

8th September, 2022

<p>The Manager Listing Department <b>The National Stock Exchange of India Ltd.</b> Exchange Plaza, 5<sup>th</sup> Floor Plot No. C/1, Bandra - Kurla Complex, Bandra (E) Mumbai - 400051 Tel. No.: 022-26598100`14 Fax No.: 022-26598273-38</p> <p><b>Scrip Code: LIBERTSHOE</b> <b>ISIN No. : INE 557B01019</b></p>	<p>The Manager Listing Department <b>Bombay Stock Exchange Ltd.</b> Phiroza Jeejeebhoy Towers, Dalal Street Mumbai – 400001 Tel: 022 – 22722375, 2066 Fax : 022 – 22722037, 39, 41,61</p> <p><b>Scrip Code: 526596</b> <b>ISIN No. : INE 557B01019</b></p>
--	--

**Sub: Notice of the 36th Annual General Meeting of the Company along with Annual Report for the financial year 2021-22**

**Compliance Officer** : Munish Kakra (CFO & Company Secretary)  
**Contact Address** : Libertypuram, 13<sup>th</sup> Milestone, G.T. Karnal Road, Kutail,  
P. O. Bastara, Distt. Karnal 132114 (Haryana)  
Ph. 01748 – 251101 – 03, 9313601387

Dear Sir/Madam,

In terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith a copy of Notice of the 36th Annual General Meeting of the Company to be held on **Friday, September 30, 2022 at 11:00 A.M. (IST)** through Video Conferencing / Other Audio Video Means ("VC/ OAVM") facility, without the physical presence of the Members at a common venue, alongwith Annual Report for the financial year 2021-22.

Further, this is to inform you that the Company has dispatched the aforesaid Annual Report along with annexure thereof to its eligible shareholders on 8th September, 2022.

You are requested to take the above information on your records.

Thanking you,  
Sincerely Yours,  
For Liberty Shoes Ltd.

  
  
**CS Munish Kakra**  
**CFO & Company Secretary**  
Encl: a/a

**Liberty Shoes Limited**  
**Corporate Office**

Ground Floor, Building 8, Tower A, DLF Cyber City,  
Phase II, Gurugram, Haryana, INDIA - 122002  
Tel : +91-124-4616200, 3856200 Fax : +91-124-4616222  
Email : corporate@libertyshoes.com

**Registered Office**

Libertypuram, 13th Milestone, G.T. Karnal Road,  
P.O. Box Bastara, Distt. Karnal, Haryana, India - 132114  
Tel : -91-1748-251101, 251103 Fax: -91-1748-251100  
Email : corporate@libertyshoes.com CIN No. L19201HR1986PLC033185



## **The Management Team at the helm of affairs**



Standing from Left to Right: Sh. Vivek Bansal,  
Sh. Adish Kumar Gupta, Sh. Raman Bansal, Sh. Anupam Bansal  
Sitting from Left to Right: Sh. Sunil Bansal, Sh. Adesh Kumar Gupta,  
Sh. Shammi Bansal

## CONTENTS

Company Information	2
From The Management's Desk	3
Notice	4
Directors' Report	21
Secretarial Audit Report	44
Corporate Governance Report	47
Management Discussion and Analysis Report	84
Independent Auditors' Report	89
Balance Sheet	100
Statement of Profit & Loss	101
Statement of Changes in Equity	102
Cash Flow Statement	103
Notes to the Financial Statement	104
E-Communication Registration Form	-

Liberty Shoes Ltd.

**Board of Directors**

**Aditya Khemka**

Independent Director  
(DIN-00514552)

**Arvind Bali Kumar**

Independent Director  
(DIN-02520675)

**Sanjay Bhatia**

Independent Director  
(DIN-00080533)

**Dr. Sujata**

Women Independent Director  
(DIN-09289128)

**Gautam Baid**

Independent Director  
(DIN-00021400)

**Adesh Kumar Gupta**

CEO & Executive Director  
(DIN-00143192)

**Sunil Bansal**

Executive Director  
(DIN-00142121)

**Shammi Bansal**

Executive Director  
(DIN-00138792)

**Adish Kumar Gupta**

Executive Director  
(DIN-00137612)

**Ashok Kumar**

Executive Director  
(DIN-06883514)

**Company Secretary & Compliance Officer**

**CS Munish Kakra**

Chief Financial Officer & Company Secretary

**Audit Committee**

Arvind Bali Kumar  
Sanjay Bhatia  
Aditya Khemka  
Sunil Bansal

## COMPANY INFORMATION

**Nomination and Remuneration**

**Committee**

Arvind Bali Kumar  
Dr. Sujata  
Aditya Khemka

**Stakeholders Relationship Committee**

Aditya Khemka  
Sunil Bansal  
Adish Kumar Gupta

**Corporate Social Responsibility Committee**

Shammi Bansal  
Adish Kumar Gupta  
Dr. Sujata

**Management Committee**

Adesh Kumar Gupta  
Shammi Bansal  
Adish Kumar Gupta  
Raman Bansal  
Anupam Bansal

**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@linktime.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

**Corporate Office**

Ground Floor, Tower - A, Building No. 8,  
DLF Cyber City, Phase - II,  
Gurugram - 122002, Haryana  
Tel.: (91) - 0124 - 4616200  
Fax: (91) - 0124 - 4616222  
Email:corporate@libertyshoes.com

**Bankers**

HDFC Bank Ltd.  
IndusInd Bank Ltd.  
State Bank of India  
Union Bank of India

**Auditors**

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

**Secretarial Auditors**

M/s JVS & Associates  
Company Secretaries  
Flat No. 588, Pocket No. 4  
Sector-11, Dwarka  
New Delhi-110075

**Corporate Identity Number (CIN):**

L19201HR1986PLC033185

**Email ID for Investor**

care/grievance  
investorcare@libertyshoes.com

[www.libertyshoes.com](http://www.libertyshoes.com)


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

**Join us on:**

[facebook.com/libertyshoes](https://www.facebook.com/libertyshoes)

[www.libertyshoes.com](http://www.libertyshoes.com)

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

**Join us on** 

[facebook.com/libertyshoes](https://www.facebook.com/libertyshoes)

Dear Shareholder,

Collective vision, debated, sought after and implemented for the sustainable growth and improved bottom line for the company is a way to go at Liberty. By the time you finish browsing through the report you would have seen company's financial performance for the first quarter ended 30th June, 2022 and noticed the changes we have put in place that would bear dividend in the days ahead.

Let's start with the fact that Footwear sales are expected to grow to 2900 Cr. pairs by 2025 after the 35% drop in 2021 because of Covid-19. That means in value terms it is slated to grow to INR 13,800 Cr.-INR 14500 Cr. So we are in a growing industry and let us assure that we are setting up on the right path.

At Liberty, we have leveraged the 3 Ts which stands for Thinking, Technology, and Timing to achieve the best results. We are innovative in our thinking. Innovative in design, performance, and aesthetics. Be it slippers, sandals, or shoes we are innovating our offerings continually. We are innovating and have set up the ambitious sales targets, knowing the rising opportunities with the premium portfolio of the company including Leap 7X and Healers. The focus is on taking these brands through the premium retail route. Check them out in the markets and you will feel the waves they are creating. This is a new shift in the policy and will drive increased profits for the company as its own brands are now being nurtured. The other set of company owned brands are Aha & Lucy & Luke the casual styles that are also making waves. These are spreading out in the market through the route of Distributors. The response of the Distributors has been very keen and the numbers are already showing.

The second T stands for technology which has always been the thrust area of your company and the management is happy to share about the implementation of new technology and launch of innovative shoes made with new Technology in its upcoming winter range. The new technology made up of two layers of foam Nitrogen infused EVA foam and Profoamlite foam which increase levels of softness and responsiveness.

Your management has a strong belief that with this innovation your company's perception would further accelerate and consumers would find substitutes herein India to fulfill their aspirations of wearing global brands.

We have also implemented le3 (real-time billing system) that provides real-time information on store sales which benefits all participants. We have included a Merchandise planning tool -Increff that instantly turns your high-level financial plan into an infinitely granular merchandise plan so you always know if you're purchasing too much or too little with automated flags and hard-stops driven by AI.

The fashion conscious athleisure styling has seen many a brand fighting to find a place in the consumer mind. The management is happy to share that Leap 7X, the company's newly introduced brand has started showing promising trends and would help company in near future to increase its presence further in the growing footwear markets. These are the result of innovations done by our in-house research and production teams. As we innovate to further our presence and deliver a sense of consumer delight some accolades on respected public platforms have been coming our way. The Liberty brand was tagged as the Most Iconic Brand for 2021-2022 by ET Edge.

We are investing in the mediums of today to carry the Brand Story into the consumers mind. Huge investments have been made in the Digital Platform and the Brand salience is on the rise. We are also seeing B2B e-platforms taking on a more important role, bringing down marketing, collection, and logistics costs leading to higher wealth creation for partners, business associates, and associated manufacturing vendors besides giving us a robust balance sheet that will benefit our shareholders and employees in the coming years. The contribution of e platform in the overall sales of the company is increasing and it would have higher attention from the management perspective in the coming days.

We believe that given proper market access and incentives, we are in a position to turn India into a footwear export hub and to set as an outsourcing alternative to the major international footwear giants. The Government of India has recognized the footwear industry as a priority sector under the Make In India mission. With favorable government policies, infrastructure, elimination of high taxes, support in capacity building, skill education, and technology up-gradation the Indian footwear industry is now all set to put its best foot forward and Liberty could lead the way.

### **The Management Team**



## NOTICE

**NOTICE** is hereby given that the 36th (Thirty Sixth) Annual General Meeting ("36th AGM" or "e-AGM" or "AGM") of the Members of **Liberty Shoes Ltd.** ("the Company") will be held on **Friday, 30th September, 2022 at 11 A.M.** through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following businesses:-

The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be deemed venue of the AGM.

### **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, 2022 together with the Reports of the Board of Directors and the Auditors thereon.

#### **Item no. 2-Appointment of Director**

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."

#### **Item no. 3-Appointment of Director**

To appoint a Director in place of Sh. Sunil Bansal (DIN-00142121), 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. Sunil Bansal (DIN-00142121), who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation."

#### **Item no. 4-Appointment of Statutory Auditors 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 Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 including any amendments, statutory modification(s) or re-enactment(s) thereof, for the time being in force and subject to all the applicable laws and regulations, including but not limited to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendations of the Audit Committee and Board of Directors of the Company, M/s Pardeep Tayal & Co., Chartered Accountants (Firm Registration Number 002733N), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of Forty-First AGM to be held in the year 2027, at such remuneration plus reimbursement of out-of-pocket and other incidental expenses in connection with the audit, as recommended by the Audit Committee and approved by the Board of Directors in consultation with the Statutory Auditors."

### **SPECIAL BUSINESS**

#### **Item no. 5-Appointment of Sh. Gautam Baid (DIN: 00021400) as an Independent Director of the Company**

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

**"RESOLVED THAT** Pursuant to the provisions of Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV of the Act and Regulation 16(1)(b), Regulation 25 and Regulation 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the

recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company ("the Board") given at their respective meetings held on 30th March, 2022 and 31st March, 2022, Sh. Gautam Baid (DIN:00021400), who was appointed as an Additional Director of the Company with effect from 1st April, 2022 pursuant to Section 161 of the Act and Articles of Association of the Company 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 who 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 consecutive term from 1st April, 2022 to 28th September, 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 authorised 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: Libertypuram, Haryana  
Dated: Tuesday, 6th September, 2022

CFO & Company Secretary  
M. No.ACS 5262

**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. **e-AGM:** In view of the situation arising due to COVID-19 pandemic and resultant restrictions on the movement of persons at several places in the country, the Ministry of Corporate Affairs (the "MCA") vide its General Circulars No. 14/2020, No. 17/2020, No. 20/2020, 02/2021, 19/2021, 21/2021 and No. 02/2022, dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 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, SEBI/HO/CFD/CMD2/CIR/P/2021/11, dated January 15 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022 /62, dated May 13, 2022 (hereinafter, collectively referred as the "SEBI Circulars") 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 36th 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 CIRCULARS, 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 36TH 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](mailto:sukeshgupt@gmail.com) with a copy marked to [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com)

3. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice. **The deemed venue for the 36th AGM shall be the Registered Office of the Company.**
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 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. The details required to be disclosed under Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) are 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.

**The Statement read together with the Annexures hereto and these notes form an integral part of this Notice.**

#### **6. DISPATCH OF ANNUAL REPORT THROUGH E-MAIL**

Pursuant to the MCA Circulars and the SEBI Circulars, the Notice alongwith the Annual Report of the Company for the financial year ended March 31, 2022, 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, 2022 shall be available on the websites of the Company viz., [www.libertyshoes.com](http://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, (LIIPL) viz., [instavote.linkintime.co.in](http://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 Friday, 23rd September, 2022**. The remote e-Voting period will commence **on Tuesday, 27th September, 2022 (9:00 A.M. IST) and will end on Thursday, 29th September, 2022 (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., Friday, 23rd September, 2022, 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 **Friday, 23rd September, 2022 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., Friday, 23rd September, 2022 should treat this Notice for information purpose only.**

The Board of Directors has appointed M/s Sukesh Gupta & Co. (Firm Registration No. 036441N),

Chartered Accountant, or failing whom, such other Practicing Company Secretary or Chartered Accountant 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](http://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, Haryana. 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., Friday, 30th September, 2022. 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](mailto:investorcare@libertyshoes.com) or to the RTA at [delhi@linkintime.co.in](mailto: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/Annexure 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 Wednesday, 28th September, 2022 at 11:00 A.M. at [investorcare@libertyshoes.com](mailto: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 <https://instameet.linkintime.co.in> or at [www.libertyshoes.com](http://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 **Saturday, 24th September, 2022 to Friday, 30th September, 2022** (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](http://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 SEBI Circular No. SEBI/HOMIRSD/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. Further, in compliance with the provisions of Sections 124 and 125 of the Act, read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended) (the "IEPF Rules"), the Equity Shares, in respect of which dividend not

claimed or encashed by the Members for seven consecutive years or more, are liable to be transferred to the Account of the IEPF Authority. Accordingly, the Company has requested the Members vide its letter dated July 7, 2022, who have not encashed their dividend warrant for the financial year ended March 31, 2015, to claim the amount of dividend from the Company or its 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. The Company has subsequently through publication of Notice(s) in daily Newspapers, viz., 'Financial Express' and 'Jansatta' on July 9, 2022 advised Members to claim their unclaimed or unpaid dividend from the Company within the stipulated time period, so as to prevent the concerned shares to be transferred to the Demat Account of the IEPF Authority.

The complete list of said Members is available on the website of the Company, i.e., [www.libertyshoes.com](http://www.libertyshoes.com) under the 'Investor Relations' category.

Members are informed that once the unclaimed or unpaid dividend is transferred to the designated account of IEPF and shares are transferred to the Demat Account of the IEPF Authority, no claim shall lie against the Company in respect of such dividend/shares.

The eligible Members are entitled to claim such unclaimed or unpaid dividend and shares including benefits, if any, accruing on such shares from the IEPF Authority by making an online application in Web Form IEPF-5 and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents at the Registered Office of the Company for verification of their claims. Relevant details and the specified procedure to claim refund of dividend amount/shares along with an

access link to the refund web page of IEPF Authority's website for claiming such dividend amount/shares has been provided on the Company's website, i.e., [www.libertyshoes.com](http://www.libertyshoes.com) under the "Investor Relations" category. Unclaimed/Unpaid amount of dividend for the financial year ended 31st March, 2015 will be transferred to the IEPF on 29th November, 2022.

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](http://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](http://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:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) 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. Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242, dated December 9, 2020:**

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242, dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

**Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.**

**Login method for Individual shareholders holding securities in demat mode/physical mode is given below:**

Type of shareholders	Login Method
<p><b>Individual Shareholders holding securities in demat mode with NSDL.</b></p>	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Alternatively, visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholder/Member" section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> </ol>
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi/Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> </ol>
<p><b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b></p>	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> </ul>

<p><b>Shareholders other than Individual shareholders holding securities in demat mode and Individual shareholders holding securities in physical mode &amp; e-voting service provider is LINKINTIME</b></p>	<ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></li> <li>2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:             <ul style="list-style-type: none"> <li>A. User ID:                 <p>Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID. B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</p> </li> <li>C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li>D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.                 <ul style="list-style-type: none"> <li>* Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</li> <li>* Shareholders holding shares in NSDL form, shall provide 'D' above</li> </ul> </li> </ul> <ul style="list-style-type: none"> <li>▶ 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).</li> <li>▶ Click "confirm" (Your password is now generated).</li> </ul> </li> <li>3. Click on 'Login' under 'SHARE HOLDER' tab.</li> <li>4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.</li> </ol> <p><b>Cast your vote electronically:</b></p> <ol style="list-style-type: none"> <li>1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.</li> <li>2. E-voting page will appear.</li> <li>3. 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).</li> <li>4. 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.</li> </ol>
<p><b>Institutional shareholders</b></p>	<p>Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> 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</p>
<p><b>Individual Shareholders holding securities in Physical mode &amp; e-voting service Provider is LINKINTIME, have forgotten the password</b></p>	<p>If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID (Login ID) or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></p> <ul style="list-style-type: none"> <li>o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'</li> <li>o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".</li> </ul> <p><i>In case shareholder is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders 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.</i></p> <p>User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company</p>



<p><b>Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password</b></p>	<p>Shareholders who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/depository participants website.</p> <ul style="list-style-type: none"> <li>▶ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.</li> <li>▶ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.</li> <li>▶ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".</li> </ul>						
<p><b>Helpdesk for Individual Shareholders holding securities in demat mode:</b></p>	<ul style="list-style-type: none"> <li>▪ In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:</li> </ul> <table border="1" data-bbox="523 719 1437 1037"> <thead> <tr> <th data-bbox="528 719 871 763">Login Type</th> <th data-bbox="879 719 1437 763">Helpdesk Details</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 775 871 887"> <p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p> </td> <td data-bbox="879 775 1437 887"> <p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p> </td> </tr> <tr> <td data-bbox="528 898 871 1037"> <p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p> </td> <td data-bbox="879 898 1437 1037"> <p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22-23058542-43.</p> </td> </tr> </tbody> </table>	Login Type	Helpdesk Details	<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>	<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22-23058542-43.</p>
Login Type	Helpdesk Details						
<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>						
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22-23058542-43.</p>						
<p><b>Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders &amp; e-voting service Provider is LINKINTIME</b></p>	<ul style="list-style-type: none"> <li>▪ In case shareholders/members holding securities in physical mode/Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a>, under Help section or send an email to <a href="mailto:enotices@linkintime.co.in">enotices@linkintime.co.in</a> or contact on: - Tel: 022-4918 6000.</li> </ul>						

## 20 Process and manner for attending the Annual General Meeting through InstaMeet:

For 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>

▶ 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.

- ▶ Click **"Go to Meeting"** (You are now registered for InstaMeet and your attendance is marked for the meeting).
  - Please read the instructions carefully and participate in the meeting. You may also call upon the **InstaMeet Support Desk** for any support on the dedicate number provided to you in the **instruction/InstaMEET website**.
2. Members can log in and join 15 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 Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 7 days in advance with the company by sending their request on the email id at [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com).
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, E-mail id, mobile number at [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com), atleast 48 hours prior to the date of AGM i.e. on or before 11.00 a.m. (IST) on Wednesday, 28th September, 2022. The same will be replied by the Company suitably.

4. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
5. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
6. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
7. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
8. Shareholders are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.
9. 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/Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/moderator during the meeting, shareholders/members 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 your **16 digit 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/Members, who will be present in the Annual General Meeting through InstaMeet facility and 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. Shareholders/Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the 36th Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

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

Shareholders/Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members 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 any kind of aforesaid glitches.

In case shareholders/members have any queries regarding login/e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on Tel: 022 49186175.

## **Annexure to the Notice**

### **(Refer Note No. 5)**

#### **Item No. 4**

The Members at the thirty-first Annual General Meeting ("AGM") of the Company held on August 24, 2017, had approved the appointment of M/s U. Shanker & Associates, Chartered Accountants (Firm Registration Number: 014497N), as Statutory Auditors of the Company, for conducting the audit of the accounts of the Company for five consecutive financial years and accordingly the term of their office will expire on conclusion of 36th Annual General Meeting of the Company. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules Made there under, the Company is required to appoint any Chartered Accountant (individual or audit firm) as Statutory Auditors of the Company to audit the books of accounts of the Company.

M/s U. Shanker & Associates, Chartered Accountants, New Delhi (Firm registration No. 014497N), existing Statutory Auditors are eligible for their re-appointment for second term of five years, but they have shown their unwillingness due to pre-occupation.

