Little World Constructions Pvt Ltd | 6,24,112 | 6,60,690 |
| | | Liberty Footwear Co. | 7,78,800 | 21,94,800 |
| | | Sanjeev Bansal Charitable Trust | 5,31,000 | 4,50,000 |
| | | Sh. Adesh Kumar Gupta | 62,281 | 56,619 |
| | | Sh. Harish Kumar Gupta | 2,28,864 | 2,08,056 |
| | | Smt. Garima Gupta | - | 5,00,000 |
| | | Total | | 22,25,057 |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

| Sr. No. | Nature of Transaction | Related Party | For the year ended 31st March 2020 | For the year ended 31st March 2019 |
|---------|---------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| (ii) | Purchase of Goods & Business for employees | Liberty Fashion Outfits | 7,88,11,069 | 7,45,96,392 |
| | | LFO | 1,44,07,590 | - |
| | | Total Print & Packing | 4,04,45,133 | 4,78,56,235 |
| | | A.P. Packaging | 17,24,365 | 53,88,770 |
| | | Total | 13,53,88,157 | 12,78,41,397 |
| (iii) | Sales of Goods manufactured and dealt in by the Company | Anything Skool Limited (Earlier known as Liberty Innovative Outfits Limited) | 10,81,27,147 | 13,05,11,241 |
| | | Total | 10,81,27,147 | 13,05,11,241 |
| (iv) | Franchise/License Fee (including GST/Service Tax) | Liberty Enterprises | 1,33,90,000 | 1,33,90,000 |
| | | Liberty Group Marketing Division | 8,76,00,000 | 8,76,00,000 |
| | | Liberty Footwear Co. | 10,41,60,000 | 10,41,60,000 |
| | | Total | 20,51,50,000 | 20,51,50,000 |
| (v) | Unsecured Short Term Loans | Taken Geofin Investments Private Limited | - | 14,05,00,000 |
| | | Repaid Geofin Investments Private Limited | - | 23,44,87,972 |
| | | Interest Geofin Investments Private Limited | - | 56,80,417 |
| | | Total | - | 38,06,68,389 |
| (vi) | Remuneration to Directors and Other Key Managerial Personnel (KMP)* | Sh. Adesh Kumar Gupta | 48,00,000 | 48,00,000 |
| | | Sh. Sunil Bansal | 48,00,000 | - |
| | | Sh. Shammi Bansal | 48,00,000 | 48,00,000 |
| | | Sh. Adish Kumar Gupta | 48,00,000 | 48,00,000 |
| | | Sh. Ashok Kumar | 15,27,630 | 14,10,900 |
| | | Sh. Munish Kakra | 39,32,123 | 42,61,620 |
| | | Total | 2,46,59,753 | 2,00,72,520 |
| (vii) | Remuneration to Relatives of KMP | Sh. Raman Bansal | 30,00,000 | 30,00,000 |
| | | Sh. Vivek Bansal | 30,00,000 | 30,00,000 |
| | | Sh. Anupam Bansal | 30,00,000 | 30,00,000 |
| | | Sh. Ayush Bansal | 2,10,000 | 2,10,000 |
| | | Sh. Manan Bansal | 2,10,000 | 2,10,000 |
| | | Total | 94,20,000 | 94,20,000 |
| (viii) | Commission (including GST) to relative of KMP | Sh. Akshat Gupta | 29,50,000 | 29,50,000 |
| | | Total | 29,50,000 | 29,50,000 |
| (ix) | Director's Sitting Fees** | Sh. Pushpinder Singh Grewal | 25,000 | 25,000 |
| | | Sh. Raghubar Dayal | 2,00,000 | 1,10,000 |
| | | Sh. Ramesh Chandra Palhan | 2,00,000 | 1,10,000 |
| | | Smt. Lovelena Mody | 50,000 | 35,000 |
| | | Sh. Aditya Khemka | 25,000 | - |
| | | Total | 5,00,000 | 2,90,000 |

*As the liabilities for provident fund, gratuity and compensated absences are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the Directors and KMP are not included above.

**As per the section 149(6) of the Companies Act, 2013, Independent Directors are not considered as "Key Managerial Person", however to comply with the disclosure requirements of Ind AS-24 on "Related party transactions" they have been disclosed as "Key Managerial Person".

