

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 6262Place: 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

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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
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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	-	-
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	1,12,86,58,898	20,73,60,388
15 Long Term Provisions		
Provision for Gratuity	1,02,39,884	75,65,332
Total Other Long Term Provisions	1,02,39,884	75,65,332
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	1,20,81,07,005	1,02,85,43,226
17 Trade Payables		
Trade Payables for goods & services (Includes sundry creditors)	2,01,48,02,031	95,76,55,196
Total Trade Payables	2,01,48,02,031	95,76,55,196
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	1,15,17,015	1,92,20,364
(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	15,44,06,155	16,66,61,457
Total Other Current Liabilities (a + b)	16,59,23,170	18,58,81,821
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	85,94,882	1,74,40,801

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