In order to comply with the statutory provisions and considering the profile, background, qualification, independent relationship with the Company and experience and on the basis of recommendation of Audit Committee and subject to the approval of Shareholders, the Board of Directors in their meeting held on 9th August, 2022 has approved the appointment of M/s Pardeep Tayal & Co. (Firm Registration No. 02733N) as Statutory Auditors of the Company, for a term of five consecutive years from the conclusion of thirty-sixth AGM till the conclusion of forty-first AGM of the Company to be held in the year 2027.

The above appointee Statutory Auditors have consented for their proposed appointment and have confirmed their eligibility for the same. They have further confirmed that their appointment, if made, would be within the limits laid down by or under the authority of the Act. They have also confirmed that they are not disqualified for the proposed appointment under Section 141 of the Act, the Chartered Accountants Act, 1949 and the rules and regulations made thereunder.

The details required to be disclosed under Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) are as under:

#### **A. Proposed fees payable to the Statutory Auditor(s):**

₹17.25 Lakh (plus taxes) which includes tax audit fees, annual certification charges and out-of-pocket expenses and other incidental expenses in connection with the audit. The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as approved by the Board of Directors of the Company. Fees will be generally billed in a manner consistent with the progress of audit/engagements.

**B. Terms of appointment:** The appointment as Statutory Auditors of the Company shall be for first term from the conclusion of 36th AGM for a period of 5 (five) consecutive years till the conclusion of the 41st AGM of the Company, to carry out Audit of the Financial Statements, Annual Financial Results, Limited Review of the Unaudited Quarterly Financial Results, Tax Audit, issuing of certificates from time to time etc., to the Company.

#### **C. In case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change:**

There is no material change in the fee payable to M/s Pardeep Tayal & Co. from that of M/s U. Shanker & Associates. On the basis of recommendation of Audit Committee, the Board of Directors has proposed the appointment of M/s Pardeep Tayal & Co., Chartered Accountants, Panipat, (Firm Registration No.002733N) with increase of 15% of the fee paid to U. Shanker & Associates, Chartered Accountants, New Delhi, (Firm Registration No.014497N) for the previous year 2021-22 and the same is considered immaterial change in the fee. The proposed remuneration is commensurable with the size of the Company and nature of its business. Further, while determining the fees, the Audit Committee peruses the industry benchmarks in general, profile of the firm, scope of audit and other relevant factors.

#### **D. Basis of recommendation for appointment:**

The Board of Directors and the Audit Committee, at their respective meetings held on August 9, 2022, have considered various parameters like capability, vast audit experience of the firm in various segments including audit experience for the Footwear manufacturing and retail industry, market standing of the firm, clientele served, technical knowledge, governance standards, etc., and found the said Statutory Auditors as suitable for this appointment and accordingly, recommended the same.

#### **E. Credentials of the Statutory Auditor(s) proposed to be appointed:** M/s Pardeep Tayal & Co., Chartered

Accountants is one of the oldest professional services firm having office at Panipat, Haryana and association in other places in India with competent and experienced professional team. It serves various renowned Companies and entities. They were Statutory Auditors of the Company up to 2017. The above appointee Statutory Auditors have confirmed that they are qualified to be appointed as Statutory Auditors of the Company and submitted their consent with the Company. The above Audit Firm provides assurance and tax services in India including Financial Statement Audit, Financial Accounting, Independent Controls and Systems Process Assurance and Regulatory Compliance and Reporting. The Audit Firm holds a valid certificate issued by the Peer Review Board of ICAI. The Audit Firm is empanelled with Comptroller and Auditor General of India for allotment of audit of Public Sector Undertakings. Besides above the Firm is also empanelled with Reserve Bank of India for allotment of Branches of Public Sector Bank.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice.

#### **Item No. 5**

The Members are requested to note that the provision of Companies Act, 2013 and SEBI Guidelines provides that there should be optimum combination of Executive and Non-Executive Director including Independent Director on the Board of a listed Company, therefore, consequent to the resignation tendered by Smt. Nidhi Lal and in order to meet the above requirement, one Independent Director on the Board is required to be appointed at the earliest but not later than three months from the date of arising of such casual vacancy.

To comply with the above provisions of SEBI LODR Regulations and to have optimum combination of Executive and Non Executive Director including Independent Director, the Board of Directors in their meeting held on 31st March, 2022, on the recommendation of Nomination and Remuneration Committee (NRC), appointed Sh. Gautam Baid (DIN: 00021400) as an Independent Director of the Company for a consecutive term from 1st April, 2022 to 28th September, 2024, in accordance with the provisions of Section 149 read with Schedule IV to the Companies Act,

2013 (the 'Act') and Articles of Association of the Company.

Further, the provisions of Regulation 17 (1C) of SEBI LODR Regulations, provides that the listed Company shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Considering the requirements of the said provision, the Board of Directors in their meeting held on 31st March, 2022 has authorised the Company to seek shareholders' approval for the above appointment by way of Special Resolution through Postal Ballot process but the process of said Postal Ballot could not be implemented due to unavoidable obligated reasons.

In order to further comply with the aforesaid requirement of SEBI LODR Regulations pertaining to seek shareholders' approval, the Board of Directors in their meeting held on 30th May, 2022 authorised the Company Secretary and Compliance Officer to place the resolution before shareholders in the forthcoming Annual General Meeting.

While considering the above appointment the members of NRC have considered amongst others, leadership capabilities, administrative knowledge & managerial experience as the skills required for this role. In view of the above, the members of NRC and the Board of Directors are of the view that Sh. Gautam Baid possesses the requisite skills and capabilities, which would be of immense benefit to the Company and hence it is desirable to appoint him as an Independent Director.

As required under Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member proposing the candidature of Sh. Gautam Baid for the position of Independent Director of the Company.

In the opinion of the NRC and Board of Directors, Sh. Gautam Baid fulfils the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for being eligible for his appointment.

Sh. Gautam Baid is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and not debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent to act as Director of the Company. The Company has also received declaration from Sh. Gautam Baid 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. Gautam Baid 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. Gautam Baid 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. Gautam Baid 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.

In terms of Section 150 of the Act and Rules made there under, Sh. Baid has got himself registered with the Indian Institute of Corporate Affairs (IICA) and he has confirmed to comply with the requirements of Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended), within the prescribed timeline.

A copy of the draft Letter of Appointment for Independent Directors is available for inspection through electronic mode. Members desiring to inspect the same may send their request at [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com) from his/her registered email address mentioning their names and folio numbers/demat account numbers, with a self attested copy of PAN card or Adhaar Card or Voter ID Card. Sh. Gautam Baid will be paid remuneration by way of sitting fee for attending the Board Meeting of the Company or for any other purpose whatsoever 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.

Keeping in view the above and in terms of Listing Regulations, consent of the members for appointment of Sh. Gautam Baid as Independent Director, not liable to retire by rotation, is sought by way of special resolution, as set out in the accompanying Notice.

Brief profile of Sh. Gautam Baid, 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 the Companies Act, 2013, Listing Regulations and Secretarial Standards, is provided in the Annexure-A to this Notice.

Except Sh. Gautam Baid, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in the Notice.

The Board of Directors, based on the recommendation of the Nomination and remuneration Committee, considers that the appointment of Sh. Gautam Baid as an Independent Director is in the interest of the Company and recommends the Special resolution as set out at item no.5 of the Notice for approval of Members.

By order of the Board  
For Liberty Shoes Ltd.

**Munish Kakra**

Place: Libertypuram, Haryana

CFO & Company Secretary

Dated: Tuesday, 6th September, 2022

M. No.ACS 6262

**Registered Office**

Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail,

P.O. Bastara, Dist. Karnal - 132114, Haryana

Tel.: (91) - 1748-251101 -- 03, Fax: (91) - 1748-251100

E-mail: [ipm@libertyshoes.com](mailto:ipm@libertyshoes.com), Website: [www.libertyshoes.com](http://www.libertyshoes.com)

CIN: L19201HR1986PLC033185

## ANNEXURE-A

## DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING AND/OR SEEKING FIXATION/VARIATION OF REMUNERATION

[PURSUANT TO REGULATION 26(4) AND 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS-2 (REVISED) ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)]

Name of the Director	Sh. Sunil Bansal	Sh. Shammi Bansal
Director Identification Number (DIN)	00142121	00138792
Category of Director	Executive Director	Executive Director
Nationality	Indian	Indian
Date of Birth/Age	2nd October, 1959/62 Years	27th March, 1961/60 Years
Date of First appointment as Director	28th November, 1990	28th November, 1990
Qualification	Graduate	Graduate
Profile/Background details/Recognition or awards/ Experience/Expertise in specific Functional Areas	<ul style="list-style-type: none"> <li>• He has been working as Director since 1990 and as Executive Director since 2009.</li> <li>• He is also having experience of more than three decades in footwear Industry.</li> <li>• He has been looking after the product development operations and ensuring the manufacturing of higher qualitative products by heading the quality department of the Company. He is also guiding the leather shoes production team with his appreciable expertise.</li> </ul>	<ul style="list-style-type: none"> <li>• He has been working as Director since 1990 and as Executive Director since 1995.</li> <li>• He is also having experience of more than three decades in footwear Industry.</li> <li>• 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.</li> <li>• He has been looking after the production designing and development of various types of footwear at Company's plants.</li> </ul>
Terms and conditions of appointment/re-appointment	Re-appointment as Director liable to retire by rotation.	Re-appointment as Director liable to retire by rotation.
Details of remuneration to be sought/ remuneration last drawn (2021-22)	His re-appointment has been proposed as Director liable to retire by rotation. He has drawn remuneration of ₹48 Lakh* PA. (including all perquisites) during the FY 2021-22.	His re-appointment has been proposed as Director liable to retire by rotation. He has drawn remuneration of ₹48 Lakh* PA. (including all perquisites) during the FY 2021-22.
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. Shammi Bansal, Executive Director	Brother of Sh. Sunil Bansal, Executive Director
List of directorship held in other Companies as on 31st March, 2022 (excluding foreign Companies)	<ul style="list-style-type: none"> <li>• Little World Constructions Pvt. Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• Little World Constructions Pvt. Ltd.</li> <li>• Haryana State Industrial and Infrastructure Development Corporation Limited</li> </ul>
List of Chairmanship/Membership in Committees of the Board of the other Companies on which he is a Director as on 31st March, 2022	None	Chairman of Audit Committee and Member of Corporate Social Responsibility Committee- Haryana State Industrial and Infrastructure Development Corporation Limited
No. of shares held in the Company:		
(a) Own	232640 Equity Shares	259640 Equity Shares
(b) For other persons on a beneficial basis	NIL	NIL

\*Salary paid amounting to ₹46 Lakh in compliance of internal cost cutting control to mitigate COVID impact.



<b>Name of the Director</b>	<b>Sh. Gautam Baid</b>
<b>Director Identification Number (DIN)</b>	00021400
<b>Category of Director</b>	Independent Director
<b>Nationality</b>	Indian
<b>Date of Birth/Age</b>	28th November, 1975/46 Years
<b>Date of First appointment as Director</b>	1st April, 2022
<b>Qualification</b>	Commerce Graduate
<b>Profile/Background details/Recognition or awards/Experience/Expertise in specific Functional Areas</b>	<p>Sh. Gautam Baid is a Commerce Graduate from Delhi University. He is a first-generation entrepreneur. He is co-founder of Coast to Coast Designs Private Limited, one of the India's foremost companies in the Interior Infrastructure Industry. Coast to Coast is the leader in Wood Veneers. The company deals with leading businesses across the globe.</p> <p>Sh. Gautam Baid is an avid angel investor, golfer, wine connoisseur. An innovator who believes in giving life to his ideas. His inspiration from the Indian culture and his fondness for traveling, at a young age germinated a thought of bringing the best from across the globe to the Indian market.</p>
<b>Terms and conditions of appointment/re-appointment</b>	Appointed as Independent Director, not liable to retire by rotation, subject to the approval of shareholders
<b>Details of remuneration to be sought/remuneration last drawn</b>	Sh. Gautam Baid will be paid remuneration by way of sitting fee for attending the Board Meeting of the Company or for any other purpose whatsoever 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.
<b>No. of Board Meetings attended during the year</b>	Not Applicable since he has been appointed w.e.f. 1st April, 2022
<b>Relationship with other Directors and other Key Managerial Personnel (KMPs) inter se</b>	None
<b>List of directorship held in other Companies as on 31st March, 2022 (excluding foreign Companies)</b>	<ul style="list-style-type: none"> <li>• Coast To Coast Design Private Limited</li> <li>• DONYI Polo Timbers Private Limited.</li> <li>• Matra Mobile Private Limited</li> <li>• Exotic Veneers Private Limited</li> <li>• DONYI Polo Infrastructure Private Limited</li> <li>• Baid buildcon Private Limited</li> <li>• Aroma Finance and Portfolio Private Limited</li> </ul>
<b>List of Chairmanship/Membership in Committees of the Board of the other Companies on which he is a Director as on 31st March, 2022</b>	Not Applicable
<b>No. of shares held in the Company:</b>	
(a) Own	NIL
(b) For other persons on a beneficial basis	NIL

None of the above Directors are disqualified under the Companies Act, 2013 (as amended) or disqualified and /or debarred by virtue of any order passed by the Securities and Exchange Board of India, Ministry of Corporate Affairs, any Court or any such other Statutory Authority, to be appointed/re-appointed / continue as a Director in any Company.

## DIRECTORS' REPORT

### Dear Shareholders,

Your Directors are presenting the 36th Annual Report of the Company together with the Audited Financial

Statements for the financial year ended 31st March, 2022.

The highlights of the financial statements are as under:-

(Amount in ₹Lakh)

Particulars	2021-22	2020-21
Gross Sales	48,503.61	45,596.75
Add: Other Income	278.07	209.67
<b>Revenue from Operations and Other Income</b>	<b>48,809.96</b>	<b>45,849.55</b>
<b>Profit before Tax Expense (PBT)</b>	<b>397.95</b>	<b>236.19</b>
Less: Tax Expenses	173.65	211.06
<b>Net Profit for the year (NP)</b>	<b>224.29</b>	<b>25.13</b>
Other Comprehensive Income/(Loss)	38.43	(1.42)
<b>Total Comprehensive Income</b>	<b>262.72</b>	<b>23.71</b>

### Review of the operations of the Company:

In compliance with the applicable provisions of the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), this report covers the financial results and other developments during the financial year from April 1, 2021 to March 31, 2022, in respect of Your Company.

The financial performance of the company has to be appraised keeping in view the effect of second wave of pandemic on the company's operations during first four months of financial year under review. Your Company satisfactorily recovered its drive in the remaining period of eight months due to overall improvement in consumer contentment post easing out the pandemic effect.

Your Company have posted overall Sales for the financial year ended 31st March 2022 at ₹ 48,503.61 Lakh as compared to ₹ 45,596.75 Lakh during the previous financial year ended 31st March 2021 recording a growth of 6%. Your Company for the financial year under review has recorded Net profit of ₹ 224.29 Lakh as compared to ₹ 25.13 Lakh for the preceding financial year.

Further details on Liberty's business, outlook, financial and operational performance, etc. are provided as part of the Management Discussion and Analysis Report.

Your Directors, in view of the present growing trends and also experiencing the buoyancy in the consumer market, are reasonably optimistic about future growth as also

strengthening of Company's traction further in the growing footwear markets.

Liberty, the Company's trusted brands backed by state of the art manufacturing facilities and through implementation of latest technology, operational efficiency, focused customer attention and launch of variety of new range in the market will provide a stimulus to the revenues with improved profitability in the future.

### Credit Rating:

During the year under review, CARE Ratings Limited, a leading rating agency, has assigned its Ratings CARE BBB+; (Triple B Plus) in respect of Long Term banking facilities (comprising Term Loan and Working Capital fund based facilities) and CARE "A2" ("A" Two) in respect of Short Term banking facilities (comprising non fund based facilities) sanctioned by the Banks to the Company. According to the rating given based on Company's improved liquidity position, the outlook on the Long Term rating has been assigned stable.

### Subsidiary Company their Performance & Consolidated financial statement:

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

As reported earlier, the Company has already discontinued its Wholly Owned Subsidiary (WOS) at Middle East and during the year under consideration, the Assets with the said subsidiary has also been liquidated at carrying value without any loss of investments in the parent company's books of accounts. Since this WOS is

ceased to exist w.e.f. 2018 no financial statements for the year under consideration was required to be prepared and attached also 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 2022.

##### **Transfer to Reserves**

Your Directors proposed to transfer ₹NIL (Previous Year ₹NIL) to the General Reserves out of the profits available with the Company for appropriations. Accordingly, an amount of ₹262.72 Lakh (Previous Year ₹23.71 Lakh) has been proposed to be retained in the Profit & Loss Account of the Company.

##### **Transfer to Investor Education and Protection Fund**

In compliance with Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, a sum of ₹3.28 Lakh for FY 2013-14 (Final Dividend) has been deposited into the specified bank account of the IEPF, Government of India, towards unclaimed/unpaid dividend amount for the financial year ended March 31, 2014.

As per the said Rules, the corresponding equity shares in respect of which Dividend remains unclaimed/unpaid for seven consecutive years or more, are required to be transferred to the Demat Account of the IEPF Authority. During the year under review, your Company has transferred 1,06,026 underlying Equity Shares to the Demat Account of the IEPF Authority, in compliance with the aforesaid Rules.

##### **Employees Stock Option Scheme(s)**

During the year ended 31st March, 2022, 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 revised 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](http://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](http://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](http://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](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](mailto: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](http://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. Shammii Bansal & Sh. Sunil Bansal, Directors of the Company will be retiring by rotation at the 36th 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 36th Annual General Meeting.

#### **Appointment(s) and Cessation of office of Directors**

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

The members at the 35th Annual General Meeting held on 28th September, 2021 have:

- (a) Re-appointed Sh. Adesh Kumar Gupta as CEO & Executive Director and Sh. Shammi Bansal, Sh. Sunil Bansal, Sh. Adish Kumar Gupta and Sh. Ashok Kumar as Executive Directors for a further period of 3 years w.e.f. 1st April, 2021 to 31st March, 2024.
- (b) Appointed Sh. Sanjay Bhatia, Dr. Sujata and Smt. Nidhi Lal as Independent Directors of the Company for a first term of 3 years w.e.f. 29th September, 2021 to 28th September, 2024.

The Board of Directors in their meeting held on 31st March, 2022 have appointed Sh. Gautam Baid (00021400) as additional Director as well as Independent Director of the Company w.e.f. 1st April, 2022 to 31st March, 2024 subject to the approval of shareholders in the General Meeting.

#### **Cessation of office of Director:**

During the year under consideration, Smt. Nidhi Lal, Independent Director of the Company has tendered resignation from the position of Directorship of the Company due to her other commitments and pre-occupation. The Board and Management of the Company in its meeting held on 31st March, 2022 has placed on record appreciation for the contribution made by the above Director during her tenure. Further, During the year under consideration, the tenure of two terms of Sh. Raghubar Dayal, Sh. Ramesh Chandra Palhan and Smt. Lovelena Mody, Independent Directors were expired on 28th September, 2021.

#### **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**

Five 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 30th March, 2022 and 31st March, 2022, 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".

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 30th March, 2022 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-Executive 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](http://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.

#### **Statutory Disclosures**

Your Directors state that there being no transactions with respect to following items during the year under review, no disclosure or reporting is required in respect of the same.

1. Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of your Company under any scheme.
4. No settlements have been done with banks or financial institutions.

#### **Internal financial control systems and their adequacy**

Liberty's internal financial controls are adequate and operated 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. The information has been provided in the Management Discussion and Analysis Report in detailed manner.

#### **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 had undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs (IICA) 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. Furthermore, they have also renewed their registration with IICA for applicable tenures. The Independent Directors (other than Independent Directors who have appeared and completed the online proficiency self-assessment test) 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.

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 2021-22.

#### **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, 2022 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**

In terms of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014 (as



amended), 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. Accordingly, their appointment as statutory Auditors will get complete at the conclusion of forthcoming Annual General Meeting. Your Board places on record its appreciation for the services of M/s U. Shanker & Associates, during their tenure as the Statutory Auditors of your Company.

The Audit Committee and Board of Directors of the Company in their respective meetings held on 9th August, 2022 has recommended to the shareholders of the Company, the appointment of M/s Pardeep Tayal & Co., Chartered Accountants, Panipat (Firm registration No. 002733N) as the Statutory Auditors of the Company for their first term for a period of five consecutive years from the conclusion of 36th Annual General Meeting of the Company to be held on 30th September, 2022, until the conclusion of 41st Annual General Meeting to be held in the year 2027. The resolution for the appointment of the said appointee Statutory Auditors has been given in the Notice of the 36th Annual General Meeting and the same will be placed before the shareholders in the forthcoming Annual General Meeting.

Your Company has received a certificate from M/s Pardeep Tayal & Co., Chartered Accountants, Panipat (Firm registration No. 002733N) confirming their eligibility to be appointed as Statutory Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and Rules framed there under. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the provisions of Regulation 33 of the Listing Regulations. The proposal of their appointment has been included in the Notice convening the 36th AGM for obtaining approval of the Members of the Company.