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

| Balance Outstanding at the end of the year | | | | |
|---------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------|------------------------------|------------------------------|
| Sr. No. | Nature of Balances | Related Party | As at 31st March 2020 | As at 31st March 2019 |
| (i) | Trade Receivables | Anything Skool Limited (Earlier known as Liberty Innovative Outfits Limited) | 3,50,73,065 | 5,44,57,719 |
| | | Total | 3,50,73,065 | 5,44,57,719 |
| (ii) | Long Term Loans & Advances | Liberty Enterprises | 10,00,000 | 10,00,000 |
| | | Liberty Group Marketing Division | 50,00,000 | 50,00,000 |
| | | Total | 60,00,000 | 60,00,000 |
| (iii) | Short Term Loans and Advances | Liberty Enterprises | 17,12,973 | 4,41,766 |
| | | Liberty Footwear Co. | - | 23,62,025 |
| | | Total | 17,12,973 | 28,03,791 |
| (iv) | Trade Payables | Liberty Footwear Co. | 9,26,524 | - |
| | | Liberty Group Marketing Division | 4,95,349 | 2,54,361 |
| | | Liberty Fashion Outfits | 2,23,55,316 | 1,85,40,879 |
| | | LFO | 1,44,07,590 | - |
| | | A.P. Packaging | 60,046 | 2,34,510 |
| | | Total Print & Packing | 59,20,033 | 59,35,687 |
| | | Little World Constructions Private Limited | 45,142 | 56,832 |
| | | Total | 4,42,10,000 | 2,50,22,269 |
| (v) | Short Term Borrowings | Geofin Investments Private Limited | - | - |
| | | Total | - | - |
| (vi) | Expenses Payable-Current Liabilities | Sh. Adesh Kumar Gupta | 62,281 | 4,04,519 |
| | | Sh. Akshat Gupta | 12,82,500 | 28,25,000 |
| | | Total | 13,44,781 | 32,29,519 |

46 Detail of Employee Benefits - Gratuity

The Company has a defined gratuity plan (Defined Benefit). Every employee, on completion of continuous service of five years or more with the Company, is entitled to get the gratuity of 15 days salary, on the basis of last drawn salary, for each completed year of service. The scheme is funded

with Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy.

The following table summarizes the component of net benefit expense recognized in the Statement of Profit & Loss and the funded status and amount recognized in the Balance Sheet for the respective plans:

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**Statement Profit and Loss****a) Net Employee Benefit Expense (recognized in Employee Cost):**

(Amount in ₹)

| Sr. No. | Particulars | Gratuity (Funded) | |
|---------|-------------------------------------|-------------------|-------------|
| | | 31.03.2020 | 31.03.2019 |
| 1. | Current Service Cost | 94,65,419 | 89,32,360 |
| 2. | Interest Cost on Benefit Obligation | 52,87,670 | 52,48,074 |
| 3. | Expected return on Plan Assets | (38,74,710) | (39,14,119) |
| 4. | Actuarial Loss/Gain | (54,56,176) | (32,09,926) |
| 5. | Net Benefit Expenses | 54,22,203 | 70,56,389 |

Balance Sheet**b) Details of Provision for Gratuity**

(Amount in ₹)

| Sr. No. | Particulars | Gratuity (Funded) | |
|---------|---------------------------------------------|-------------------|---------------|
| | | 31.03.2020 | 31.03.2019 |
| 1. | Present Value of Defined Benefit Obligation | 7,35,01,989 | (7,02,85,615) |
| 2. | Fair value of Plan Assets | 5,80,02,875 | 5,24,17,875 |
| 3. | Surplus/(Deficit) | (1,54,99,114) | (1,78,67,740) |
| 4. | Net Asset/(Liability) | (1,54,99,114) | (1,78,67,740) |

c) Changes in Present Value of the Defined Benefit Obligation are as follows:

(Amount in ₹)

| Sr. No. | Particulars | Gratuity (Funded) | |
|---------|---------------------------------------------------------|-------------------|-------------|
| | | 31.03.2020 | 31.03.2019 |
| 1. | Defined Benefit Obligation at the beginning of the year | 7,02,85,615 | 6,57,99,127 |
| 2. | Current Service Cost | 94,65,419 | 89,32,360 |
| 3. | Interest Cost | 52,87,670 | 52,48,074 |
| 4. | Actuarial (Gain)/Loss on Obligation | (54,56,176) | (32,09,926) |
| 5. | Benefits paid | (60,80,539) | (64,84,020) |
| 6. | Defined Benefit Obligation at the end of year | 7,35,01,989 | 7,02,85,615 |

d) Changes in Fair Value of Plan Assets are as follows:

(Amount in ₹)

| Sr. No. | Particulars | Gratuity (Funded) | |
|---------|-----------------------------------|-------------------|-------------|
| | | 31.03.2020 | 31.03.2019 |
| 1. | Opening Fair Value of Plan Assets | 5,24,17,875 | 5,17,89,973 |
| 2. | Expected Return | 38,74,710 | 39,14,120 |
| 3. | Contribution by employer | 68,74,596 | 19,17,365 |
| 4. | Benefits paid | (51,64,306) | (52,03,583) |
| 5. | Actuarial (Gain)/Loss | - | - |
| 6. | Closing Fair Value of Plan Assets | 5,80,02,875 | 5,24,17,875 |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

e) The principle assumptions used in determining Gratuity obligations are as follows:

(Amount in ₹)

| Sr. No. | Particulars | Gratuity (Funded) | |
|---------|----------------------------------------|-----------------------------|-----------------------------|
| | | 31.03.2020 | 31.03.2019 |
| 1. | Discount Rate | 8.00% | 8.00% |
| 2. | Expected Rate of Return on Plan Assets | 8.00% | 8.00% |
| 3. | Salary escalation rate | 8.00% | 8.00% |
| 4. | Attrition Rate | 1% to 3% depending upon age | 1% to 3% depending upon age |

f) Amount for the current and previous periods are as follows:

(Amount in ₹)

| Sr. No. | Particulars | Gratuity (Funded) | |
|---------|--------------------------------------------|-------------------|---------------|
| | | 31.03.2020 | 31.03.2019 |
| 1. | Defined Benefit Obligation | (7,35,01,989) | (7,02,85,615) |
| 2. | Plan Assets | 5,80,02,875 | 5,24,17,875 |
| 3. | Surplus/(Deficit) | (1,54,99,114) | (1,78,67,740) |
| 4. | Experience adjustments on Plan Liabilities | (1,54,99,114) | (1,78,67,740) |
| 5. | Experience adjustments on Plan Assets | - | - |

47. For the current year, Deferred Tax Liability has been calculated after considering the cumulative timing differences of ₹Nil (Previous year ₹Nil) mainly on account of depreciation.

48. There are no dues payable to the Investor Education and Protection Fund as at 31st March, 2020.

49. Detail of Materials Consumed

(Amount in ₹)

| Description | 2019-20 | 2018-19 |
|-----------------------------------|-----------------------|-----------------------|
| PVC Compound | 13,75,63,311 | 11,47,13,694 |
| Laminated Leather Fabric | 23,01,05,832 | 19,96,70,014 |
| PU Chemicals | 20,14,16,430 | 25,45,39,947 |
| Leather | 7,90,81,522 | 9,02,80,665 |
| PU Soles | 12,49,11,606 | 12,56,97,931 |
| EVA Resin | 3,20,36,052 | 2,59,29,857 |
| Shoe Uppers/Components | 30,59,70,521 | 61,86,30,778 |
| Others | 55,82,14,691 | 55,94,05,773 |
| Total | 1,66,93,17,314 | 1,98,88,68,659 |
| Less: Amount of Export Incentives | 2,45,15,997 | 2,70,65,561 |
| Net Consumption | 1,64,48,01,317 | 1,96,18,03,098 |

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

50. Consumption/Purchase of Imported and Indigenous Materials and percentage thereof:

(Amount in ₹)

| Description | 2019-20 | | 2018-19 | |
|---------------------------------------|-----------------------|---------------|-----------------------|---------------|
| | Amount | % | Amount | % |
| Raw Materials Consumed | | | | |
| Imported | 7,30,75,001 | 4.44 | 6,92,60,233 | 3.53 |
| Indigenous | 1,57,17,26,316 | 95.56 | 1,89,25,42,865 | 96.47 |
| Total | 1,64,48,01,317 | 100.00 | 1,96,18,03,098 | 100.00 |
| Finished Goods Purchased | | | | |
| Imported | 6,85,74,941 | 3.57 | 16,56,91,667 | 14.21 |
| Indigenous | 1,85,28,33,369 | 96.43 | 1,00,01,91,265 | 85.79 |
| Total | 1,92,14,08,310 | 100.00 | 1,16,58,82,932 | 100.00 |
| Consumable Stores & Spares | | | | |
| Imported | 63,71,851 | 14.66 | 73,50,797 | 17.34 |
| Indigenous | 3,70,92,890 | 85.34 | 3,50,43,412 | 82.66 |
| Total | 4,34,64,741 | 100.00 | 4,23,94,209 | 100.00 |

