

31st July, 2020

The Manager Listing Department The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C/1, Bandra - Kurla Complex, Bandra (East), Mumbai - 400051 Tel. No.: 022-26598100`14 Fax No.: 022-26598273-38 Scrip Code: LIBERTSHOE ISIN No. : INE 557B01019	The Manager Listing Department Bombay Stock Exchange Ltd. Phiroza Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 Tel: 022 – 22722375, 2066 Fax : 022 – 22722037, 39, 41,61 Scrip Code: 526596 ISIN No. : INE 557B01019
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Sub: Press announcement made at the Board Meeting for the 4th Quarter and Year ended 31st March, 2020 results

Compliance Officer : Munish kakra (CFO & Company Secretary)
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Scrip Code : LIBERTSHOE
ISIN No. : INE 557B01019

Dear Sir/ Madam,

Please refer to our letter dated 31st July, 2020 in respect of outcome of the Board meeting of the Company held on Friday, 31st July, 2020.

In Continuation thereof, please find attached herewith the Press announcement made by the Company just after the Board meeting in respect of its 4th Quarter and Year ended 31st March, 2020 results for your information & records.

Kindly upload the same on your website for the information of the investors at large.

Thanking you,
Sincerely Yours,
For Liberty Shoes Ltd.



Munish Kakra
CFO & Company Secretary

Liberty Shoes Limited
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LIBERTY announced its Q4 and Year Ended 31st March, 2020 Audited Financial Results

Gurugram, Friday, July 31, 2020: LIBERTY, today announced its Audited Results of Q4 and Year ended 31st March 2020.

Highlights for the Q4 and Year Ended 31st March 2020:

(Rs. in Lakh except EPS)

Particulars	Q4 (2019-20)	Q4 (2018-19)	Year Ended 31 st March, 2020	Year Ended 31 st March, 2019
Total Sales	19,811.18	14,298.54	64,954.16	60,117.16
-Domestic Sales	18,971.29	13,516.16	61,988.08	56,814.21
-Exports Sales	839.89	782.38	2,966.08	3,302.95
EBIDTA*	1,164.48	1045.00	4,122.04	4,188.71
Exceptional & Extraordinary Expenses/(Income)	76.46	9.59	(442.91)	14.66
PBT	334.91	344.69	1,781.42	1,346.59
PAT	157.85	134.88	1,099.75	1,099.75
EPS	0.93	0.79	6.45	4.02

*EBIDTA has been mentioned ignoring the implication of accounting treatment of Operating Lease of the Company in accordance with newly implemented Ind AS-116 w.e.f 1st April, 2019.

Commenting on the results and performance, Sh. Adesh Gupta, CEO & Executive Director of the Company said:

- ❖ During the 4th Quarter ended 31st March, 2020, Overall Sales have increased by 38% in comparison to the previous corresponding quarter ended 31st March, 2019 wherein traded institutional Sales worth Rs. 72 Cr were supplied during this quarter. The Domestic Sales including the traded institutional sales and Export Sales have increased by 40% and 7% respectively against corresponding quarter of previous year. The overall Sales during the full year ended 31st March, 2020 has increased by 8% recording the Domestic Sales growth by 9% and Export Sales down by 10% as against previous year.
- ❖ During the Q4 2019-20, EBIDTA in terms of value has increased by Rs. 119 Lakh in comparison to previous year's corresponding quarter but EBIDTA for the year ended 31st March, 2020 have been down by Rs. 66 Lakh despite increase in overall turnover mainly because of contribution of traded institutional supply made during Q4 having lower



margin and also operating expenses have increased during the period as against Last year. Moreover, due to country lockdown imposed w.e.f. March 23, 2020, sales didn't happen during the period till 31st March, 2020 besides fixed expenses remaining the same.

- ❖ On account of better working capital management, interest cost has decreased by Rs. 11 Lakhs during Q4 as against previous year's quarter and for full year of 31st March ended 2020, the same has reduced by Rs. 49 Lakh as against last year's interest cost.
- ❖ PBT and PAT for the year ended 31st March, 2020 have increased by Rs. 435 Lakh and Rs. 415 Lakh respectively mainly on account of exceptional income of Rs. 443 Lakh (net of other exceptional/extraordinary Expenses) through the Sale of one of the Property/Plants of the Company at Dehradun as stated above also.
- ❖ Apparently the tax rate is higher as against the maximum tax rate of 35% (inclusive of Surcharge & Cess) due to lower amount of tax depreciation in comparison to book depreciation.
- ❖ 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 vigilant for any material changes due to the pandemic to take appropriate step in timely manner.

Commenting on the development in the Footwear Sector, Sh. Adesh Gupta, CEO & Executive Director of the Company said:

- The Indian footwear industry holds a crucial place in the Indian economy for its potential for employment, especially for the economically weaker sections, and for supporting the economy through foreign exchange earnings. India 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 countries. The sector is fragmented and close to 75% production comes from the unorganised sector including very small, small and medium enterprises.

- Footwear is the industry which accounts to generate maximum number of employment especially for the weaker section; therefore, it holds a very special place in the Indian economy. As per the industry figure, footwear industry employs over 1.1 million workers making it one of the top employment sources in the country. Moreover, the growth in this market is further pushed by gradual rise of fashion and lifestyle market in India. From a basic need based industry to an indispensable part of overall fashion market, footwear industry has come a long way.
- Rapid urbanization, demographic changes including ever increasing demand of middle class population with the rising disposable income, changing lifestyles, health awareness, etc., are now leading to men and women both wearing a variety of footwear in their daily lives.
- Additionally, increasing demand for sports shoes and branded footwear among all age groups is likely to generate higher demand for athletic footwear with higher demand from branded category. At the same time, a steady rise in number of working women and their growing fashion consciousness is likely to drive higher demand of women footwear segment in the coming time.
- The recent outbreak of COVID-19 has put whole world on halt which has affected world economy significantly. The disposable income of Indian consumer has reduced due to irregular business operations, continuing lock down in most of the States of India, loss of income, loss of jobs which has adversely affected to Government's revenue also. Footwear Sector, being non essential item sectors, has also been affected badly due to the above reasons.
- However, Liberty remains positive on the Indian footwear market led by improving market dynamics resulting into higher demand for variety as well as branded footwear coupled with increasing demand from women and kids segment which currently contributes a smaller portion of the pie as compared to its men counterpart.
- We believe, given the Liberty's large retail presence and management strategic goal of transforming the Liberty's image from a need based footwear manufacturer to trendier and fashionable footwear player, is likely to drive the growth for the Company. Besides, during this pandemic COVID-19, E-Com Sales are showing exponential demand whereby Liberty is fulfilling the demand of its loyal customers/new customers with fast delivery with qualitative products.



For more information, please contact:

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Sh. Munish Kakra

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