#### **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, 2022. 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**

In terms of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), your Board of Directors in their meeting held on 30th June, 2021 had appointed M/s JVS & Associates, a Practicing Company Secretaries for the financial year 2021-22 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, 2022 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, 2022 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.

#### **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, 2022 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, 2022 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 litigation/orders**

During the year under consideration, there are no significant and material orders passed by the regulators or courts or tribunals and no litigation was outstanding as on 31st March, 2022, which would impact the going concern status and Company's operations in future. During the year under review, no Corporate Insolvency Resolution application was made or proceeding was initiated, by/against Liberty Shoes Limited under the provisions of the Insolvency and Bankruptcy Code, 2016 (as amended), except two applications filed earlier against the Company by its two vendors and the same is to be adjudicated at National Company Law Tribunal (NCLT), Chandigarh. The said application(s) have not yet been admitted by NCLT. The Company, in consultation to its legal advisor, has decided to oppose the admission of the above applications before NCLT.

### **Transactions with Related Parties**

During the year 2021-22, 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 2021-22 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 due prior approval of the concerned regulatory authorities and shareholders under the provisions of Companies Act and SEBI Guidelines. 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](http://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) and 5 (3) 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 2021-22, 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**

In terms of Sections 92(3) and 134(3)(a) of the Act,

annual return is available under the 'Investors' section of the Company's website i.e. [www.libertyshoes.com](http://www.libertyshoes.com).

### **Corporate Social Responsibility (CSR)**

Your Company has been taking 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. Promotion of Quality education in the Schools**

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, provided 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 Books, Bags and Uniform to schools for distribution amongst the children/students who can't afford it.

#### **2. Promotion of Fitness & Sports amongst the youth from the community**

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

#### **3. Water conservation Projects/conservation of natural resources**

Liberty has set up Check Dam in villages of Rajasthan which is supposed to provide benefits to approx. 10000 villagers and 20000 Animals within the vicinity

of the villages. Liberty is also 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.

#### **4. Promoting healthcare /COVID-19 Initiatives**

- (a) Liberty has contributed for providing of safe drinking water for students in the schools.
- (b) Liberty has contributed for organizing preventive healthcare projects around Company's manufacturing facilities
- (c) Considering the severity of COVID-19 pandemic, Liberty has taken initiatives and distributed Food Kits, Hygiene and Sanitation goods amongst the poor, needy and COVID-19 impacted people.

#### **5. Contribution for reconstruction of heritage Buildings and development of Public Infrastructure**

Liberty has contributed for the reconstruction of building of National heritage and development of various facilities and structures which are available to the general public.

#### **6. 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.

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 (as amended) and Rule 9 of the Companies (Accounts) Rules, 2014 is provided in Annexure IV of this report. The CSR policy is available on the website of the Company at [www.libertyshoes.com](http://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, 2022 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. 80 to page no. 81 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. 84 to page no. 88 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 V", 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 and the Government Authorities.

Your Directors 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

**Sunil Bansal**

Place: Libertypuram, Haryana  
Dated: Tuesday, 6th September, 2022

Chairman of the Meeting  
DIN: 00142121

# ANNEXURE-I TO DIRECTORS' REPORT

## NOMINATION AND REMUNERATION POLICY

LIBERTY

### 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.
- i) 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 2/3rd of the Committee Members shall be Independent Directors.
- 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 or 1/3rd of the members of the Committee (whichever is greater) shall constitute a quorum for the Committee meeting including atleast one Independent Director in attendance.
- 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:**

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 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 the SEBI (LODR) Regulations, amended from time to time. The break-up of the pay scale and quantum of perquisites including, employer's contribution to PF, 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 the 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

**Sunil Bansal**

Chairman of the Meeting

Place: Libertypuram, Haryana

Dated: Tuesday, 6th September, 2022

DIN: 00142121

**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:**

<b>Executive Directors</b>	<b>Ratio to median Remuneration</b>
Sh. Adesh Kumar Gupta	29.00
Sh. Shammi Bansal	29.00
Sh. Sunil Bansal	29.00
Sh. Adish Kumar Gupta	29.00
Sh. Ashok Kumar	19.00

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

<b>Directors, Chief Financial Officer, Chief Executive officer, and Company Secretary</b>	<b>% increase in remuneration in the Financial year (%)</b>
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: 16.77%**
- d) The number of permanent employees on the rolls of the Company: 1805**
- 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 8%, 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

## ANNEXURE-III TO DIRECTORS' REPORT

**LIBERTY**

**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) and 5 (3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014**

S. No.	Name	Designation	Remuneration (PA.) (₹ 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. Ramesh Kumar Sadhu*	CEO - Retail	50.49	Permanent	Graduate, CA (Inter)	42	1st April, 2004	67	Super House- Sr. Vice President	NA
2.	Sh. Adesh Kumar Gupta	CEO & Executive Director	46.00	Permanent	BSC Engg. (Mechanical) with Hons.	37	28th September, 1990	62	NA	NA
3.	Sh. Adesh Kumar Gupta	Executive Director	46.00	Permanent	Graduate	30	12th August, 2011	58	NA	NA
4.	Sh. Shammi Bansal	Executive Director	46.00	Permanent	Graduate	35	28th September, 1990	61	NA	Brother of Sh. Sunil Bansal, Executive Director of the Company
5.	Sh. Sunil Bansal	Executive Director	46.00	Permanent	Graduate	35	28th November, 1990	62	NA	Brother of Sh. Shammi Bansal, Executive Director of the Company
6.	Sh. Munish Kakra	CFO & Company Secretary	42.74	Permanent	M Com, CS, LLB	37	28th September, 2001	58	NA	NA
7.	Dr. Namita Anand	National Head- Institutional Sales	34.02	Permanent	Ph. D. in Hindi Literature	25	25th November, 2002	56	Director-Marketing, Essel Engineering Industries Private Limited, New Delhi	NA
8.	Sh. Ramon Bansal	Chief Operating Officer	28.75	Permanent	Graduate	33	1st April, 2005	60	Head Sales & Distribution of Liberty Shoes Limited	Brother of Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company
9.	Sh. Vivek Bansal	Head Production PVC & non Leather Division	28.75	Permanent	Graduate	30	1st April, 2005	57	Partner, Liberty Group Marketing Division and Liberty Enterprises Karnal	Brother of Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company
10.	Sh. Anupam Bansal	Head Retail	28.75	Permanent	Graduate & Diploma in Shoes Designing from Italy	25	1st April, 2013	50	M.D., Liberty Retail Revolutions Ltd., New Delhi	Brother of Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company

\* None of the employee of the Company has drawn remuneration in excess of CEO and Whole Time Directors of the Company, except Sh. Ramesh Kumar Sadhu, CEO-Retail. Further, he along with his wife and dependent Children do not hold shares in the Company.

For and on behalf of the Board of Directors

Place: Libertypuram, Haryana  
Dated: Tuesday, 6th September, 2022

**Sunil Bansal**  
Chairman of the Meeting  
DIN: 00142121

## ANNEXURE- IV 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.

The CSR Policy of the Company was revised at the Board Meeting held on 11th August, 2021, based on the recommendations of the CSR Committee. The said CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 (the Act) and in accordance with the CSR Rules (the Rules) notified by the Ministry of Corporate Affairs, Government of India. Further the said Policy has been revised to conform with the amendments in the Act and the Rules.

#### 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 During the year under consideration there were two meetings were held on 11th August, 2021 and 29th March, 2022. As on date the detail of composition of CSR Committee is as under:-

Sr. No	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sh. Shammi Bansal	Chairman	2	2
2	Sh. Adish Kumar Gupta	Member	2	2
3	Dr. Sujata*	Member	2	1

\* Appointed as a Member w.e.f. 29th September, 2021.

#### 3. Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company

The Web-link for CSR committee composition, CSR Policy and CSR Projects are as under:

CSR Committee Composition	<a href="http://www.libertyshoes.com">www.libertyshoes.com</a>
CSR Policy	<a href="http://www.libertyshoes.com">www.libertyshoes.com</a>
CSR Project (FY 2021-22)	Not Applicable

4. **Detail of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)**

Not Applicable

5. **Detail of the amount available for set off in pursuance of sub rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.**

Not Applicable

6. **Average net profit of the Company as per section 135 (5) of the Companies Act, 2013: ₹ 1180 Lakh**

7. **CSR obligation for the Financial Year (2021-22)**

(Amount in ₹Lakh)

(a)	Two percent of average net profit of the Company as per Section 135 (5) of the Companies Act, 2013	23.60
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years*	NIL
(c)	Amount required to be set off for the financial year, if any (FY 2021-22)*	NIL
(d)	Total CSR obligation for the Financial Year (2021-22) (7a + 7b - 7c)	23.60

\*The Company decided that the surplus, if any, not to be set off.

8. (a) **CSR amount spent or unspent for the financial year (2021-22):**

Total amount spent for the Financial Year (Amount in ₹ Lakh)	Amount Unspent (in ₹Lakh)				
	₹24.93	Total Amount transferred to Unspent CSR Account as per Section 135 (6) of the Companies Act, 2013		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5) of the Companies Act, 2013	
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	Not Applicable				

(b) **Details of CSR amount spent against ongoing projects for the financial year (2021-22):**

Sr. No.	Name of the project	Item from the list of activities in Schedule VI to the Act	Local area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project (in ₹Lakh)	Amount spent in the current financial year (in ₹Lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) of the Companies Act, 2013 (in ₹Lakh)	Mode of implementation Direct (Yes/ No)	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration No.
Not Applicable												

## © Details of CSR amount spent against other than ongoing projects for the financial year (2021-22):

(Amount in ₹ Lakh)

Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in for the project (in ₹ Lakh)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation-Through Implementing Agency	
				State	City/District			Name	CSR Registration No.
1	(a) Promotion of Quality education in the Schools- (b) Providing free of cost Books, Bags, Footwear and Uniforms to Unprivileged children © Support with nutritious meals	Promoting Education, gender equality, Women empowerment	Both	Haryana and Delhi	Karnal and New Delhi	1.07	Yes	-	-
2	Setting up- Water check Dam to scale up solutions that can address water challenges-Program name " JAL HI JEEWAN HAI"	Conservation of natural resources and maintaining quality of soil, air and water	No	Rajasthan	Alwar	7.50	Yes	-	-
3	(a) Contribution for extension of facilities at existing Bird and Animal Hospitals (b) Promoting Organic agriculture © Protection for homeless cattle	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare	Both	Uttar Pradesh/ Haryana	Greater Noida/ Karnal	3.50	Both	Sansthanam Abhay Daanam	CSR00001492
4	Distribution of Food kits, Water Hygiene and sanitation goods	-Eradicate hunger, poverty and help to the poor and needy people -COVID-19 initiative	Yes	Haryana, Delhi and Himachal Pradesh	Karnal, New Delhi and Ponta Sahib	3.93	Both	Diya India Foundation	CSR00012194
5	Contribution for providing training to adolescents on Cardiopulmonary Resuscitation (CPR) in the schools	Support for promoting health care including preventive healthcare projects	Yes	Uttarakhand	Dehradun, Haridwar and Tehri	4.10	No	Himalayan Institute Hospital Trust	CSR00007381

6	Promotion of Fitness & Sports amongst the Youth from the Community	Promoting Sports	Yes	Haryana	Karnal	2.33	Yes	-	-
7	Donation- restoration & reconstruction of building of National Heritage	Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art	Yes	Haryana	Karnal	2.50	Yes	-	-
<b>Total</b>						<b>₹ 24.93</b>			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b + 8c + 8d + 8e): ₹ 24.93 Lakh

(g) Excess amount for set off, if any:

Sr. No	Particulars	Amount in ₹ Lakh
1.	Two Percent of average net profit of the Company as per Section 135 (5) of the Companies Act, 2013	23.60
2	Total Amount spent for the Financial Year	24.93
3	Excess amount spent for the Financial Year [(2)-(1)]	1.33
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(3)-(4)]	1.33*

\*The Company has spent in excess of the mandatory requirement under the Companies Act, 2013 but has decided the same is not to be set-off.

## 9 (a) Details of Unspent CSR Amount for the preceding three financial years

Sr. No	Preceding Financial Year	Amount Transferred to Unspent CSR Account under Section 135 (6) of the Companies Act, 2013 (Amount in ₹ Lakh)	Amount spent in the reporting Financial Year (Amount in ₹Lakh)	Amount Transferred to any fund specified under Schedule VII as per Section 135 (6) of the Companies Act, 2013, if any			Amount remaining to be spent in succeeding financial years. (Amount in ₹Lakh)
				Name of the Fund	Amount (in ₹Lakh)	Date of transfer	
Not Applicable							



**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)**

Sr. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the Project (Amount in ₹ Lakh)	Amount spent on the Project in the reporting Financial Year (Amount in ₹ Lakh)	Cumulative amount spent at the end of reporting Financial Year (Amount in ₹ Lakh)	Status of the Project- Completed/ Ongoing
Not Applicable								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details)**

(a)	Date of creation or acquisition of the capital asset(s)	Nil
(b)	Amount of CSR spent for creation or acquisition of capital asset(s)	Nil
(c)	Detail of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Nil
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Nil

**11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5)-Not Applicable**

For and on behalf of the Board of Directors

**Sunil Bansal**  
Executive Director  
DIN: 00142121

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

Place: Libertypuram, Haryana  
Dated: Tuesday, 6th September, 2022

## ANNEXURE-V TO DIRECTORS' REPORT

LIBERTY

### Annexure 'A'

Disclosure of particulars under Section 134 (3) (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, 2022, are given as under:

#### A) CONSERVATION OF ENERGY:

##### i. The Steps taken or impact on conservation of energy

Conservation of energy, by default, has been the prime focus area of Liberty. Few of the energy conservation initiatives taken during the financial year ended 31st March, 2022 are given below:

- i. Reducing the maximum demand by evenly distributing the loads throughout the day and increasing efficiency of plant and equipments.
- ii. Monitoring the overall energy consumption by reducing losses and improvement of efficiency of all high energy consuming utilities.
- iii. The Company is carrying out at all its plants regular maintenance of its machines and other energy equipments to ensure high efficiency levels throughout the year. The new improvements are reviewed regularly and implemented wherever found suitable.
- iv. Replacement of old high energy consuming lights, bulbs, A.C etc at Plants and also at Retail Stores including use of equipments only during peak time.

##### ii. The Steps taken by the Company for utilizing alternate sources of energy

Focus on solar energy to reduce dependency on state electricity without compromising with the load & efficiency required for the plants

The Company has been focusing on installation of solar power plant at its Plants and in pursuit thereof already installed at its Libertypuram manufacturing Plant to provide energy savings leading to reduction of energy cost.

##### iii. The Capital Investment on energy conservation equipments

The Company for the year under consideration has not made any major capital investment on energy conservation equipments. The Company is envisaging to install Solar Energy system at its all plants going forward after analysis of cost savings as against electricity consumption cost from existing sources.

#### B) TECHNOLOGY ABSORPTION:

##### i. The efforts made towards technology absorption

Liberty's team has focused and made efforts for

installation of end to end ERP process flow from receiving of materials to dispatch finished goods, revamped and installed new front end Sales point Software duly integrated with back end ERP without human intervention to have real time data/MIS at all level for better planning and execution, new moulds development for various orders and adopting of various energy savings techniques.

##### ii. The benefits derived like product improvement, cost reduction, product development or import substitution

1. Focusing on own brands of the Company with In-house production facilities to reduce cost and also contain dependency on import for any materials or semi finished goods.
2. Installation of new software/system at Retail stores duly integrating with SAP/ERP system will provide real time access to all departments for their planning and execution.

##### iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NIL

- (a) The details of technology imported- NONE
- (b) The year of import-N.A
- (c) Whether the technology been fully absorbed-N.A
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof-N.A

#### IV. The expenditure incurred on Research and Development

The Company has not incurred any major capital expenditure towards its research and development activities, however, has spent ₹38.20 Lakh as recurring expenditures towards its development activities.

This expenditure constitutes 0.07% of the turnover of the Company for the year under consideration.

#### C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year, the Company has earned foreign exchange of ₹3,016.80 Lakh (previous year ₹2,486.18 Lakh) and used foreign exchange of ₹1,353.94 Lakh (previous year ₹1786.59 Lakh).

For and on behalf of the  
Board of Directors

**Sunil Bansal**

Place: Libertypuram, Haryana

Chairman of the Meeting

Dated: Tuesday, 6th September, 2022

DIN: 00142121

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022**

[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, 2022 ("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:
  - (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 and Sweet Equity) Regulations, 2021;
- 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, 2022 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 and Sweet Equity) Regulations, 2021;

- (e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/ the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (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, 2018; and
- (i) 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.

- (vi) The Personal Protective Equipment-Footwear (Quality Control) Order, 2020-applicable with effect from January 1, 2022.

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.

The following Orders have been also been passed by Leather and Footwear Section of Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India on October 27, 2020, which read with the Bureau of Indian Standards Act, 2016 and various Rules framed thereunder, were initially made applicable from date of publication of these Orders in the Gazette of India, but DPIIT has amended these Orders on December 4, 2020 and again on June 30, 2021 and thereby extended the date of applicability of these Orders initially to July 1, 2021 and then to July 1, 2022 :

1. The Footwear made from all-Rubber and all Polymeric material and its components (Quality Control) Order, 2020.
2. The Footwear made from Leather and other materials (Quality Control) Order, 2020.

- (vii) The Company is engaged in the business of manufacturing and trading of footwear, accessories and lifestyle products through its retail, E-commerce 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. Smt. Nidhi Lal, Independent Director has resigned from the Directorship of the Company w.e.f. 22nd February, 2022 and the Company in the process to fill the casual vacancy arose due to above resignation of Independent Director. 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 were carried out with majority consent and dissenting views wherever given were 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.

For JVS & Associates  
Company Secretaries

**Jyoti Sharma**

Proprietor

CP No. 10196,

Membership. No. FCS 8843

Place: New Delhi

Firm Registration No.: I20110E848300

Dated: Monday, 23rd, May, 2022

(UDIN: F008843D000367982)

Liberty Shoes Ltd.

## Annexure A

To,

**The Members**

**Liberty Shoes Limited**

**(CIN: L19201HR1986PLC033185)**

**Liberty Puram, 13 Milestone,**

**GT Karnal Road, Kutail,**

**P.O. Bastara, Karnal, Haryana**

Our report of even date is to be read along with this letter.

- (1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on my audit.
- (2) 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 my opinion.
- (3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- (4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

- (6) 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 as conducted the affairs of the company.

For JVS & Associates  
Company Secretaries

**Jyoti Sharma**

Proprietor

CP No. 10196,

Membership No. FCS 8843

Place: New Delhi

Firm Registration No.: I2011DE848300

Dated: Monday, 23rd, May, 2022

(UDIN: F008843D000367982)

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

## **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 only 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 authorized 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, acted as Chairman of the Board meetings held on 30th June, 11th August and 11th November, 2021 and Sh. Sunil Bansal, Executive Director of the Company, acted as Chairman of the Board meetings held on 14th February and 31st March, 2022.

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. Adish Kumar Gupta Sh. Aditya Khemka Sh. Arvind Bali Kumar Sh. Sanjay Bhatia Sh. Gautam Baid
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. Sanjay Bhatia Sh. Aditya Khemka Sh. Arvind Bali Kumar
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
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. Adish Kumar Gupta Sh. Arvind Bali Kumar Sh. Aditya Khemka Sh. Gautam Baid
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 Dr. Sujata Sh. Arvind Bali Kumar Sh. Aditya Khemka Sh. Sanjay Bhatia Sh. Gautam Baid

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, 2022 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, 2022	No. of Committee		List of Directorship held in other Listed Company & Category
						Member-ship	Chairman-ship	
1.	Sh. Adesh Kumar Gupta	00143192 Promoter & ED	5(5)	Yes	4	-	-	-
2	Sh. Shammi Bansal	00138792 Promoter & ED	5(5)	Yes	2	1	1	-
3	Sh. Sunil Bansal	00142121 Promoter & ED	5(5)	Yes	1	-	-	-
4	Sh. Adish Kumar Gupta	00137612 Promoter & ED	5(5)	Yes	2	-	-	-
5	Sh. Ashok Kumar	06883514/ ED	5(4)	Yes	-	-	-	-
6	Sh. Raghubar Dayal*	00481803/ NED (I)	5(2)	Yes	-	-	-	-
7	Sh. Ramesh Chandra Palhan*	05241019/ NED (I)	5(2)	Yes	-	-	-	-
8	Sh. Aditya Khemka	00514552 NED (I)	5(3)	No	6	-	-	-
9	Sh. Arvind Bali Kumar	02520675 NED (I)	5(5)	Yes	1	-	-	-
10	Smt. Lovelena Mody*	01279148 NED (I)	5(1)	No	1	-	-	-
11	Sh. Sanjay Bhatia**	0080533/ NED (I)	5(3)	No	2	4	-	1/(MD)
12	Smt. Nidhi Lal** / ***	01363845/ NED (I)	5(2)	No	8	-	-	-
13	Dr. Sujata**	09289128/ NED (I)	5(5)	No	-	-	-	-
14	Sh. Gautam Baid****	00021400/ NED (I)	5(-)	No	7	-	-	-

• ED (Executive Director)/NED (I) (Non Executive Independent)/ MD (Managing Director)

\* The two terms of Independent Directors ended on 28th September, 2021.

