

26th July, 2023

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| <p>Listing Department</p> <p>The National Stock Exchange of India Ltd.</p> <p>Exchange Plaza, 5th Floor</p> <p>Plot No. C/1, Bandra - Kurla Complex, Bandra (E)</p> <p>Mumbai - 400051</p> <p>Scrip Code: LIBERTSHOE</p> <p>ISIN No. : INE 557B01019</p> | <p>Listing Department</p> <p>Bombay Stock Exchange Ltd.</p> <p>Phiroza Jeejeebhoy Towers,</p> <p>Dalal Street</p> <p>Mumbai – 400001</p> <p>Scrip Code: 526596</p> <p>ISIN No. : INE 557B01019</p> |
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Sub: Disclosure under Regulation 30 of SEBI LODR Regulations, 2015, as amended

Dear Sir/Madam,

Please note that during the normal course of business operations, our Company has been subjected to several legal cases in connections and incidental thereof. The gist of the major cases is as under.

In compliance of provisions of Regulation 30, as amended, please be informed the Company had supplied footwear to Andhra Pradesh Govt. and due to certain procedural deficiency, the Company has received partial outstanding amount from the above Govt. However, in respect of remaining outstanding amount, the Company has submitted a representation with the above Govt. and also invoked arbitration clause available in the arrangement with the above Govt.

Further, the Company has already disseminated earlier about filing of petition by Company's two vendors M/s Liberty Footwear Co.(LFC) and Liberty Group Marketing Division(LGMD) through One of their partner Sh. Adarsh Gupta, against Liberty Shoes Ltd. with Hon'ble National Company Law Tribunal, Chandigarh under the provisions of Insolvency and Bankruptcy Code, 2016 ("IBC") with regard to arbitrary and unjustified dues for financial year 2019-20 on the grounds that terms of the respective agreements have not been followed with regard to calculation of franchisee fees/Royalty. Kindly be informed that the Hon'ble Tribunal vide its recent orders dated 15th June, 2023 have dismissed the said two petitions. Kindly also take on records that as on date no proceedings are pending for adjudication at NCLT Chandigarh in respect of petitions so filed against the Company.



Liberty Shoes Limited

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As members are aware that the Company has long term arrangements with three firms namely LGMD, Liberty Enterprises (LE) & LFC, initially executed in 2003 and then last renewed with validity till 31st March 2028 for the exclusive use of complete business of three firms including their IPR & trademarks. Pending the above NCLT petitions before Hon'ble Tribunal, Sh. Harish Gupta, one of the partners of LFC and Sh. Arpan Gupta, beneficiary and legal heir of one of the partners of LFC, LE & LGMD have given their termination notice(s) of the Company's arrangements with above firms. It is pertinent to mention here that Sh. Harish Gupta given his termination notice in respect of Company's arrangement with LFC and Sh. Arpan Gupta has given his termination notice(s) in respect of Company's arrangement with three firms i.e. LFC, LE and LGMD and in response to such notice(s), the Company, besides invoking of arbitration clause available under the agreement with LFC, has approached jurisdictional Court at Karnal under Section 9 of Arbitration & Conciliation Act 1996 and has been granted status quo orders by the Hon'ble Court at Karnal initially against LFC and subsequently against LGMD. Subsequent to that (*granting of status quo order against LFC by Karnal Court*) the Company has also approached Hon'ble Punjab & Haryana High Court at Chandigarh for appointment of Arbitrator by filing petition against LFC under Section 11 of the said Act. The Company has taken legal opinion from one of the reputed Legal firm in this regard and hopeful of positive proceedings in the matter. Both the petitions filed by the Company against the respective firms under Section 9 and Section 11 of the Arbitration and Conciliation Act, 1996 are pending to be adjudicated by the respective Courts. Further, as per the latest information available with the Company as on 26th July, 2023, the Hon'ble Court at Karnal has fixed the next date of hearing on 9th October, 2023 in the above matter of Company against LFC wherein the Company has already been granted status quo order by Karnal Court.

Of late Sh. Adarsh Gupta, partner of LFC, anticipating the dismissal of IBC petition from Hon'ble NCLT, has approached Hon'ble Delhi High Court (*despite status quo already granted by Karnal Court against LFC in Section 9 petition filed by Company just before filing of this petition of Sh. Adarsh Gupta with Hon'ble Delhi High Court*) and filed a petition under Section 9 of the Arbitration & Conciliation Act, 1996 with Hon'ble Court against the Company seeking Ex-parte injunction order from the Hon'ble Delhi High Court against the continuation of Trademark License agreement dated 3rd April 2013 on the same grounds of Hon'ble NCLT extending the disputes of terms of payment of Royalty and its calculation from financial year 2018-19 to 2022-23 after serving Termination notice on 4th May, 2023. The Company as advised by its legal consultants has explained its stand of availability of status quo order granted by the Karnal Court and also the approaching of Hon'ble Punjab & Haryana High Court at Chandigarh for the appointment of Arbitrator for adjudicating the dispute between the Company and LFC. It is pertinent to mention here that the Company has opposed the petition filed by Sh. Adarsh Gupta, partner of LFC including maintainability thereof before Hon'ble Delhi High Court (*when Karnal Court already granted status quo order against LFC in Section 9 petition filed by Company*) and the same is pending to be adjudicated by the Hon'ble Court.

Considering the legal opinion available with the Company regarding continuity of arrangements with the above said firms till the end/expiry of the term till 31st March, 2028, the Company does not foresee or assess any pecuniary impact going forward till



the time it is settled or otherwise adjudicated by the Hon'ble Court(s) or Arbitrator to be appointed.

Since the petition(s) are under subjudice, the Company will inform the Stock Exchanges about further development in this regard.

Kindly take the above information on record in compliance with the Regulation 30 of SEBI LODR Regulations, 2015, as amended and acknowledge the receipt of the same.

Thanking you
Sincerely yours

For Liberty Shoes Ltd.

 

CS Munish Kakra
CFO & Company Secretary