51. Expenditure & Earnings in Foreign Currency

(Amount in ₹)

| Description | 2019-20 | 2018-19 |
|------------------------------------|--------------|--------------|
| a) CIF Value of Imports | | |
| Raw Materials & Others | 20,31,73,320 | 20,14,39,148 |
| Capital Goods | 7,51,02,575 | 1,33,41,685 |
| Stores & Spares | 2,10,15,859 | 78,73,112 |
| b) Expenditure in Foreign Currency | | |
| Travelling Expenses | 23,88,319 | 41,92,359 |
| Commission | 27,35,661 | 22,73,112 |
| Business Promotion | 9,37,403 | 6,75,197 |
| Customer Claims | - | - |
| Advertisement | - | 3,74,572 |
| c) FOB Value of Exports of | | |
| Finished Goods | 29,17,79,392 | 32,56,02,776 |

52. In light of Section 135 of the Companies Act, 2013, the Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹31.36 Lakh for CSR activities:

(₹ in Lakh)

| Particulars | For the year ended 31st March, 2020 | For the year ended 31st March, 2019 |
|---------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| a) Gross amount required to be spent by the Company during the year | 27.33 | 27.59 |
| b) Amount spent during the year on following in cash: | | |
| (i) Construction/acquisition of any asset | Nil | Nil |
| (ii) On purpose other than (i) above | 31.36 | 45.37 |

53. The Company's operations remained suspended during the period from March 23, 2020 to May 3, 2020 due to nationwide lockdown imposed by Government of India to prevent spread of pandemic Covid-19 at initial stage. Though post lifting of the lockdown in the state of Haryana, Himachal Pradesh and Uttarakhand, in which Company's manufacturing plants are situated, on respective dates, the Company has been able to start the operations in gradual manner and reach to capacity utilization at pre covid level at some of its plants however considering the present demand the operations at other plants are being streamed at low capacity utilization level for some time.

The Company is hopeful of reviving of the demand at retail front in the quarters to come and does not foresee

much financial challenges ahead due to its order book for bulk government supplies. However as the situation would remain challenging in the times to come, so the Company will continue to be vigil for any material changes due to the pandemic to take appropriate call in timely manner. Further based upon its assessment Company does not anticipate any impairment in carrying value of its assets including tangible and intangible assets, inventories and receivables etc. and expects to recover the same in full.

54. The Company has regrouped/reclassified the previous year figures in accordance with the requirements applicable in the current year. The current year and previous year figures have been rounded off to the nearest rupee.

Signed in terms of our Audit Report of even date.

For U. Shanker & Associates
Firm Registration No. 014497N
Chartered Accountants

for and on behalf of the Board

Uma Shanker Gupta
Partner
Membership No. 089919

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

Munish Kakra
CFO & Company Secretary
M. No. ACS 6262

Place: Gurugram, Haryana
Dated: Friday, 31st July, 2020

LIBERTY

Liberty Shoes Ltd.

Regd. Office: Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, P.O. Bastara, Distt. Karnal, Haryana-132114

Tel. + (91) -1748-251101-03 Fax No.: + (91) -1748-251100

CIN:L19201HR1986PLC033185

E-mail: investorcare@libertyshoes.com Website: www.libertyshoes.com

E-COMMUNICATION REGISTRATION FORM

34th ANNUAL GENERAL MEETING - WEDNESDAY, 30th SEPTEMBER, 2020 AT 11.00 A.M.

Folio No. (For Physical Shares) :

Name of 1st Registered Holder :

Name(s) of Joint Holder(s) :

:

:

:

Registered Address :

:

E-mail ID (to be registered) :

I, shareholder of Liberty Shoes Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail in your records for sending communication through e-mail.

Date:

Signature:

(First Holder)

Notes:

1. Shareholder(s) is/are requested to keep the Company informed as and when there is any change in the e-mail address.
2. In case, shares are in electronic form/ kindly register your e-mail particulars with your Depository Participant.

To,
Link Intime India Pvt. Ltd.
Noble Heights, 1st Floor, C-1 Block
Near Savitri Market, Janakpuri,
New Delhi-110058
Tel.: (91) - 11- 41410592 -94
Fax: (91) - 11- 41410591
E-mail: delhi@linktime.co.in

Liberty Shoes Ltd.

Ground Floor, Building No. 8 Tower - A, DLF Cyber City, Phase - II, Gurugram, Haryana - 122002

E-mail : investorcare@libertyshoes.com

www.libertyshoes.com