\*\* Appointed w.e.f. 29th September, 2021

\*\*\* Resigned on 22nd February, 2022

\*\*\*\* Appointed w.e.f. 1st April, 2022



### **(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 2021-22, 5 (Five) Board Meetings were held viz. on 30th June, 11th August, 11th November, 2021, 14th February and 31st March 2022. 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. The maximum interval between any two Board Meeting(s) was not more than 120 days prescribed under Section 173 of the Companies Act, 2013 and Regulation 17(2) of SEBI LODR Regulations, 2015. 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, 2022 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 the 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 proposed 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 Obligation 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 30th March, 2022 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.

#### **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 2021-22, ₹8,25,000/- 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 an Executive Director 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, 2022.

**Sunil Bansal**  
Executive Director  
DIN: 00142121

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

(a) Brief particulars of Sh. Shammi Bansal and Sh. Sunil Bansal, 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 61 years, has been associated with the Company as a Director since 1990 and promoted as Executive Director in 1995. Since then he has been associated with the Company as Executive Director. 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.

He is having experience of more than three decades in footwear industry. Sh. Shammi Bansal has currently been looking after the production designing and development of leather products at Company's plants.

**Sh. Sunil Bansal (Executive Director)**

Sh. Sunil Bansal, aged 62 years, has been acting as Director of the Company since 1990 and as Executive Director since 2009. He has been looking after the product development operations and ensuring the manufacturing of higher qualitative products by heading the quality department of the Company. He has over three decades of rich experience in footwear industry. He is also guiding the leather shoes production team with his appreciable expertise. Brief profile of above Directors, nature of their expertise in specific functional areas and names of Companies in which they 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.

(b) Brief particulars of Sh. Gautam Baid, whose candidature is proposed for appointment as Independent Directors in the ensuing Annual General Meeting:

Sh. Gautam Baid aged about 46 years, is a Commerce Graduate from Delhi University. He is a first generation entrepreneur. He is co-founder of Coast to Coast Designs Private Limited, one of the India's foremost companies in the Interior Infrastructure Industry.

Sh. Gautam is an avid angel investor, golfer, wine connoisseur. An innovator who believes in giving life to his ideas. His inspiration from the Indian culture and his fondness for traveling, at a young age germinated a thought of bringing the best from across the globe to the Indian market.

Considering the requirement of Regulation 17 of the SEBI (LODR) Regulations as regard to optimum combination of Executive and Non-executive Directors and minimum number of Independent Director on the Board due to resignation tendered by Smt. Nidhi Lal from the position of Directorship of the Company, the Nomination and Remuneration Committee and Board of Directors of the Company in their respective meeting(s) held on 30th March, 2022 and 31st March, 2022 have recommended to the Shareholders of the Company the appointment of Sh. Gautam Baid as Independent Director of the Company for first term for a period from 1st April, 2022 to 28th September, 2024.

While proposing the name of Sh. Gautam Baid, the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 30th March, 2022 and 31st March, 2022 have also considered that Sh. Gautam Baid 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 for a period from 1st April, 2022 to 28th September, 2024. In view of above the Board is of the opinion that it is desirable to avail his service as Independent Director.

While discussing the candidature of Sh. Baid, the members of Nomination and Remuneration Committee evaluated the requirement of the Company in terms of skill, knowledge, experience, capabilities, role and expertise required for this position and on the basis of such evaluation, the

Committee members recorded their satisfaction that Sh. Gautam Baid is having such required skills, knowledge, experience, capabilities and expertise.

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 2021-22 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, acted as Chairman of the Audit Committee Meetings held on 30th June, 2021 and 11th August, 2021 and thereafter Sh. Arvind Bali Kumar, Independent Director, acted as Chairman of the Audit Committee Meetings held on 11th November, 2021 and 11th February, 2022 during the year under consideration.

Sh. Munish Kakra, CFO & Company Secretary has been appointed as Secretary to 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. Arvind Bali Kumar*	Chairman	NED(I)	4(2)
2.	Sh. Sanjay Bhatia*	Member	NED(II)	4(2)
3.	Smt. Nidhi Lal**/**	Member	NED(II)	4(2)
4.	Sh. Aditya Khemka***	Member	NED(II)	4(-)
5.	Sh. Sunil Bansal	Member	ED	4(4)
6.	Sh. Ramesh Chandra Palhan****	Member	NED(II)	4(2)
7.	Sh. Raghubar Dayal****	Past Chairman	NED(II)	4(2)
8.	Sh. Munish Kakra	Company Secretary	Secretary	4(4)

\* Appointed as a Member w.e.f. 29th September, 2021

\*\* Resigned as a Member on 22nd February, 2022

\*\*\* Appointed as a Member w.e.f. 22nd February, 2022

\*\*\*\* Ceased to be a Member w.e.f. 29th September, 2021

**Meetings held during the year**

During the financial year 2021-22, 4 (Four) Audit Committee meetings were held on 30th June, 11th August, 11th November, 2021 and 11th February 2022. 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, 2022 were reviewed by the Audit Committee in its Meeting held on 30th May, 2022. 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. Arvind Bali Kumar, Independent Director, has been heading the Nomination and Remuneration Committee of the Board as its Chairman w.e.f. 29th September, 2021.

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	Meeting Held (Attended)
1.	Sh. Arvind Bali Kumar*	Chairman	Independent	2(1)
2.	Dr. Sujata*	Member	Independent	2(1)
3.	Sh. Aditya Khemka	Member	Independent	2(2)
4.	Sh. Ramesh Chandra Palhan**	Member	Independent	2(1)
5.	Sh. Raghubar Dayal**	Past Chairman	Independent	2(1)
6.	Sh. Munish Kakra	Company Secretary	Secretary	2(2)

\* Appointed as a Member w.e.f. 29th September, 2021

\*\* Ceased to be a Member w.e.f. 29th September, 2021

### Meetings held during the year

During the financial year 2021-22, the meetings of the members of the Nomination and Remuneration Committee were held on 11th August, 2021 and 30th March, 2022.

### 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. 24

### 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 are made therein. The Nomination and Remuneration 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](http://www.libertyshoes.com) and set out in Annexure I of the Directors 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 ₹2,75,000/- 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 ₹2,75,000/- respectively.

Perquisites are evaluated as per Income Tax Rules, 1962 wherever applicable, and in the absence of any such rules, perquisites are evaluated at actual cost; And Use of chauffer driven car for official purpose and telephone/mobile at residence 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 is in accordance with the rules of the Company.

Accordingly, during the financial year 2021-22, 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	46,00,000	NIL	NIL	NIL
2.	Sh. Shammi Bansal	Executive Director	46,00,000	NIL	NIL	NIL
3.	Sh. Sunil Bansal	Executive Director	46,00,000	NIL	NIL	NIL
4.	Sh. Adish Kumar Gupta	Executive Director	46,00,000	NIL	NIL	NIL
5.	Sh. Ashok Kumar	Executive Director	30,52,750	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.
- **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:

- 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 30th June, 11th August, 11th November 2021 and 14th February, 2022.

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

Sr. No	Name of the Committee Member	Position	Category	Meeting Held (Attended)
1.	Sh. Aditya Khemka*	Chairman	NED(I)	4(-)
2.	Sh. Adish Kumar Gupta	Member	ED	4(4)
3.	Sh. Sunil Bansal	Member	ED	4(3)
4.	Sh. Ramesh Chandra Palhan**	Past Chairman	NED(I)	4(2)
5.	Smt. Nidhi Lal*** /****	Past Chairman	NED(I)	4(2)
6.	Sh. Munish Kakra	Company Secretary	Secretary	4(3)

\* Appointed as a Member w.e.f. 22nd February, 2022

\*\* Ceased to be a Member w.e.f. 29th September, 2021

\*\*\* Appointed as a Member w.e.f. 29th September, 2021

\*\*\*\* Ceased to be a Member w.e.f. 22nd February, 2022

**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, 2021 stood as under:

Nature of References/Requests Grievances/Complaints	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 Requests/Pending
Transfer of Share (s)	2	2	NIL	NIL
Unclaimed Dividend /Share Certificate	23	23	NIL	NIL
Issue of duplicate / Loss of Certificate Procedure for Issue of Duplicate Share Certificate	11	11	NIL	NIL
Change of address/ Name correction	8	8	NIL	NIL
Received from regulatory bodies such as Ministry of Corporate Affairs, SEBI (SCOREs) and Stock Exchanges etc.	NIL	NIL	NIL	NIL
Registration of NECS/ECS	5	5	NIL	NIL
Stop Transfer of Shares/ Removal	7	7	NIL	NIL
Claiming of Shares from IEPF	1	1	NIL	NIL
<b>Total</b>	<b>57</b>	<b>57</b>	<b>NIL</b>	<b>NIL</b>

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, 2022.

#### (d) Management Committee

The Company was having Management Committee for facilitation of various urgent and day to day

discussions relating to operational matters. During the year under consideration, the Board of Directors, considering fast changing environment and for taking various strategic decisions to be pursued and implemented subject to approval of the Board, has reinforced the existing Management Committee with defined scope, duly reconstituting and inducting new members from the operations for suggesting and assisting the Board for various strategic decisions and implementation thereof.

During the year, the Members of the Management Committee met two times on 10th March, 2022 and 21st March, 2022.

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

Sr. No	Name of the Committee Member	Position	Category	Meeting Held (Attended)
1.	Sh. Adesh Kumar Gupta	Member	ED	2(-)
2.	Sh. Shammi Bansal	Member	ED	2(2)
3.	Sh. Adish Kumar Gupta	Member	ED	2(2)
4.	Sh. Raman Bansal*	Member	COO	2(2)
5.	Sh. Anupam Bansal*	Member	Head-Retail	2(2)

\* Appointed as a Member w.e.f. 10th March, 2022

**(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 has been reconstituted from time to time as per the requirement.

The Board has defined the terms of reference of the Corporate 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 present composition of the Committee is as under:-**

Sr. No	Name of the Committee Member	Position	Category	Meeting Held (Attended)
1.	Sh. Shammi Bansal	Chairman	Executive Director	2(2)
2.	Sh. Adish Kumar Gupta	Member	Executive Director	2(2)
3.	Dr. Sujata*	Member	NED(I)	2(1)
4.	Sh. Ramesh Chandra Palhan**	Member	NED(I)	2(1)
5.	Smt. Lovelena Mody**	Member	NED(I)	2(-)
6.	Sh. Raghubar Dayal**	Member	NED(I)	2(1)
7.	Sh. Munish Kakra	Company Secretary	Secretary	2(2)

\* Appointed as a Member w.e.f. 29th September, 2021

\*\* Ceased to be a Member w.e.f. 29th September, 2021

During the year 2021-22, two meetings of the Corporate Social Responsibility Committee were held on 11th August, 2021 and 29th March, 2022.

**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 was amended by Board of Directors from time to time as per the requirement. The CSR policy is available on the website of the Company viz. [www.libertyshoes.com](http://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.	<a href="http://investor.libertyshoes.com/doc/Code_of_Conduct.pdf">http://investor.libertyshoes.com/doc/Code_of_Conduct.pdf</a>
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.	<a href="http://investor.libertyshoes.com/doc/Code_of_Conduct.pdf">http://investor.libertyshoes.com/doc/Code_of_Conduct.pdf</a>
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.	<a href="http://investor.libertyshoes.com/doc/Whistle_Blower_Policy.pdf">http://investor.libertyshoes.com/doc/Whistle_Blower_Policy.pdf</a>
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.	<a href="http://investor.libertyshoes.com/doc/NOMINATION_AND_REMUNERATION_POLICY.pdf">http://investor.libertyshoes.com/doc/NOMINATION_AND_REMUNERATION_POLICY.pdf</a>
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.	<a href="http://investor.libertyshoes.com/doc/CSR_Policy.pdf">http://investor.libertyshoes.com/doc/CSR_Policy.pdf</a>
Related Party Transactions Policy	The policy regulates all transactions between the Company and its related parties	<a href="http://investor.libertyshoes.com/doc/Related_party_transaction.pdf">http://investor.libertyshoes.com/doc/Related_party_transaction.pdf</a>
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.	<a href="http://investor.libertyshoes.com/doc/Liberty_Policy_on_Determination_of_Materiality_of_Events.pdf">http://investor.libertyshoes.com/doc/Liberty_Policy_on_Determination_of_Materiality_of_Events.pdf</a>
Website Archival Policy	The Policy deals with the archival of Corporate records of the Company.	<a href="http://investor.libertyshoes.com/doc/Liberty_Archival_Policy.pdf">http://investor.libertyshoes.com/doc/Liberty_Archival_Policy.pdf</a>
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.	<a href="http://investor.libertyshoes.com/doc/Risk_Management_Policy.pdf">http://investor.libertyshoes.com/doc/Risk_Management_Policy.pdf</a>
Policy for preservation of Documents	This policy obligates the Company or preservation of documents in order to prevent from being altered, damaged or destroyed	<a href="http://investor.libertyshoes.com/doc/Prservation_of_Transaction_Policy.pdf">http://investor.libertyshoes.com/doc/Prservation_of_Transaction_Policy.pdf</a>
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.	<a href="http://investor.libertyshoes.com/doc/Sexual_HarrasementPolicy_LibertyShoesLtd.pdf">http://investor.libertyshoes.com/doc/Sexual_HarrasementPolicy_LibertyShoesLtd.pdf</a>

## 5. Subsidiary Monitoring Framework

The Company had one Wholly Owned Overseas Subsidiary M/s Liberty Foot Fashion Middle East FZE (LFF), Dubai which ceased to exist w.e.f 31st March, 2018. During the year under consideration, the Company has liquidated/disposed off Assets of its above Wholly Owned Subsidiary at carrying value and without any loss of investments.

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/Time	Venue/Deemed Venue	Day & Date
35th Annual General Meeting	2021/11:00 AM	Registered Office*	Tuesday, 28th September, 2021
34th Annual General Meeting	2020/11:00 AM	Registered Office*	Wednesday, 30th September, 2020
33rd Annual General Meeting	2019/11:00 AM	Registered Office	Friday, 27th September, 2019

\* Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

### b. Extraordinary general meeting:

No extraordinary general meeting of the members was held during the year 2021-22.

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

35 <sup>th</sup> Annual General Meeting on 28th September, 2021	34 <sup>th</sup> Annual General Meeting on 30th September, 2020	33 <sup>rd</sup> Annual General Meeting on 27th September, 2019
<b>No. of Special Business: 8</b>	<b>No. of Special Business: 1</b>	<b>No. of Special Business: 6</b>
<ol style="list-style-type: none"> <li>1. Re-appointment of Sh. Adesh Kumar Gupta (DIN:00143192) as CEO &amp; Executive Director of the Company and fixation of his remuneration</li> <li>2. Re-appointment of Sh. Shammi Bansal (DIN:00138792) as Executive Director of the Company and fixation of his remuneration</li> <li>3. Re-appointment of Sh. Sunil Bansal (DIN:00142121) as Executive Director of the Company and fixation of his remuneration</li> <li>4. Re-appointment of Sh. Adish Kumar Gupta (DIN:00137612) as Executive Director of the Company and fixation of his remuneration</li> <li>5. Re-appointment of Sh. Ashok Kumar (DIN: 06883514) as Executive Director of the Company and fixation of his remuneration</li> <li>6. Appointment of Sh. Sanjay Bhatia (DIN:0080533) as Independent Director of the Company</li> <li>7. Appointment of Dr. Sujata (DIN:09289128) as Independent Director of the Company</li> <li>8. Appointment of Smt. Nidhi Lal (DIN:01363845) as Independent Director of the Company</li> </ol>	<ol style="list-style-type: none"> <li>1. Appointment of Sh. Arvind Bali Kumar (DIN:02520675) as Independent Director</li> </ol>	<ol style="list-style-type: none"> <li>1. Re-appointment of Sh. Sunil Bansal (DIN:00142121) as Executive Director</li> <li>2. Re-appointment of Sh. Raghubar Dayal (DIN:00481803) as Independent Director</li> <li>3. Re-appointment of Sh. Ramesh Chandra Palhan (DIN:05241019) as Independent Director</li> <li>4. Appointment of Sh. Aditya Khemka (DIN:00514552) as Independent Director</li> <li>5. Appointment of Sh. Shailendra Kumar Gupta (DIN:00934581) as Independent Director*</li> <li>6. Change in name of the Company*</li> </ol>

\* The same were not implemented.

M/s Sukesh Gupta & Co., Chartered Accountant (Firm Registration No. 036441N), was appointed as scrutinizer by the Board and present at the above 35th, 34th and 33rd Annual General Meetings 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. Further, none of the items to be transacted at the ensuing Annual General Meeting is required to be passed by postal ballot exercise.

**ii. Group As on 31st March, 2022:**

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](http://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, 2022 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 during the Financial Year 2021-22:

**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. Sanjay Bhatia	None
7	Dr. Sujata	None
8	Sh. Aditya Khemka	None
9	Sh. Arvind Bali Kumar	None
10	Sh. Gautam Baid	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 uploaded on the website of the Company at the link [www.libertyshoes.com](http://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, 2022 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
		17A	Maximum number of Directorship	Yes
2	Audit Committee	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
		18(3)	Role of the Committee and Review of information by the Committee	Yes
3	Nomination and Remuneration Committee	19(1) & (2)	Composition of Nomination and Remuneration Committee	Yes
		19 (2A)	Quorum of Nomination and Remuneration Committee Meeting	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19 (3A)	Meeting of Nomination and Remuneration Committee	Yes
		19(4)	Role of the Committee	Yes

4	Stakeholders Relationship Committee	20(1), (2), (2A) & (3) (3A)	Composition & Meeting of Stakeholder Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1),(2) & (3) (3A)	Composition & Meeting of Risk Management 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.	N.A.
		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
11	Obligations with respect to Directors and Senior Management	25(10)	D&O Insurance for Independent Director	Yes
		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
12	Other Corporate Governance Requirements	26(5)	Disclosures by Senior Management about potential conflicts of Interest	Yes
		27(1)	Compliance of Discretionary Requirements	Yes
13	Disclosures on Website of the Company	27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
		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. 83 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. 30 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](http://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](http://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, 2022.

### **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](http://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](http://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, 2021.

### **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 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](http://www.libertyshoes.com).

#### **Reminder to Investors**

Periodical reminders for unclaimed shares and unpaid dividends are sent to shareholders as per records of the Company. These details are also uploaded on website of the Company at [www.libertyshoes.com](http://www.libertyshoes.com). In compliance with SEBI circular dated November

3, 2021, introducing common & simplified norms for processing investors' service requests and mandatory KYC/registration of PAN, nomination, contact details, bank details and specimen signatures, the Company, in January 2022 had sent communication through registered post to furnish PAN, KYC and nomination details. Through this exercise, the Company has tried to reach more than 2,000 physical shareholders for updation of records.

### **8. General Shareholder Information:**

#### **i. Annual General Meeting:**

Day, Date & Time	: Friday, 30th September, 2022 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 and January 13, 2021 issued by the MCA. The proceedings of the AGM were deemed to be conducted at the Registered Office of the Company which shall be deemed venue of the AGM.
Books Closure Date	: Saturday, 24th September, 2022 to Friday, 30th September, 2022 (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, 2022	:	9th August, 2022
Financial Results for the Quarter ended 30th September, 2022	:	By 14th November, 2022*
Financial Results for the Quarter ended 31st December, 2022	:	By 14th February, 2023*
Financial Results for the Quarter ended 31st March, 2023	:	By 30th May, 2023*
Annual General Meeting for the year ended 31st March, 2023	:	By August / Sept. 2023*

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

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

#### **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, 2022 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, 2022.

**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 Jee,Jeebhoy Towers, Dalal Street, Mumbai-400 001

BSE: 526596

ISIN of Equity Shares of the Company:

INE557B01019

The Annual Listing fee for the financial year 2022-23 has since been paid to both the Stock Exchange(s).

**iii. Stock Market Data:**

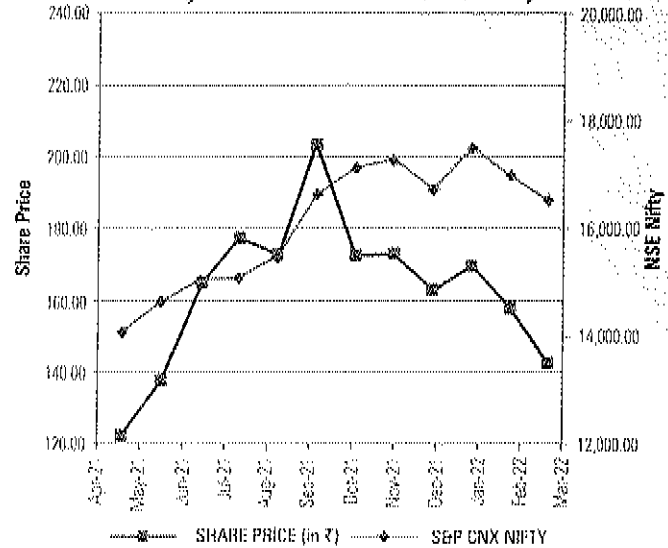
The Comparison of the share price of the Company with the broad based indices are provided herein under:

### Performance in Comparison to S & P Nifty

Index vs. Share Price

S. No.	YEAR (2021-22)	S & P CNX NIFTY	SHARE PRICE (IN ₹)
1	April-21	14883.20	134.00
2	May-21	15469.65	149.45
3	June-21	15839.10	176.35
4	July-21	15899.80	189.50
5	August-21	16290.20	184.80
6	September-21	17436.50	215.90
7	October-21	17941.85	184.60
8	November-21	18087.80	185.00
9	December-21	17534.35	174.95
10	January-22	18321.55	181.80
11	February-22	17794.60	169.80
12	March-22	17334.40	154.55

Liberty Share Price on NSE Vs. NSE Nifty

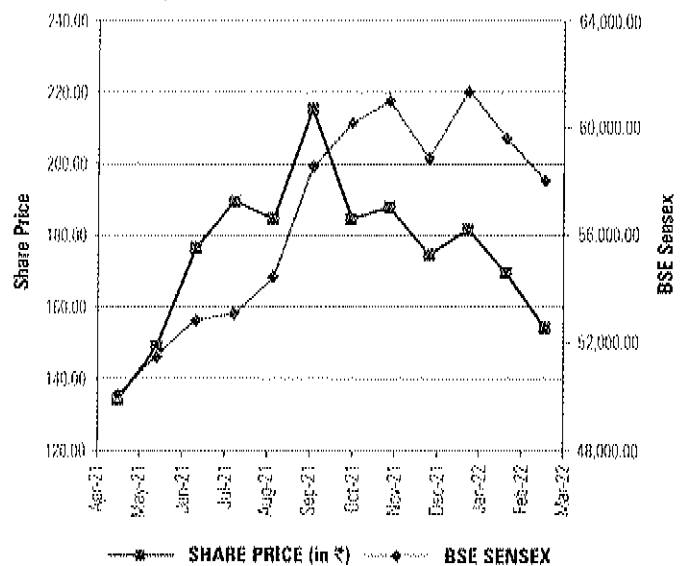


### Performance in Comparison to Sensex

Sensex vs. Share Price

S. No.	YEAR (2021-22)	S & P BSE SENSEX	SHARE PRICE (IN ₹)
1	April-21	50092.48	133.90
2	May-21	51529.32	149.00
3	June-21	52875.92	176.20
4	July-21	53114.70	189.55
5	August-21	54465.91	184.55
6	September-21	58553.07	215.50
7	October-21	60212.30	184.70
8	November-21	61036.56	188.00
9	December-21	58859.91	174.55
10	January-22	61385.48	181.80
11	February-22	59618.51	169.30
12	March-22	58052.87	154.20

Liberty Share Price on BSE Vs. BSE SENSEX



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, 2022 are as under:



**KEY INDICATORS:****Equity Share Pricemovement on NSE & BSE (April 2021-March 2022)**

Year (2021-22)	(Price in ₹)				Volume (In No. of Shares)	
	High		Low		NSE	BSE
	NSE	BSE	NSE	BSE	NSE	BSE
April-21	<b>134.00</b>	133.90	<b>115.90</b>	116.50	<b>742864</b>	<b>87936</b>
May-21	<b>149.45</b>	149.00	<b>124.05</b>	124.05	<b>3574522</b>	<b>268581</b>
June-21	<b>176.35</b>	176.20	<b>142.00</b>	142.00	<b>15325358</b>	<b>1107868</b>
July-21	<b>189.50</b>	189.55	<b>163.50</b>	163.50	<b>14507699</b>	<b>2379952</b>
August-21	<b>184.80</b>	184.55	<b>152.25</b>	152.45	<b>4403165</b>	<b>651725</b>
September-21	<b>215.90</b>	215.50	<b>165.00</b>	164.80	<b>13123903</b>	<b>1133204</b>
October-21	<b>184.60</b>	184.70	<b>159.30</b>	159.30	<b>5626237</b>	<b>468662</b>
November-21	<b>185.00</b>	188.00	<b>141.25</b>	143.50	<b>4170300</b>	<b>373910</b>
December-21	<b>174.95</b>	174.55	<b>145.05</b>	145.20	<b>4284082</b>	<b>327833</b>
January-22	<b>181.80</b>	181.80	<b>151.10</b>	151.20	<b>4870970</b>	<b>334268</b>
February-22	<b>169.80</b>	169.30	<b>124.05</b>	124.75	<b>1711485</b>	<b>172172</b>
March-22	<b>154.55</b>	154.20	<b>130.00</b>	128.00	<b>1234937</b>	<b>102685</b>
<b>Total</b>					<b>73575522</b>	<b>7408796</b>

**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@linktime.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](http://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 JVS & Associates, Practicing Company Secretary 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 JVS & Associates, Practicing Company Secretary 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, 2022:

Shareholding of nominal value of	Number of Shareholders		Number of Shares		Amount (in ₹)
	Number	% of total	Number	% of total	
Up to 500	29106	94.37	2510644	14.73	25106440
501-1000	982	3.18	788591	4.63	7885910
1001-2000	436	1.41	653926	3.84	6539260
2001-3000	111	0.36	284682	1.67	2846820
3001-4000	57	0.18	202925	1.19	2029250
4001-5000	43	0.14	205695	1.21	2056950
5001-10000	53	0.17	381456	2.24	3814560
10001-50000	27	0.09	533780	3.13	5337800
50001-100000	2	0.01	177240	1.04	1772400
Above 100001	25	0.09	11301061	66.32	113010610
<b>Total</b>	<b>30842</b>	<b>100</b>	<b>17040000</b>	<b>100</b>	<b>170400000</b>

**Category wise List of Shareholders as on 31st March, 2022**

Category	No. of Shares held	Voting Strength (%)
<b>Promoters Holding:</b>		
A. Individual Promoters	56,46,383	33.14
B. Bodies Corporate(s)	44,72,517	26.25
<b>Total promoters holding</b>	<b>1,01,18,900</b>	<b>59.38</b>
<b>Public Holding</b>		
A. FIIs, NRI's & Banks etc.	1,48,984	0.87
B. Indian public including Private corporate bodies	67,72,116	39.75
<b>Total Public Holding</b>	<b>69,21,100</b>	<b>40.62</b>
<b>Grand Total</b>	<b>1,70,40,000</b>	<b>100</b>

**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, 2022, 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	1,68,70,911	99.00
2	Physical	1,69,089	1.00
	<b>Total</b>	<b>1,70,40,000</b>	<b>100</b>

The trading in the equity shares of the Company is permitted only in dematerialized form.

- 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.

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 Utrakhand 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](http://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](http://www.libertyshoes.com) and also submitted with the Stock Exchanges for their records in compliance with the SEBI guidelines.

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

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") notified

by the Ministry of Corporate Affairs effective September 7, 2016, as amended, all shares (eligible FY 2013-14 Final) in respect of which dividend has remained unclaimed by the shareholders for seven consecutive years or more were transferred in the demat account of Investor Education and Protection Fund (IEPF) Authority. However the dividend declared by the Company (eligible FY 2014-15 Final) which remains 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 within the stipulated time period.

The Company sends notices to the concerned shareholders whose dividend and shares are liable to be transferred to IEPF Authority/Suspense Account have also been uploaded on Company's website at [www.libertyshoes.com](http://www.libertyshoes.com)

An option to claim from IEPF Authority, all unpaid/unclaimed dividends or other amounts and the unclaimed shares transferred to IEPF, is available to members. Members may make their claim by following the due procedure for refund as prescribed under the said Rules. Details of refund process are also available on the website of the Company at [www.libertyshoes.com](http://www.libertyshoes.com)

Details of dividends remaining unpaid/unclaimed have been duly uploaded on the website of the Company at [www.libertyshoes.com](http://www.libertyshoes.com) and at the website of IEPF Authority at [www.iepf.gov.in](http://www.iepf.gov.in).

#### **Investor Education and Protection Fund claim Guidelines**

With effect from September 7, 2016, Investors/depositors whose unpaid dividends and shares have been transferred to IEPF under Companies Act, 2013, can claim the amounts and shares from the IEPF Authority as per the procedures/guidelines stated below:

- (a) Create a login on the website of MCA (<http://www.mca.gov.in/>).
- (b) Login to the MCA website with your login credentials.

(c) Select Form IEPF-5 under MCA Services.

(d) Fill the online form with required details and submit. Rule 7 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 or FAQs from the website of IEPF Authority may also be referred for further clarification.

(e) Take a printout of the duly filled and submitted Form IEPF- 5 and the copy of the acknowledgement generated.

(f) Following documents to be arranged after submission of online form:

- I. Indemnity Bond (original) with claimant signature to be executed.

**Note:** In case of refund of dividend amount of ₹ 10,000 or more and/or market value of shares, non judicial stamp paper of appropriate value as prescribed under Stamp Act according to state is required.

For claim of only amount of ₹ 10,000 or less, indemnity bond can be executed on a plain paper.

- II. Original share certificate (in case of securities held in physical form) or copy of transaction statement in case of securities held in demat form.
- III. Self-attested copy of PAN and Aadhaar Card.
- IV. Proof of entitlement/original share certificate/dividend warrant (if any).
- V. Original cancelled cheque leaf.
- VI. Copy of Passport, OCI and PIO card in case of foreigners and NRIs.
- VII. Client Master List duly self-attested by the claimant.
- VIII. In case any joint holder is deceased, notarised copy of death certificate is to be attached. In case of NRI, self attested copy of Overseas Indian Card (OIC) issued by MHA or Copy of Passport of PIO card, apostille as per Hague Convention is to be provided.

- (g) Submit all the above and self-attested copy of e-form along with the other documents as mentioned in the Form IEPF-5, if any, to the Nodal Officer (IEPF) of the Company at its registered office in an envelope marked Claim for refund from IEPF Authority.

The Company had received applications from various claimants, both in physical as well as in electronic form during the year.

The claims of only those claimants are considered to whom the entitlement letters are issued either by the Company or its RTA M/s Link Intime India Private Limited.

The Company has appointed Sh. Munish Kakra, CFO & Company Secretary as Nodal Officer of the Company for the purpose of coordinating with IEPF Authority,

ensuring verification of claims.

**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 Executive Director & 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@linktime.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, 2022. 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, 2022 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, 2021 to March 31, 2022:
    - (a) Board of Directors;
    - (b) Audit Committee;

- (c) Nomination and Remuneration Committee;
  - (d) Stakeholders Relationship Committee;
  - (e) Corporate Social Responsibility Committee;  
and
  - (f) Management 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, 2022, referred to paragraph 1 above.

**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

Place: Gurugram, Haryana  
Dated: Monday, 30th, May, 2022

Membership No. 089919  
UDIN:22089919AKKQZY8634



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

### SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors

#### Liberty Shoes Ltd.

We, the undersigned, in the representative capacity of Executive Director 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, 2022 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, 2022, 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, 2022;

- 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, 2022; 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.

**Sunil Bansal**  
Executive Director  
DIN-00142121

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

Place: Gurugram, Haryana  
Dated: Monday, 30th May, 2022

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS OF LIBERTY SHOES LIMITED

**LIBERTY**

(Pursuant to Regulation 34(3) read with Schedule V Para C clause (1) (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, PO. 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 PO 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, 2022 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	Mr. Adesh Kumar Gupta	00143192	16/07/2001
2	Mr. Sunil Bansal	00142121	28/09/1990
3	Mr. Shammi Bansal	00138792	01/04/2010
4	Mr. Adish Kumar Gupta	00137612	12/08/2011
5	Mr. Sanjay Bhatia	0080533	29/09/2021
6	Mr. Aditya Khemka	00514552	27/09/2019
7	Dr. Sujata	09289128	29/09/2021
8	Mr. Arvind Bali Kumar	02520675	12/11/2019
9	Mr. 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: F008843D000364583

Place: New Delhi

Date: 23rd May, 2022

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The discussion under this head covers the financial results for the year ended 31st March 2022 and other related developments concerning the business of the company.

### The Footwear Industry-Structure and Development

The global footwear market, despite unfavorable economic conditions due to worst ever pandemic crisis, reached a value of US\$ 224.6 Billion in 2021-2022. Going forward, it is projected that the market to reach US\$ 288.2 Billion by 2027, showing a CAGR of 4% during 2022-2027. The increase in demand for superior footwear along with product innovation and premiumization represent some of the key factors driving the market. Manufacturers across are increasingly focusing on the development of exclusive & fashionable designs, while maintaining their importance to consumers comfort. Rising interest in sports and inclination towards athletic and physical activities such as jogging/ Gymnasium has also supported the market growth.

The outbreak of the COVID-19 pandemic has led to the changing consumer inclination from conventional brick-and-mortar distribution channels towards online retail platforms for the purchase of footwear. Although online marketing has dominated physical shopping experience in most consumer goods segments, consumers still prefer to be physically present while buying footwear. In addition, aggressive promotional activities and enhanced spending capacities of consumers have also played an important role in maintaining the momentum of the market growth.

The rising demand for fashionable and comfortable footwear across age groups is a key factor driving the global footwear industry. The rise in the growth of sports-focused footwear, such as football, athletics, cricket, basketball, and golf, coupled with exponential investment by governments and global organizations to promote sports leagues and participation, has been a key driver for the market. India next to China is the major exporter of leather footwear across developed countries.

Athleisure has become most emerging segment in recent trends, as parents are dressing their kids in athletic apparel and footwear. The overall footwear market has seen a steep rise in the demand for athletic footwear emerging from lifestyle users, owing to the growing health consciousness. The another helping factor for the footwear

industry is the emergence of organized sector which has been highly preferred from the customers owing to larger production capacities and strict control on quality. The decreasing share of unorganized and small players and increasing dominance of larger players is expected to favour organised players like Liberty.

### Opportunities and Threats

Footwear habits are changing and this has become status symbol in the minds of consumers which is a very positive development for the entire footwear industry. The India Footwear Market size was valued at US\$ 13.49 Bn. in 2021-2022 and the total revenue is expected to grow at a CAGR of 12.83% through 2023 to 2027, reaching nearly US\$ 27.84 Bn. The increasing number of internet users and the emergence of numerous social media platforms have significantly changed Indian customers' shopping habits. Rapid urbanization, increase in brand awareness, change in life styles, transformation in consumers consumption habits and rising discretionary spent have all benefited in the growth of the footwear industry. In India, almost 66% of footwear sales occur in urban regions, with the remaining 34% occurring in rural areas, giving the footwear industry plenty of room to grow. India's domestic footwear consumption is estimated to be about 90% while balance is towards exports which has also increased in the recent past. Domestic demand is expected to increase rapidly as a result of changing lifestyles and rising disposable income. Indian manufacturers have also a huge opportunity in the post COVID 19 scenario where Global players are scouting for alternate source to their existing one for meeting their rising demand. Liberty is confident that with the massive Govt. Initiatives and with the availability of manufacturing competence, Indian footwear industry is all poised to increase its share in the global footwear markets.

Indian footwear players have benefited from the availability of low-cost raw materials in large quantities, low trained labour costs, resulting in lower production costs, which have lowered overall prices in the sector. Increased adoption of digital technology and fashion awareness has provided Indian consumers with rapid access to global trends. Furthermore, the Government has recently implemented the Indian Footwear, Leather and Accessories Development Programme (IFIADP) for the FY 2021 to 2026

wherein financial support is to be extended for capacity augmentation and technological upgradation, footwear cluster development, establishment of Institutional facilities, development of design studios, promotion of Indian footwear brands in the global markets.

Liberty acknowledges the facts that Indian footwear Industry has been facing significant impediments like economic growth, inflation pressures, regulatory and taxation changes, unemployment trends, entry of multinationals in domestic markets, lack of accurate and authentic statistics, non-availability of fully equipped Footwear Research Institute, lack of branding in Indian footwear, fragmented industry structure, stiff competition from other countries, Improving quality to adapt the stricter international standards, fast changing fashion trends etc., and it is affecting the growth trajectory of the Indian footwear market, which otherwise possess fairly growth potential for various reasons, including liberal policies, advancement in technologies, innovation, availability of manpower, growth of e-commerce, increasing urbanization, strong legal framework etc.

Liberty is always keen for experimentation with new ideas and innovations and feel indebted to fulfill the expectation that its consumers have from it. Continuing its pursuit of introducing new brands for keeping innovation in its product basket, Liberty has been able to establish notable presence of its newly introduced brands like Aha, Healers, Leap7X in the respective categories and also got encouraging response from its customers. Liberty is very optimistic that the footwear Sector has very good potential for growth and development both on the domestic front and in exports in the years to come.

After several disruptions due to pandemic, Liberty has began with the hope of strong recovery and the performance of Liberty may be appreciated during the financial year 2021-22 which reflects how the Company exploited the opportunities as the crisis unfolded and the same is reflected in the financial figures and also given in Directors Report at page no. 21. The Company is moving ahead with introduction of new technologies, innovative products along with marketing and promotional initiatives which will increase the sales in the upcoming Quarters/period.

Liberty strives its best to stand by its values which is the strength of its brand.

### **Economy and market outlook**

Year 2022, witnessed India's swift and significant policy response to the COVID-19 pandemic, including fiscal support, economic reforms, privatization initiatives and several other growth-supporting reforms including incentives for boosting domestic manufacturing capabilities. The impact of second and third wave of the pandemic were dealt with mass vaccination drive which further led to revival of key sectors and overall consumer confidence and resulting demand. The implementation of supply side reforms, focus on ease of doing business, strong export growth and Government's constant actions towards building a self-reliable and sustainable India are the main factors hugely supplemented to the strong economic recovery during the year consideration. India, as per IMF projections, is expected to achieve a growth of 8.2%, making it the fastest-growing major economy in the world and it is being projected that not the decade only but the whole century of 21st will belong to Indian Economy in terms of growth and sustainability. The strong economic fundamentals would also likely help India to confront the long-term impacts of the ongoing Russia-Ukraine conflict and tackling of other Geo political risks.

Liberty with strong manufacturing competence and well established brand is positively placed to leverage the growth optimism persisting in the Indian economy.

### **Risk, Concerns and Contingent Liabilities**

The Company has an adequate system of risk management and has built internal control systems that commensurate with its scale of operations spreading out at its manufacturing plants and its retail stores. These systems ensure strict compliance with applicable laws and regulations while safeguarding company's assets, preventing and detecting frauds and errors, maintaining accurate and complete accounting records and compiling reliable financial information.

Liberty, structured, risk management approach regularly monitors and evaluates potential risks to work out way of mitigating them. The Company already has a strong control system that plays a important role in strengthening its

financial and risk management policies and its well laid down structure.

The board is responsible for reviewing the risk policies of the Company whereas the audit committee of the Board is responsible for evaluating the risk management systems in the company.

The envisaged risk and concerns before your Company are strategic and operational risks, rising occupancy cost, foreign exchange risks, financial, human resource and the social risks. Liberty monitors its major risks and concerns at regular intervals. Apposite steps are taken in consultation with all concerned including the Management Committee and the Audit Committee of the Board to identify and mitigate such risks.

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, Insolvency and Bankruptcy code, Direct and indirect tax related cases, Industrial dispute matters and infringement of intellectual properties like Trade Mark and Designs etc. filed by and against the Company. These cases are being followed 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 ₹929.04 Lakh as on 31st March, 2022 as compared to the previous year ₹2,339.30 Lakh as on 31st March, 2021.

#### **Internal Control System and its Adequacy**

Liberty has a proper and adequate internal control system, commensurate with the size and nature of its business. It is an integral component of the Company's corporate governance and its policies for running the organization with full accountability and complete transparency. The Company has in place a strong Internal Audit Department responsible for assessing and improving the effectiveness of internal control and governance. Internal Audit comprehensively focuses on operational as well as audit of prevailing systems.

The Internal Audit function, to maintain its objectivity and independence, reports to the

Chairman of the Audit Committee. The Audit Committee of the Board is updated periodically on major internal audit observations, compliances with accounting standards, risk management and control systems. The Audit Committee assesses the adequacy and effectiveness of inputs given by the internal audit and suggests improvement for strengthening the control systems. Further, the Company has an extensive expenditure and outlay control system, which is regularly examined by the Management to implement remedial measures.

Liberty has also its well-defined Management Information System (control sheets) with clear organizational structures and authorization levels for business transactions. The Company's internal financial controls are adequate and operate effectively which ensures orderly and efficient conduct of its business, including adherence to its corporate policies, safeguard its assets, preventing and detecting frauds & errors, maintaining accuracy and completeness of its accounting records and further enabling it in the appropriately preparation of consistent financial information.

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

#### **Discussion on Financial Performance**

The Company's current year operations and financial performance remained impacted during first four months of financial year 2022 due to existence of 2nd wave of COVID-19 pandemic. However, the Company's performance in the remaining period improved to the satisfactory level and ended with positive bottom line after evaporating the impact of first half of the year. The Earning per share (EPS-

Basic & Diluted) of your Company for the financial year ended 31st March 2022 remained at ₹1.32 as compared to the EPS for the previous financial year ended 31st March 2021 at ₹0.15.

The EBDITA margin during the year under review was recorded at 5.91% marginally less than recorded during previous financial ended 31st March 2021.

Due to better acceptability at consumer level resulting infaster realization of Sales, improved collection from trade receivables, improved inventory turnover and better vendor payment management led to overall improvement in working capital cycle which yielded in to reduction of total working capital borrowings of the Company & remained at ₹5,092.41 Lakh during the financial year ended 31st March 2022 as compared to ₹8,215.96 Lakh during the previous financial year ended 31st March 2021. The Long Term Loan availed as Guaranteed Emergency Credit Line 2.0 as per the Scheme of Government of India along with some vehicle loans remained at ₹1,424.03 Lakh (Including Current Maturities) during the financial year ended 31st March 2022 as compared to ₹1506.61 Lakh during the financial year ended 31st March 2021.

Your Company has not availed any particular/specific term loan for funding of its capital expenditure and the entire routine capital expenditure on account of furniture, fixtures and moulds has been funded through internal accruals. The capital expenditure incurred for purchase of furniture & fixtures, new moulds and supporting machinery at plants as well as towards other normal capital expenditure in furtherance to the business operations of the Company was ₹1,074.11Lakh (Other than Leasehold rights) during the year under review as compared to ₹697.16 Lakh in the previous year. 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 ₹879.48 Lakhs on account of addition and adjusted ₹512.91 Lakhs on account of termination of earlier recognized contracts and the same have been made part of the Intangible Assets.

Your Company, during the year under review, liquidated Assets of its Wholly Owned Subsidiary at Middle East FZE, Dubai for ₹473.82 Lakhs and after adjustment of its

carrying cost under Non-Current Investments, Share Application Money under Other Financial Assets, the Company has earned profit of ₹55.19 Lakhs as recorded under the exceptional items (net). Therefore, the non current investments and other Financial Assets were reduced to ₹0.45 Lakh and ₹713.09 Lakh during the financial year ended 31st March 2022 as compared to ₹122.38 Lakh and ₹1015.48 Lakh respectively during the previous financial year ended 31st March 2021.

At the beginning of the financial year under consideration Your Company has reemphasized its existing concept towards optimal utilization of its available resources thru focusing on cost optimization, consolidation of various activities for expense control, leveraging its manufacturing capacities which has resulted to overall improvement in efficiency as a result despite the lesser sales as against the normal pre-covid period, Your Company could post profits. Besides this, your Company's management has put its unsurpassed efforts in utilization of its working capital resources leading to substantial reduction of working capital levels of the Company by the year ended 31st March 2022 as compared to corresponding previous year ended 31st March 2021.

Contemplating huge potential and also to meet upcoming aspirations of consumers, Your Company continues to focus on expansion of digital footprint through its own website and other market places like Amazon & Flipkart. The market places of Amazon have shown tremendous response and with this success trends Your Company also explored the marketability in USA, UK, Australia and UAE for its niche footwear product and its newly launched segment of perfume. Your Company is focusing on investment and nurturing its resources in e-commerce segments to further penetrate its presence in the booming e-commerce channel. The other segments like institutional, retail, franchisee and distribution segment of the Company has shown promising response from the consumer expressing their confidence and loyalty towards the brand.

The other highlights of the financial performance of the Company during the year ended 31st March, 2022 have been stated in the Directors' Report for the year ended 31st March, 2022, which appears separately in the Annual Report.

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

Liberty has developed and acquired trained manpower to run its operations across its plants and its retail stores. The Company periodically reviews its management team to ensure continuity and retention of the talented upcoming leaders. The HR policies has been designed to attract and retain the best talents and maintain attrition at lowest possible level.

Liberty success and upholding over the years has been driven by its people showing their commitments in standing for the company's objectives. Liberty besides transforming its operations also intend to create an employee value proposition to hire, develop, retain and reward the abilities needed and put together a truly professional organization. The Company has continued to maintain harmonious industrial relations by insisting on increased worker-level engagement through formal and informal communication

and also through continual training forums.

Your Directors further state that during the year under review, no cases were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Industrial relations with staff and workers during the year under review continued to be cordial.

As on 31st March, 2022, the total employees' strength of the Company stood at 1,805 as compared to previous year's 1,849.

### **Details of significant 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:

<b>Sr. No.</b>	<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
1	Debtors to Sales (in Days)	77	87
2	Inventory to Turnover	140	163
3	Interest Coverage Ratio	1.36	1.18
4	Current Ratio	1.89	1.58
5	Debt Equity Ratio	0.34	0.52
6	Operating Profit Margin (%)	5.91%	6.65%
7	Net Profit Margin [excluding exceptional items](%) <sup>1</sup>	0.60%	0.17%
8	Return on Net Worth [excluding exceptional items] (%) <sup>2</sup>	1.55%	0.41%

<sup>1</sup>The significant changes in Net profit margin is due to improved profits during the year due to normalcy in operations post lock down as compared to previous year.

<sup>2</sup>The Return on net worth has increased on account of higher profits as explained above.

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

**LIBERTY**

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, 2022, 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, 2022, 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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)	<b>Trade Receivables-Outstanding for more than 180 days</b>	<p><b>Principal Audit Procedures followed:</b></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"> <li>• Obtained the detail of parties having outstanding for more than 180 days;</li> <li>• Evaluated the facts, terms &amp; conditions, relevant correspondence, status of legal proceedings wherever initiated and management's rationale for the recoverability of the outstanding dues;</li> <li>• Meeting with the management.</li> </ul>
(ii)	<p><b>Recoverability of Input Tax Credit receivable-under the account head 'Other Current Assets-Note No. 11</b></p> <p>As at March 31, 2022, Other Current Assets (Note No. 11) consist of Balance with Statutory Authorities amounting ₹932.31 Lakhs including unutilized amount of Input Tax Credit of GST of ₹675.92 Lakhs.</p>	<p><b>Principal Audit Procedures followed:</b></p> <p>We reviewed the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.</p>



(iii)	<p><b>Contingent Liabilities-relating to VAT, Service Tax, EPCG, Labour and TDS (Note 38 [(III) to (VII)])</b></p> <p>There are certain pending matters relating to VAT for the year financial year 2005-06, 2006-07, 2007-08 &amp; 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"> <li>• Obtained the status of the cases from the related department and their view on the matter;</li> <li>• 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;</li> <li>• Meeting with management and reading/reviewing the correspondences Memos and Notes on related matters.</li> <li>• Reliance has been placed on the legal views and decisions on similar matters and probability of the liability arising there from pending final judgement/decisions;</li> <li>• 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".</li> </ul>
-------	--	---

#### 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 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 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)(l) 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the 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 financial statements of the financial year ended March 31, 2022 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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the

representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.

v. The Company has not declared or paid Dividend during the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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

Place: Gurugram, Haryana

Membership No. 089919

Dated: Monday, May 30, 2022 UDIN: 22089919AKKQZY8634

## **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, 2022 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, 2022, 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

Place: Gurugram, Haryana

Membership No. 089919

Dated: Monday, May 30, 2022 UDIN: 22089919AKKQZY8634

## 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 Property, Plant & Equipment.
- b) All the Property, Plant & Equipment have not been physically verified by the management during the year but there exists a regular programme of verification of Property, Plant & Equipment 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.
- d) According to the information and explanation given by the management, the Company has not revalued any of its Property, Plant & Equipment and/or intangible assets during the year.
- e) According to the information and explanation given by the management, the Company does not hold any benami property in accordance to the provisions of the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and no proceeding has been initiated against the Company under the said Act.
- 2) a) The management has conducted the physical verification of inventory at reasonable intervals during the year which, in our opinion, is reasonable having regard to the size of the Company and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification.
- b) During the year the Company has been sanctioned/renewed the working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets and according to the information and explanation given by the management, the quarterly returns/statements filed by the Company with such bankers are in agreement with the books of accounts of the Company.
- 3) According to information and explanations given to us, the Company has not made any investment in nor have provided any guarantee or security or have granted any loans or advances in the nature of loans, secured or unsecured, to the Companies, firms, Limited Liability partnerships or any other parties. Accordingly, the provisions of clause 3 (iii) (a) to (f) 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 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 for the products of the Company.
- 7) According to the information, explanations given to us and on the basis of our examination of records of the Company in respect of statutory dues:
  - a) The Company is regular in depositing the undisputed statutory dues including Goods & Service Tax, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other statutory dues applicable to it with appropriate authorities.
  - b) According to the records of the Company, the statutory dues referred to sub-clause (a) which have not been deposited on account of any dispute, are as follows:
 

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

**Uma Shanker Gupta**  
Partner

Place: Gurugram, Haryana      Membership No. 089919  
Dated: Monday, May 30, 2022      UDIN: 22089919AKKQZY8634

<b>Nature of Statute</b>	<b>Nature of dues</b>	<b>Amount (in ₹ Lakhs)</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
Service Tax Act, 1994	Service Tax on GTA Services	2.33	January 2005 to March 2007	Customs, Excise and Service Tax Appellate Tribunal, Chandigarh
Service Tax Act, 1994	Service Tax on GTA Services	2.95	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	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	22.31	Financial Year 2007-08	Deputy Commissioner (Appeals)
Uttarakhand Value Added	Value Added Tax on account of classification of goods at different rate of tax	45.35	Financial Year 2016-17	Joint Commissioner (Appeal), Goods Goods & Tax
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. Company's appeal filed against the alleged non-deduction of tax, which was the basic premise for the related disallowances, has been decided by the appellate authority in favour of the Company.  Further the Company's appeal specifically filed against the referred disallowance during the course of assessment proceedings is pending before the appellate authority.	172.88	Financial Year 2016-17 (Assessment year 2017-18)	Commissioner (Appeals)



- 8) According to the information and explanations given to us, during the year the Company has not surrendered or disclosed any transactions not recorded in the books of accounts as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- 9) a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in payment of interest thereon to any lender.
- b) According to the information and explanations given to us, the Company has not been declared as willful defaulter by the bank or financial institution or other lender.
- c) In our opinion and according to the information and explanations given to us, the term loans taken by the Company during the year have been applied for the purpose for which the loan was obtained.
- d) In our opinion and according to the information and explanations given to us, the funds raised on short term basis have not been utilized by the Company for long term purposes.
- e) In our opinion and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) In our opinion and according to the information and explanations given to us, the Company has not raised loans during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies.
- 10) a) 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 or further public offer (including debt instruments) were applied for the purposes for which it was raised.
- b) According to the information and explanations given by the management, the Company during the year has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible).
- 11) a) 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.
- b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us by the management, we report that the Company has not received any whistle blower complaint during the year.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) (a) to (c) 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 wherever applicable and the details have been disclosed in the notes to the Financial Statements as required by the applicable accounting standards.
- 14) a) According to information and explanations given to us the Company has an internal audit system commensurate with the size and nature of its business and
- b) The reports of the internal auditors for the period under audit have duly been considered.

- 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 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 (2 of 1934) and accordingly, the provisions of clause 3 (xvi) (a) to (d) of the Order are not applicable to the Company.
- 17) In our opinion and according to the information and explanations given by the management, the Company has not incurred any cash losses during the year and in the immediately preceding financial year.
- 18) During the year there has been no resignation of the statutory auditors of the Company.
- 19) In our opinion on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of Board of Directors and management plans, there exists no material uncertainty on the date of the audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within the period of one year from the balance sheet date. However, we state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20) In our opinion and according to the information and explanations given by the management, there are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing and other than

ongoing projects requiring transfer of funds to a fund specified in Schedule VII to the Companies Act, 2013 in compliance to the second proviso to sub-section (5) of section 135 and sub-section (6) of section 135 of the said Act. Accordingly, the provisions of clause (xx) (a) & (b) of the Order have not been comment upon.

- 21) According to the information and explanations given by the management, the Company does not have any subsidiaries, joint venture or associate companies, so the provisions of clause (xxi) of the Order are not applicable to the Company.

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

**Uma Shanker Gupta**

Partner

Place: Gurugram, Haryana

Membership No. 089919

Dated: Monday, May 30, 2022

UDIN: 22089919AKKQZY8634

**BALANCE SHEET**as at 31<sup>st</sup> March, 2022

(Amount in ₹Lakh)

PARTICULARS	NOTE NO.		31.03.2022		31.03.2021
<b>Assets</b>					
<b>Non-current Assets</b>					
Tangible Assets					
Property, Plant & Equipments	2(a)	7,591.53		7,934.11	
Capital Work in Progress	2(c)	1.98		11.52	
Intangible Assets	2(b)	6,041.92		7,414.66	
Financial Assets					
Non-current Investments	3	0.45		122.38	
Other Financial Assets	4	713.09		1,015.48	
Other Non-current Assets	5	31.51		29.18	
<b>Total Non-current Assets</b>			<b>14,380.48</b>		<b>16,527.33</b>
<b>Current Assets</b>					
Inventories	6	16,795.48		20,351.43	
Financial Assets					
Trade Receivables	7	9,608.48		10,858.44	
Cash and Cash Equivalents	8	140.06		214.20	
Bank Balances other than Cash and Cash Equivalents	9	202.43		512.03	
Loans & Advances	10	146.15		195.33	
Cash Equivalents	11	1,909.98		3,120.29	
<b>Total Current Assets</b>			<b>28,802.58</b>		<b>35,212.72</b>
<b>Total Assets</b>			<b>43,183.06</b>		<b>51,740.05</b>
<b>Equity &amp; Liabilities</b>					
<b>Equity</b>					
Equity Share Capital	12	1,704.00		1,704.00	
Other Equity					
Reserves and Surplus	13	17,196.33		16,953.61	
<b>Total Equity</b>			<b>18,900.33</b>		<b>18,637.61</b>
<b>Liabilities</b>					
<b>Non-current Liabilities</b>					
Financial Liabilities					
Borrowings	14	981.76		1,379.04	
Lease Liabilities (refer to Note 35)	15	5,990.20		7,360.99	
Provisions	16	106.27		102.37	
Deferred Tax Liability (Net)	17	-		-	
Other Long Term Liabilities	18	1,944.89		1,918.02	
<b>Total Non-current Liabilities</b>			<b>9,023.11</b>		<b>10,760.42</b>
<b>Current Liabilities</b>					
Financial Liabilities					
Borrowings	19	5,534.69		8,343.53	
Lease Liabilities		-		-	
Trade Payables		-		-	
a) Total outstanding due of Micro and Small Enterprises	20	1,153.58		1,876.07	
b) Total outstanding due other than Micro and Small Enterprises		6,784.93		10,699.66	
Other Financial Liabilities		-		-	
Other Current Liabilities	21	1,650.49		1,324.72	
Provisions	22	135.93		148.05	
Current Tax Liabilities (Net)	23	-		-	
<b>Total Current Liabilities</b>			<b>15,259.62</b>		<b>22,342.03</b>
<b>Total</b>			<b>43,183.06</b>		<b>51,740.05</b>
Significant Accounting Policies	1				
Notes on Financials Statements	2 to 62				
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**Sunil Bansal**  
Executive Director  
DIN-00142121**Shammi Bansal**  
Executive Director  
DIN - 00138792**Arvind Bali Kumar**  
Independent Director  
DIN-02520675**Munish Kakra**  
CFO & Company Secretary  
M. No. ACS 6262Place: Gurugram, Haryana  
Date: Monday, 30<sup>th</sup> May, 2022

# STATEMENT OF PROFIT & LOSS

**LIBERTY**

for the year ended 31<sup>st</sup> March, 2022

(Amount in ₹Lakh)

PARTICULARS	NOTE NO.	31.03.2022	31.03.2021
<b>Continuing Operations</b>			
<b>Revenue from Operations</b>			
Sales		48,503.61	45,596.76
Other Operating Revenues	24	278.07	209.67
		48,781.68	45,806.43
<b>Other Income</b>	25	26.28	43.12
<b>Total Income</b>		<b>48,807.96</b>	<b>45,849.55</b>
<b>Expenses</b>			
Cost of Materials Consumed	26(a)	15,519.40	16,325.91
Purchase of Stock-in-trade	26(b)	4,551.35	5,287.28
Change in Inventories of Finished Goods, Goods in Process and Stock-in-trade	27	3,749.54	(223.10)
Employee Benefit Expenses	28	8,725.66	7,294.91
Finance Cost	29	1,221.53	1,441.00
Depreciation & Amortisations	2	2,904.62	3,441.77
Other Expenses	30	12,211.01	11,992.29
<b>Total Expenses</b>		<b>48,383.11</b>	<b>45,560.05</b>
<b>Profit before exceptional items and tax</b>		<b>426.85</b>	<b>289.50</b>
Exceptional items	31	28.90	53.31
<b>Profit before Tax from Continuing Operations</b>		<b>397.95</b>	<b>236.19</b>
Extraordinary items		-	-
<b>Profit before Tax from Continuing Operations</b>		<b>397.95</b>	<b>236.19</b>
<b>Income Tax Expense</b>			
Current tax		173.66	211.07
MAT Credit Set-off/(Utilisation)		-	-
Income tax for earlier years		-	-
Deferred tax		173.66	211.07
<b>Profit from Continuing Operations</b>		<b>224.29</b>	<b>25.12</b>
<b>Discontinued Operations</b>			
Profit from discontinued operations before tax		-	-
Tax expense of discontinued operations		-	-
<b>Profit from discontinued operations</b>		-	-
<b>Profit for the year</b>		<b>224.29</b>	<b>25.12</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss in subsequent period		-	-
Actuarial Gain/(Loss) on Defined Benefit Plan	53	51.36	(1.89)
Income Tax effect on above		(12.93)	0.48
<b>Other Comprehensive Income for the year</b>		<b>38.43</b>	<b>(1.41)</b>
<b>Total Comprehensive Income for the year, net of Income Tax</b>		<b>262.72</b>	<b>23.71</b>
Earnings per Equity Share, of ₹10 each, for profit from continuing operations			
Basic earning per share		1.32	0.15
Diluted earning per share		1.32	0.15
Earnings per Equity Share, of ₹10 each, for profit from discontinued operations			
Basic earning per share		1.32	0.15
Diluted earning per share		1.32	0.15
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 62		
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

**Sunil Bansal**  
Executive Director  
DIN-00142121

**Shammi Bansal**  
Executive Director  
DIN - 00138792

**Arvind Bali Kumar**  
Independent Director  
DIN-02520675

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

Place: Gurugram, Haryana  
Dated: Monday, 30<sup>th</sup> May, 2022

## STATEMENT OF CHANGES IN EQUITY

### A) Equity Share Capital

#### 1) Current Reporting Period

(Amount in ₹Lakh)

Balance at the beginning of the Current reporting period	Changes in Equity Share Capital due to prior period errors	Recasted balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
1,704.00	-	1,704.00	-	1,704.00

#### 2) Previous Reporting Period

(Amount in ₹Lakh)

Balance at the beginning of the Current reporting period	Changes in Equity Share Capital due to prior period errors	Recasted balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
1,704.00	-	1,704.00	-	1,704.00

### B) Other Equity

#### 1) Current Reporting Period

(Amount in ₹Lakh)

Particulars	Reserves & Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
<b>Balance at the beginning of the Current reporting period</b>	4.00	1,127.21	12,270.09	3,532.31	16,933.61
Changes in accounting policies/prior period errors	-	-	-	-	-
Recasted balance at the beginning of the current reporting period	4.00	1,127.21	12,270.09	3,532.31	16,933.61
Profit for the year	-	-	-	224.29	224.29
Other Comprehensive Income (net of taxes)	-	-	-	38.43	38.43
<b>Balance at the end of current reporting period</b>	4.00	1,127.21	12,270.09	3,795.03	17,196.33

#### 2) Previous Reporting Period

(Amount in ₹Lakh)

Particulars	Reserves & Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
<b>Balance at the beginning of the Current reporting period</b>	4.00	1,127.21	12,270.09	3,508.60	16,909.90
Changes in accounting policies/prior period errors	-	-	-	-	-
Recasted balance at the beginning of the current reporting period	4.00	1,127.21	12,270.09	3,508.60	16,909.90
Profit for the year	-	-	-	25.12	25.12
Other Comprehensive Income (net of taxes)	-	-	-	(1.41)	(1.41)
<b>Balance at the end of current reporting period</b>	4.00	1,127.21	12,270.09	3,532.31	16,933.61

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

**Sunil Bansal**  
Executive Director  
DIN-00142121

**Shammi Bansal**  
Executive Director  
DIN - 00138792

**Arvind Bali Kumar**  
Independent Director  
DIN-02520675

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

Place: Gurugram, Haryana  
Dated: Monday, 30<sup>th</sup> May, 2022

# STATEMENT OF CASH FLOWS

**LIBERTY**

For the period ended 31st March, 2022

(Amount in ₹Lakh)

PARTICULARS	31.03.2022	31.03.2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Income Tax from		
Continuing Operations	397.95	236.19
Discontinued Operations	-	-
<b>Profit before Income Tax including discontinued operations</b>	<b>397.95</b>	<b>236.19</b>
Adjustments for:		
Depreciation and amortisation expense	2,904.62	3,441.77
Loss/(Gain) on sale of Non-current Assets	28.90	53.31
Bank & Other Interest classified as investing cash flows	(28.28)	(43.13)
Finance Cost	1,221.53	1,441.00
Unrealised Foreign Exchange Difference	(50.24)	(68.10)
Actuarial Gain/(Loss) on Defined Benefit Plan (net of tax effect)	38.43	(1,41)
Changes in operating assets and liabilities		
(Increase)/Decrease in Trade Receivables	1,135.63	9,208.66
(Increase)/Decrease in Inventories	3,555.95	(445.16)
Increase/(Decrease) in Trade & Other Payables	(7,173.44)	(11,725.56)
(Increase)/Decrease in other non-current assets	421.90	(15.25)
(Increase)/Decrease in Loans & Advances	9.18	-
(Increase)/Decrease in other current assets	1,447.57	1,210.69
Increase/(Decrease) in Provision for doubtful debts	115.32	200.89
Increase/(Decrease) in other current liabilities	-	-
<b>Cash generated from operations</b>	<b>4,025.11</b>	<b>3,493.90</b>
Direct Taxes Paid	237.25	222.06
<b>Net Cash Flow from Operating Activities</b>	<b>3,787.86</b>	<b>3,271.84</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Purchase of Non-current Assets	(1,953.59)	(1,800.61)
Proceeds from Sale of Non-current Assets	744.94	850.64
(Increase)/Decrease in Fixed Deposits with Banks for Margin Money against LCs/BGs	309.60	(67.70)
(Increase)/Decrease in Investments	-	-
Bank and Other Interest	28.28	43.13
<b>Net Cash outflow from Investing Activities</b>	<b>(870.77)</b>	<b>(974.54)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of Lease Liabilities	(1,737.35)	(2,137.75)
Proceeds from long term borrowings	73.75	1,302.87
Repayment of long term borrowings	(156.33)	(132.50)
Interest paid	(1,221.53)	(1,441.00)
<b>Net Cash inflow/outflow from Financing Activities</b>	<b>(3,041.46)</b>	<b>(2,408.38)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(124.37)</b>	<b>(111.07)</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>214.20</b>	<b>257.17</b>
<b>Unrealised Foreign Exchange Difference</b>	<b>50.24</b>	<b>68.10</b>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>140.06</b>	<b>214.20</b>
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash in hand including imprest	96.75	90.18
Balance with Scheduled Banks		
Current Accounts	43.31	63.33
Cheques on hand	-	60.69
<b>Total</b>	<b>140.06</b>	<b>214.20</b>

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

**Sunil Bansal**  
Executive Director  
DIN-00142121

**Shammi Bansal**  
Executive Director  
DIN - 00138792

**Arvind Bali Kumar**  
Independent Director  
DIN-02520675

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

Place: Gurugram, Haryana  
Dated: Monday, 30<sup>th</sup> May, 2022

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

**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, e-commerce 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.

**b) 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 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 Taxes, wherever applicable. Scrap, if any, at the year end does not form part of the closing inventory.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**e) Evaluation of Trade Receivables, Loans & Advances and Provisioning**

Recoverability status of all the debtors and Loans & Advances are duly evaluated/reviewed and necessary provision/writing off is considered by the Company on annual basis. However, from the financial year 2020-21 onwards the Company has been consistently reviewing/evaluating the same on case to case basis in timely manner and going for the required writing off/provisioning as per the following depending upon the age of related debtors/advances:

Outstanding for	Policy
> 3 years	@ 100% irrespective of the status of legal proceeding initiated
> 2 year < 3 years	@ 30%
> 1 year < 2 years	@ 10%

**f) Property, Plant & Equipment, Intangible Assets and Capital Work in Progress**

Property, Plant & Equipment and Intangible 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 property, plant & equipment under installation and other incidental expenses. Items of property, plant & equipment 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 Property, Plant & Equipment which are carried at cost are recognized in the Statement of Profit and Loss.

**g) 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

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

**h) 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.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

**i) 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.

**j) 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.

**k) 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.

**l) 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.

**m) 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.

**n) 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.

**o) Assessment of risks**

The Company follows the process of assessing the financial risks relating to its business

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

activities. Its principal financial liabilities comprising borrowings, trade and other payables etc. are part of its working capital for the purpose of its business operations and for the purpose of funding its principal financial assets including cash and cash equivalents, trade receivables and security deposits directly derived from its operations. The Company is exposed to credit risk, liquidity risk and market risk summarised as under:

**Credit Risk:**

Credit risk may arise on not meeting of its financial obligations by other party, primarily relating to trade receivables and may lead to financial loss to the Company. Company during the course of its business operations to reduce the risk with trade receivables, follows the mechanism of setting credit limits to respective parties and reviews their outstanding on time to time basis to assess the likely impairment.

**Liquidity Risk:**

Liquidity risk may result in not meeting Company's financial obligations and to mitigate the same and meet its financial obligations in timely manner the Company reviews its Trade Payables and other long term and short term financial liabilities on time to time basis and manages the resources availability of cash and cash equivalents and credit lines and borrowing facilities from banks.

**Market Risk**

Market risk may be the risk of fair value of Company's assets and liabilities on account of change in foreign exchange rates and applicable rate of interest on borrowings having variable interest terms. Exposure of the Company to foreign exchange risk majorly relates to its operating activities to the extent denominated in foreign currency and the Company goes for forward exchange contracts to mitigate the risk. Similarly to get de-risked to maximum extent from changes in variable rate of interest, depending upon its funds utilization plan on time to time basis the Company further gets the part of related facilities converted into fixed rate for specific period.

**Price Risk:**

Key raw materials used in the manufacturing of footwear are EVA, PU material etc. are subject to price volatility depending upon the fluctuation in the price of crude oil and its derivatives. To mitigate the price risk the Company takes several including continuous monitoring the price trend of key materials, value engineering of goods and passing of the cost on the product wherever required in timely manner.

**p) Fair Value Measurement**

The fair value of the assets and liabilities are assessed at balance sheet date considering normal circumstances as per the following:

- a) Cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, trade payables, borrowings and other financial assets and liabilities at their carrying amount due to their short term nature.
- b) Financial assets and liabilities with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty.
- c) Assessment by the Management about the carrying value of financial assets including lease hold rights and obligations due to be amortised.
- d) Forward exchange contracts using exchange rates at the balance sheet date.

**q) 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.

**r) 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 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹Lakh)

Note 2. Tangible & Intangible Assets and Capital Work in Progress										
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Total as on 01.04.2021	Additions during the period	Sales/Adj. during the period	Total as on 31.03.2022	Total as on 01.04.2021	For the period	Sales/Adj. during the period	Total as on 31.03.2022	As on 31.03.2022	As on 31.03.2021
<b>(a) Tangible Assets (Not under Lease)</b>										
Land	1,226.76	-	-	1,226.76	-	-	-	-	1,226.76	1,226.76
Building*	2,588.09	48.95	-	2,637.04	1,231.39	86.54	-	1,317.93	1,319.11	1,356.70
Plant & Equipments	8,810.26	327.92	284.07	8,954.11	7,201.60	278.72	202.70	7,278.12	1,575.99	1,609.66
Furniture & Fixture	4,152.73	69.17	320.31	3,901.59	2,581.81	285.31	226.66	2,640.46	1,261.13	1,570.82
Vehicles	2,237.47	188.31	119.24	2,306.54	1,494.65	176.78	104.89	1,566.54	740.00	742.82
Office Equipments	1,951.00	93.68	32.22	2,012.46	1,600.89	122.03	29.27	1,693.66	318.82	350.11
Moulds	3,763.21	328.22	84.24	4,007.19	2,685.07	188.53	16.13	2,857.47	1,149.72	1,078.14
<b>Total Tangible Assets</b>	<b>24,729.52</b>	<b>1,056.25</b>	<b>840.88</b>	<b>24,945.69</b>	<b>16,795.41</b>	<b>1,137.91</b>	<b>579.15</b>	<b>17,354.17</b>	<b>7,591.53</b>	<b>7,934.11</b>
<b>Previous Year</b>	<b>24,248.27</b>	<b>763.72</b>	<b>282.46</b>	<b>24,729.52</b>	<b>15,721.29</b>	<b>1,276.77</b>	<b>262.65</b>	<b>16,795.41</b>	<b>7,934.11</b>	<b>8,526.97</b>
<b>(b) Intangible Assets</b>										
Patents	0.16	-	-	0.16	0.04	-	-	0.04	0.12	0.12
Softwares	336.95	27.40	-	364.35	283.40	29.36	-	312.76	51.59	53.56
Leasehold Rights (refer to Note 36)	11,189.00	879.48	512.91	11,555.57	3,828.01	1,737.35	-	5,565.36	5,990.21	7,360.99
<b>Total Intangible Assets</b>	<b>11,526.11</b>	<b>906.88</b>	<b>512.91</b>	<b>11,920.08</b>	<b>4,111.45</b>	<b>1,766.71</b>	<b>-</b>	<b>5,878.16</b>	<b>6,041.92</b>	<b>7,414.66</b>
<b>Previous Year</b>	<b>11,542.22</b>	<b>1,114.87</b>	<b>1,130.98</b>	<b>11,526.11</b>	<b>2,253.29</b>	<b>2,165.00</b>	<b>306.84</b>	<b>4,111.45</b>	<b>7,414.66</b>	<b>9,288.94</b>
<b>(c) Capital work in progress:</b>										
a) Building under construction	10.13	-	9.54	0.59	-	-	-	-	0.59	10.13
b) Assets under installation	1.39	-	-	1.39	-	-	-	-	1.39	1.39
<b>Total Capital work in progress</b>	<b>11.52</b>	<b>-</b>	<b>9.54</b>	<b>1.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.98</b>	<b>11.52</b>
<b>Previous year</b>	<b>89.51</b>	<b>1.68</b>	<b>79.66</b>	<b>11.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.52</b>	<b>89.51</b>
<b>Grand Total</b>	<b>36,267.15</b>	<b>1,963.13</b>	<b>1,362.53</b>	<b>36,867.76</b>	<b>20,906.86</b>	<b>2,904.62</b>	<b>579.15</b>	<b>23,232.33</b>	<b>13,635.43</b>	<b>15,360.29</b>
<b>Previous year</b>	<b>35,880.00</b>	<b>1,880.27</b>	<b>1,403.11</b>	<b>36,267.15</b>	<b>17,974.58</b>	<b>3,441.77</b>	<b>509.49</b>	<b>20,906.86</b>	<b>15,360.29</b>	<b>17,905.41</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹Lakh)

	As at 31st March, 2022	As at 31st March, 2021
<b>Note 3. Non-current Investments (Non-Trade)</b>		
<b>Investments in Government Securities (Valued at Cost)</b>		
(6 Years National Saving Certificates VIII Issue )	0.45	0.45
<b>Liberty Foot fashion Middle East FZE</b>		
1 (Previous Year 1) Equity Share of UAE Dhiram 10,00,000 fully paid	-	121.93
<b>Total Non-current Investments</b>	<b>0.45</b>	<b>122.38</b>
Aggregate amount of Quoted Investments	-	-
Aggregate amount of Unquoted Investments	0.45	122.38
Aggregate Market Value of Quoted Investments	-	-
<b>4 Other Financial Assots</b>		
(Unsecured and considered good unless stated otherwise)		
Security Deposits		
to Related Parties	60.00	60.00
to Others	651.38	717.21
Bank Deposits having maturity for more than 12 months	31.49	87.56
Share Application Money paid to Subsidiaries (Pending Allotment)	-	180.49
	742.87	1,045.26
Less: Provision for doubtful security deposits to others	29.78	29.78
<b>Total Long term Loan &amp; Advances</b>	<b>713.09</b>	<b>1,015.48</b>
<b>5 Other Non-current Assots</b>		
(Unsecured and considered good unless stated otherwise)		
Capital Advance	31.51	29.18
<b>Total Other Non-current Assots</b>	<b>31.51</b>	<b>29.18</b>
<b>6 Inventories (As valued and certified by the Management)</b>		
Raw Materials	4,339.17	4,189.50
Goods in Process	1,820.83	2,241.34
Finished Goods		
Manufactured	8,997.58	12,089.21
Traded	876.32	1,113.74
Packing Materials	317.96	312.71
Stores & Spares	428.30	386.34
Oil & Lubricants	15.32	18.59
<b>Total Inventories</b>	<b>16,795.48</b>	<b>20,351.43</b>
<b>7 Trade Receivables</b>		
(Unsecured and considered good unless stated otherwise)		
Debts outstanding for a period exceeding six months from the due date		
Considered good	3,433.31	4,562.55
Considered doubtful (Credit Impaired)	382.89	290.93
Other Debts		
Considered good	6,175.17	6,296.89
	9,991.37	11,150.37
Less: Allowance for Doubtful Trade Receivables (Expected Credit Loss Allowance) (Refer to Note 47)	382.89	290.93
<b>Total Trade Receivables</b>	<b>9,608.48</b>	<b>10,859.44</b>
<b>8 Cash and Cash Equivalents</b>		
Balances with banks:		
In Current Accounts*	43.31	63.33
Cheques on hand	-	60.69
Cash in hand including imprest	96.75	90.18
<b>Total Cash &amp; Cash Equivalents</b>	<b>140.06</b>	<b>214.20</b>

\* Includes Unclaimed Dividend of ₹/Lakhs 10.62 Lakhs (Previous year ₹/Lakhs 10.62 lakhs)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
<b>Note 9. Bank Balances other than Cash and Cash Equivalents</b>		
Fixed Deposits with Banks (Margin Money deposit for L/C/Bank Guarantees) having maturity for less than 12 months	202.43	512.03
<b>Total Bank Balances other than Cash and Cash Equivalents</b>	<b>202.43</b>	<b>512.03</b>
<b>10 Short-term Loans &amp; Advances</b>		
(Unsecured and considered good unless stated otherwise)		
Security Deposit for less than 12 Months		
to Related Parties	-	-
to Others	49.95	62.42
Loans and advances to employees	96.20	92.91
<b>Total Short-term Loans &amp; Advances</b>	<b>146.15</b>	<b>155.33</b>
<b>11 Other Current Assets</b>		
(Unsecured and considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for the value to be received		
Considered good	758.77	906.93
Considered doubtful (Credit Impaired)	23.36	-
Balance with Excise and other Statutory Authorities (including GST, VAT recoverable and taxes paid under protest)	932.31	2,087.27
Prepaid Expenses	218.90	226.09
	1,933.34	3,120.29
Less: Allowance for Doubtful Advances (Expected Credit Loss Allowance) (Refer to Note 47)	23.36	-
<b>Total Short-term Loans &amp; Advances</b>	<b>1,909.98</b>	<b>3,120.29</b>
<b>Equity</b>		
<b>12 Equity Share Capital</b>		
<b>Authorised Share Capital</b>		
6350000 (Previous year 63500000 Equity Shares) of ₹10 each	6,350.00	6,350.00
<b>Issued, Subscribed &amp; Fully Paid Up Capital</b>		
17040000 (Previous year 17040000) Equity Shares of ₹10 each fully paid up.	1,704.00	1,704.00
	<b>1,704.00</b>	<b>1,704.00</b>
<b>12(a) Reconciliation of Number of Shares</b>		
<b>Equity Shares</b>		
Balance at the beginning of the year		
17040000 (Previous year 17040000) Equity Shares of Rs. 10 each fully paid up.	1,704.00	1,704.00
Add: Shares issued during the year	-	-
<b>Balance at the end of the year</b>	<b>1,704.00</b>	<b>1,704.00</b>
<b>12(b) Terms/Rights attached to Equity Shares</b>		
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.		

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

	As at 31st March, 2022		As at 31st March, 2021	
	% of shareholding	No. of Shares	% of shareholding	No. of Shares
<b>Equity Shares</b>				
Geofin Investments Private Limited	26.25	44,72,517	26.25	44,72,517
<b>Total</b>	<b>26.25</b>	<b>44,72,517</b>	<b>26.25</b>	<b>44,72,517</b>
<b>12(d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the five years immediately preceding the reporting date</b>				
<b>Equity Shares</b>		<b>Nil</b>		<b>Nil</b>

## 12(e) Shareholding of Promoters

Sr. No.	Name of Promoter	Shareholding at the beginning of the year 01.04.2021			Shareholding at the end of the year 31.03.2022			% 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	Adesh Kumar Gupta (Karta)	680000	3.99	-	680000	3.99	-	0.00
2	Adesh Kumar Gupta (Karta)	660000	3.87	-	660000	3.87	-	0.00
3	Arpan Gupta Karta of Dinesh Kumar Gupta (HUF)	366012	2.15	-	366012	2.15	-	0.00
4	Sh. Arpan Gupta	509250	2.99	-	509250	2.99	-	0.00
5	Sh. Anupam Bansal	478640	2.81	-	492885	2.89	-	0.08
6	Sh. Ayush Bansal	300000	1.76	-	300000	1.76	-	0.00
7	Sh. Pulkit Bansal	300000	1.76	-	300000	1.76	-	0.00
8	Smt. Ruchir Bansal	300000	1.76	-	300000	1.76	-	0.00
9	Sh. Shammi Bansal	259640	1.52	-	259640	1.52	-	0.00
10	Sh. Pranav Gupta	139564	0.82	-	139564	0.82	-	-
11	Sh. Akshat Gupta	241660	1.42	-	241660	1.42	-	0.00
12	Sh. Vivek Bansal	233640	1.37	-	233640	1.37	-	0.00
13	Sh. Raman Bansal	232640	1.37	-	232640	1.37	-	0.00
14	Sh. Sunil Bansal	232640	1.37	-	232640	1.37	-	0.00
15	Sh. Adish Kumar Gupta	189360	1.11	-	189360	1.11	-	0.00
16	Sh. Manan Bansal	150000	0.88	-	150000	0.88	-	0.00
17	Sh. Vaibhav Bansal	150000	0.88	-	150000	0.88	-	0.00
18	Sh. Adesh Kumar Gupta	95000	0.56	-	95000	0.56	-	0.00
20	Smt. Rehi Devi	83360	0.49	-	83360	0.49	-	0.00
21	Smt. Kamlawati	13600	0.08	-	13600	0.08	-	0.00
22	Sh. Adarsh Gupta	11000	0.06	-	11000	0.06	-	0.00
23	Sh. Anmol Gupta	6132	0.04	-	6132	0.04	-	-
24	M/s Geofin Investments Private Limited	4472517	26.25	-	4472517	26.25	-	0.00
	<b>Total</b>	<b>10104655</b>	<b>59.30</b>	<b>-</b>	<b>10118900</b>	<b>59.38</b>	<b>-</b>	<b>0.08</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹Lakh)

Other Equity	As at 31st March, 2022	As at 31st March, 2021
<b>Note 13. Reserves &amp; Surplus</b>		
a) <b>Capital Reserve</b>	<b>4.00</b>	<b>4.00</b>
b) <b>Securities Premium Account</b>		
Balance at the beginning of the year	1,127.21	1,127.21
Add: Additions/(Utilisations) during the year	-	-
<b>Balance at the end of the year</b>	<b>1,127.21</b>	<b>1,127.21</b>
c) <b>General Reserve*</b>		
Balance at the beginning of the year	12,270.09	12,270.09
Add: Transfer from surplus in the Statement of Profit & Loss	-	-
<b>Balance at the end of the year</b>	<b>12,270.09</b>	<b>12,270.09</b>
d) <b>Retained Earnings*</b>		
Balance at the beginning of the year	3,532.31	3,508.60
Add: Profit for the year	224.29	25.12
Add: Remeasurement Gains/(losses) on defined benefits plans (net of tax)	38.43	(1.42)
	3,795.03	3,532.31
Less: Transfer to General Reserve	-	-
<b>Balance at the end of the year</b>	<b>3,795.03</b>	<b>3,532.31</b>
<b>Total Reserves &amp; Surplus</b>	<b>17,196.33</b>	<b>16,933.61</b>

\*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.

**Long Term Borrowings****14 Secured**

	As at 31st March, 2022		As at 31st March, 2021	
	Non Current	Current Maturities	Non Current	Current Maturities
<b>Term Loans</b>				
(i) <b>from Banks:</b>				
Rupee Term Loans	981.75	442.28	1,379.04	127.57
(ii) <b>from Others:</b>				
Rupee Term Loans	-	-	-	-
	<b>981.75</b>	<b>442.28</b>	<b>1,379.04</b>	<b>127.57</b>
Less: Amount disclosed under Borrowings (Refer to Note 19)	-	442.28	-	127.57
<b>Not Long Term Borrowings</b>	<b>981.75</b>	<b>-</b>	<b>1,379.04</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹Lakh)

Particulars of Loan	Detail of Security	Outstanding Balance as at 31.03.2022	Repayment Terms
<b>(I) from Banks</b>			
Guaranteed Emergency Credit Line 2.0 from State Bank of India	Extension of charge existing (2nd charge) over the Primary securities created in favour of the Bank on pari-passu basis.	1,198.03	48 Monthly installments of ₹24.79 Lakhs each starting from April 2022 onwards.
CELC from Union Bank of India	Extension of charge (2nd charge) over the existing Primary securities created in favour of the Bank on pari-passu basis.	13.00	5 Monthly installments of ₹2.25 Lakhs each and 1 installment of ₹1.75 Lakh.
Vehicle Loans from HDFC Bank	Hypothecation of Vehicles	194.85	59% in Monthly installment in FY 2022-23 25% in Monthly installment in FY 2023-24 16% in Monthly installment in FY 2024-25
Vehicle Loans from ICICI Bank	Hypothecation of Vehicles	0.78	100% in Monthly installment in FY 2022-23
Vehicle Loans from Axis Bank	Hypothecation of Vehicles	17.37	93% in Monthly installment in FY 2022-23 7% in Monthly installment in FY 2023-24
<b>Total</b>		<b>1,424.03</b>	

(Amount in ₹Lakh)

	As at 31st March, 2022	As at 31st March, 2021
<b>15 Lease Liabilities</b>		
Lease Rental Obligations (refer to Note 36)	5,990.20	7,360.99
<b>Total Lease Liabilities</b>	<b>5,990.20</b>	<b>7,360.99</b>
<b>16 Long Term Provisions</b>		
Provision for Gratuity	106.27	102.37
<b>Total Other Long Term Provisions</b>	<b>106.27</b>	<b>102.37</b>
<b>17 Deferred Tax Liability (Not)</b>		
Balance at the beginning of the year	-	-
Add: for the year	-	-
Balance at the end of the year	-	-
<b>18 Other Long Term Liabilities</b>		
Security Deposits	1,944.89	1,918.02
<b>Total Other Long Term Liabilities</b>	<b>1,944.89</b>	<b>1,918.02</b>
<b>19 Short Term Borrowings</b>		
<b>Secured</b>		
<b>Loans repayable on demand</b>		
from Banks*	5,092.41	8,215.96
<b>Current Maturities of Long Term Debts (refer Note 14)</b>		
from Banks	442.28	127.57
from Others	-	-
<b>Total Secured Loans</b>	<b>5,534.69</b>	<b>8,343.53</b>
<b>Unsecured</b>		
<b>Loans and Advances from Related Parties</b>		
Short Term Loans	-	-
from Others	-	-
<b>Total Unsecured Loans</b>	<b>-</b>	<b>-</b>
<b>Total Short Term Borrowings</b>	<b>5,534.69</b>	<b>8,343.53</b>

\* (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 pari-passu charge on Plant & Machinery.)



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹Lakh)

	As at 31st March, 2022	As at 31st March, 2021
<b>Note 20. Trade Payables</b>		
Trade Payables for goods & services (Includes sundry creditors)		
a) Total outstanding due of Micro and Small Enterprises	1,153.58	1,826.07
b) Total outstanding due other than Micro and Small Enterprises	6,784.93	10,699.66
<b>Total Trade Payables</b>	<b>7,938.51</b>	<b>12,525.73</b>
<b>21 Other Current Liabilities</b>		
<b>Other Payables</b>		
Advances from Customers	606.57	296.69
Expenses Payable	767.85	732.45
Other Liabilities	276.07	295.38
<b>Total Other Current Liabilities</b>	<b>1,650.49</b>	<b>1,324.72</b>
<b>22 Short Term Provisions</b>		
Provision for Gratuity	135.93	148.05
<b>Total Short Term Provisions</b>	<b>135.93</b>	<b>148.05</b>
<b>23 Current Tax Liabilities</b>		
Provision for taxation (Net of Advance tax, TDS and ICS)	-	-
<b>Total Short Term Provisions</b>	<b>-</b>	<b>-</b>
<b>24 Other Operating Income</b>		
Freight	71.00	25.81
Miscellaneous Income	120.73	118.18
Gain on Exchange Rate Fluctuations	35.12	-
Bad Debts Recovered	51.22	65.68
<b>Total Operating Income</b>	<b>278.07</b>	<b>209.67</b>
<b>25 Other Income</b>		
Bank and Other Interest (tax deducted at Source ₹2.12 Lakhs (FY ₹2.63 Lakhs))	28.28	43.12
<b>Total Other Income</b>	<b>28.28</b>	<b>43.12</b>
<b>26 Cost of Materials consumed and Finished Goods Purchased</b>		
<b>a) Raw Materials (Refer to Note 56)</b>		
Stock at the beginning of the year	4,189.50	4,024.35
Add: Purchases	15,669.07	16,491.06
	19,858.57	20,515.41
Less: Stock at the end of the year	4,339.17	4,189.50
Raw Materials Consumed	15,519.40	16,325.91
<b>b) Finished Goods Purchased</b>	<b>4,551.35</b>	<b>5,287.28</b>
<b>Total Cost of Materials consumed and Finished Goods Purchased (a + b)</b>	<b>20,070.75</b>	<b>21,613.19</b>
<b>27 Change in Inventories of Finished Goods, Goods in Process and Stock-in-Trade</b>		
a) Inventories at the end of the year		
Finished Goods/Stock-in-Trade	9,873.90	13,202.94
Goods in Process	1,820.84	2,241.34
Total	11,694.74	15,444.28
b) Inventories at the beginning of the year		
Finished Goods/Stock-in-Trade	13,202.94	12,800.82
Goods in Process	2,241.34	2,420.36
Total	15,444.28	15,221.18
<b>(Increase)/Decrease in Inventories (b - a)</b>	<b>3,749.54</b>	<b>(223.10)</b>
<b>28 Employee Benefits Expense</b>		
Salaries, Wages and Bonus	7,522.22	6,725.46
Directors' Remuneration	214.53	167.89
Contribution to Provident and Other Funds (Refer to Note 53)	366.74	355.72
Staff Welfare Expenses	70.81	46.81
<b>Total Employee Benefits Expense</b>	<b>8,174.30</b>	<b>7,296.81</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹Lakh)

	As at 31st March, 2022	As at 31st March, 2021
<b>29 Finance Cost</b>		
Interest Expense		
to Banks	739.75	1,063.05
to others	365.98	240.30
Bank Charges	115.80	137.65
<b>Total Finance Cost</b>	<b>1,221.53</b>	<b>1,441.00</b>
<b>30 Other Expenses</b>		
<b>a) Manufacturing Expenses</b>		
Freight Inwards	175.49	193.88
Upper Production Charges	792.95	1,326.29
Oil & Lubricants	106.03	81.31
Electricity Charges	709.99	754.76
Repairs to Machinery	373.68	408.08
Land Lease Rent	3.52	3.20
Franchise Fee	125.00	125.00
<b>Total</b>	<b>2,286.66</b>	<b>2,892.52</b>
<b>b) Administration, Selling and Other Expenses</b>		
Packing Materials Consumed	1,008.10	1,614.88
Printing & Stationery	41.78	36.59
Claims	146.04	126.50
Tour, Travelling and Conveyance	572.17	386.17
Insurance Charges	155.63	172.71
Fees and Taxes	180.70	131.23
Postage, Telegram, Telephone and Telex	87.28	88.02
Subscriptions	19.25	9.72
Advertisements	585.93	285.74
Rent (refer to Note 36)	(319.24)	(902.23)
Donations	27.39	32.20
Export CIF Expenses	254.83	113.38
Freight Outward	928.31	967.97
Samples	2.82	2.64
Auditors' Remuneration:		
Statutory Audit Fee	8.00	8.00
GST & Tax Audit Fee	5.00	13.06
Certification Fee	1.00	1.00
Cost Audit Fee	-	-
Miscellaneous Expenses	206.53	261.31
Royalty	1,693.14	1,572.31
Entertainment Expenses	48.60	42.86
Commission	1,555.54	1,322.22
Sales Promotion Expenses	404.34	301.75
Newspapers & Periodicals	1.02	0.97
Debts written off (Refer to Note 48)	11.82	1,225.00
Allowance for Doubtful Trade Receivables & Advances (refer to Note 47)	115.33	200.89
Consultancy & Professional Charges	944.77	703.37
Repairs & Maintenance Expenses-Building	175.43	200.43
Repairs & Maintenance Expenses-Others	181.84	147.82
Exchange Rate Fluctuations	-	33.45
<b>Total</b>	<b>9,924.35</b>	<b>9,099.76</b>
<b>Total Other Expenses (a + b)</b>	<b>12,211.01</b>	<b>11,992.28</b>
<b>31 Exceptional Items:</b>		
Profit on Sale of Fixed Assets	(68.55)	(4.81)
Loss on sale of Fixed Assets	97.45	58.12
	<b>28.90</b>	<b>53.31</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**32. Details of Managerial Remuneration:**

(Amount in ₹Lakh)

Particulars	31.03.2022	31.03.2021
Payment and provision for remuneration to:		
• Executive Director(s)	214.53	167.82

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

(Amount in ₹Lakh)

Particulars	31.03.2022	31.03.2021
Profit before tax as per Statement of Profit & Loss	449.30	234.30
Add:		
Directors' Remuneration	214.53	167.82
(Profit)/Loss on sale of Fixed Assets (Net)	28.90	53.31
Directors' Sitting Fees	8.25	7.50
(Profit)/Loss on sale of Investments	-	-
<b>Net Profit as per Section 198 of the Companies Act, 2013</b>	<b>700.98</b>	<b>462.93</b>
<b>Commission paid/payable to Directors</b>	<b>-</b>	<b>-</b>

During the year under consideration, no remuneration has been paid to Non-Executive Directors except sitting fees of ₹ 8.25 Lakhs (Previous year ₹ 7.50 Lakhs) to Independent Directors.

33. 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.

34. 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 there is an abnormal increase in such outstanding since financial year 2019-20 majorly due to delay in release of payments under one of government tender supplies aggregating to ₹2682.88 Lakhs on account of procedural compliances/clearances. The Company is in consistent follow up with the concerned authorities and has received part payment of ₹290 Lakh on 2nd April, 2022 and have been assured about release of the balance in full within shorter period of time. Considering the said confirmation, during the financial year 2021-22 the Company has not created any provision against the same in accordance to its policy as regards to evaluation of debtors and provisioning required.

35. 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.

36. The Company implemented the Ind-AS-116 with effect from 1st April, 2019 and accordingly is considering all the persisting leasehold rights having maturity for more than 12 months including entered during the year 2021-22 at its present value as Intangible Rights in Schedule of Fixed Assets and is amortizing the leasehold rightson year on year basis.

During the year 2021-22 the Company has capitalized/ (adjusted)the present value of leasehold rights entered during the year (net of terminated) for ₹366.57 Lakhs(Previous year ₹27.53 Lakhs) and has amortized the leasehold rights (net of terminated) for ₹1737.35Lakhs (Previous year ₹1830.91 Lakhs).

Further while amortizing the leasehold rights for the year, decrease in leasehold obligations agreed with the landlords due to the covid-19 outbreak in the country and resultant lockdown during the year has not been factored being temporary in nature and the said decrease in leasehold obligations aggregating to ₹319.24 Lakhs (Previous year ₹923.23 Lakhs) has been passed on through Profit & Loss account for the year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**37. 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 2022	March 2021	Purpose
Purchase	USD	499348.14	-	To hedge the Trade Payables and Short Term Bank Borrowings
Sales	USD	319231.27	556533.95	To hedge the Trade Receivables
	GBP	-	20941.25	

**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 2022	March 2021	March 2022	March 2021
Trade Payables	USD	220057.50	154307.00	167.02	112.90
	EURO	39166.00	112759.44	32.98	96.89
Advance for Import Purchases	USD	21364.20	519.00	16.10	0.38
	EURO	7870.74	56640.00	6.64	48.67
Advance from Customers	USD	15743.40	82091.46	11.77	59.89
	EURO	3459.67	15946.35	2.88	13.93
	GBP	34189.00	17824.75	34.50	17.23
Trade Receivables	USD	1236805.96	2228119.81	888.45	1571.26
	EURO	40186.13	5541.25	33.89	4.79
	GBP	74110.84	103312.40	74.12	102.47

38. The assessment of the Company in respect of Income Tax is completed up to the Assessment Year 2019-20.

39. Contemplating the long-term benefits for unlocking the shareholders' value through acquisition of the tangible and intangible assets including business rights of two partnership firms, in which few Directors of the Company are interested as partners, namely Liberty Enterprises (LE) & Liberty Group Marketing Division (LGMD), the Company had entered into a Memorandum of Understanding (MOU) on March 31, 2015, with these two Partnership Firms for acquisition of their respective business of footwear. Since then, due to certain technical reasons, this MOU and the subsequent MOU for the related matter

have not been materialized to the envisaged extent. The Company, keeping in view the protection of its shareholders interest and also to ensure long term continuance of the arrangements with these partnership firms till materialization of the acquisition of their respective business of footwear have extended the validity of earlier executed agreements and is assessing the business rights of the two firms with its availability till March 2028.

During the year in terms of above referred arrangements, the Company has paid/provided for franchise fee of ₹115 Lakh (Previous year ₹115 Lakh) to LE and ₹704.60 Lakh (Previous year ₹683.92 Lakh) to LGMD and in terms of the renewed

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

agreement dated April 3, 2013 of the Company with Liberty Footwear Co. (LFC), another Partnership Firm of the group and owner of trademarks "LIBERTY", for granting exclusive rights of usage of the trademark "LIBERTY" for a period of fifteen years from April 1, 2013 onwards, the Company has paid/provided for trademark license fee of ₹ 998.54 Lakh (Previous year ₹ 898.99 Lakh) to LFC.

The Company is vehemently contesting the legal disputes raised by few partner(s) before respective authorities/tribunals/courts, challenging either the validity of the arrangements of one of the firm or interpretation of meeting the financial obligation by the Company with regard discharge of its commercial

liability towards LGMD & LFC as regards to the referred agreements.

40. During the year, the Company has capitalized the borrowing cost of ₹ Nil (Previous year ₹ Nil) as part of the cost of the qualifying assets.
41. The Company has maintained separate record of its suppliers as micro & small on the basis of 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, 2022 as Micro or Small Enterprise and as such no additional information in this regard is to be furnished in compliance to the provisions of Section 22 of the said Act.

**42. Contingent Liabilities**

(Amount in ₹Lakh)

Particulars	2021-22	2020-21
I. Bank Guarantees issued on behalf of the Company submitted with various institutional customers in terms of their orders.	429.27	1,839.53
II. Letter of Credits issued in favour of the Domestic and Overseas vendors are for ₹57.92 Lakhs against which the goods have duly been received by the Company and are included in the Trade Payables as on 31st March, 2022 for ₹7938.51 Lakhs	-	-
III. Value Added Tax <sup>1</sup> for the financial year 2005-06, 2006-07, 2007-08 & 2008-09 on account of classification of goods at different rate of tax.	55.70	55.70
IV. Value Added Tax <sup>2</sup> for the financial year 2016-17 on account of classification of goods at different rate of tax.	45.35	45.35
V. Service Tax on GTA Services for the period from January 2005 to March 2007	5.28	5.28
VI. On account of compliance relating to obligations under EPCG Licenses	10.56	10.56
VII. On account of few labour matters pertaining to Commissioner, earlier years which are pending before Hon'ble Labour Chandigarh and have been challenged by the Company being time barred.	210.00	210.00
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 and is pending for adjudication.	172.88	172.88

<sup>1</sup>Including amount deposited under protest ₹14.26 Lakhs (Previous year ₹14.26 Lakhs)

<sup>2</sup>Appeal Fee paid ₹7.10 Lakhs (Previous year ₹7.10 Lakhs)

<sup>3</sup>Amount deposited under protest ₹21.25 Lakhs (Previous year ₹21.25 Lakhs)

43. Capital commitments not provided for are estimated at ₹Nil Lakh (Previous year ₹15 Lakh).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**44. Ageing schedule of Trade Receivables:** Disclosure on ageing schedule of trade receivables in pursuant to Division II-Ind AS Schedule III to the Companies Act, 2013 is as under:

Particulars	Outstanding for following periods from date of Invoice/due date					Total
	< 6 Months	> 6 Months < 1 Year	> 1 Year < 2 Years	> 2 Years < 3 Years	< 3 Years	
<b>As at March 31, 2022</b>						
(i) Undisputed Trade receivables-considered good	5,840.48	230.24	-	2,316.34	415.06	<b>8,802.12</b>
(ii) Undisputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables-credit impaired	334.69	114.06	190.77	265.59	284.14	<b>1,189.25</b>
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables-credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>6,175.17</b>	<b>344.30</b>	<b>190.77</b>	<b>2,581.93</b>	<b>699.20</b>	<b>9,991.37</b>

Particulars	Outstanding for following periods from date of Invoice/due date					Total
	< 6 Months	> 6 Months < 1 Year	> 1 Year < 2 Years	> 2 Years < 3 Years	< 3 Years	
<b>As at March 31, 2021</b>						
(i) Undisputed Trade receivables-considered good	5,562.01	351.89	-	-	-	<b>5,913.89</b>
(ii) Undisputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables-credit impaired	734.88	350.64	3,174.21	931.33	45.41	<b>5,236.48</b>
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables-credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>6,296.89</b>	<b>702.53</b>	<b>3,174.21</b>	<b>931.33</b>	<b>45.41</b>	<b>11,150.37</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**45. Ageing Schedule for Other Current Assets:**

Particulars	Outstanding for following periods from date of Invoice/due date					Total
	< 6 Months	> 6 Months < 1 Year	> 1 Year < 2 Years	> 2 Years < 3 Years	< 3 Years	
<b>As at March 31, 2022</b>						
(i) Undisputed Advances-considered good	758.17	-	-	-	-	<b>758.17</b>
(ii) Undisputed Trade Advances-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Advances-credit impaired	-	-	-	-	23.36	<b>23.36</b>
(iv) Disputed Advances-considered good	-	-	-	-	-	-
(v) Disputed Advances-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Advances-credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>758.17</b>	-	-	-	<b>23.36</b>	<b>781.53</b>

Particulars	Outstanding for following periods from date of Invoice/due date					Total
	< 6 Months	> 6 Months < 1 Year	> 1 Year < 2 Years	> 2 Years < 3 Years	< 3 Years	
<b>As at March 31, 2021</b>						
(i) Undisputed Advances-considered good	783.57	-	-	-	23.36	<b>806.93</b>
(ii) Undisputed Trade Advances-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Advances-credit impaired	-	-	-	-	-	-
(iv) Disputed Advances-considered good	-	-	-	-	-	-
(v) Disputed Advances-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Advances-credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>783.57</b>	-	-	-	-	<b>806.93</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**46. Ageing schedule of Trade Payables: Disclosure on ageing schedule of trade payables**  
in pursuant to Division II – Ind AS Schedule III to the Companies Act, 2013 is as under:

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	
<b>As at March 31, 2022</b>						
(2020) Undisputed dues: Micro and Small Enterprises Others	1,153.58	-	-	-	-	<b>1,153.58</b>
(i) Disputed Dues: Micro and Small Enterprises Others	3,981.23	724.19	857.79	1,055.83	165.89	<b>6,784.93</b>
(ii) Disputed Dues: Micro and Small Enterprises Others	-	-	-	-	-	-
<b>Total</b>	<b>5,134.82</b>	<b>724.19</b>	<b>857.79</b>	<b>1,055.83</b>	<b>165.89</b>	<b>7,938.51</b>

Amount (₹/Lakhs)

<b>As at March 31, 2021</b>						
(2020) Undisputed dues: Micro and Small Enterprises Others	1,826.07	-	-	-	-	<b>1,826.07</b>
(i) Disputed Dues: Micro and Small Enterprises Others	6,728.10	2,547.00	1,257.03	132.20	35.33	<b>10,699.66</b>
(ii) Disputed Dues: Micro and Small Enterprises Others	-	-	-	-	-	-
<b>Total</b>	<b>8,554.17</b>	<b>2,547.00</b>	<b>1,257.03</b>	<b>132.20</b>	<b>35.33</b>	<b>12,525.73</b>

Amount (₹/Lakhs)

**47. Provision for doubtful debts:**

The Company has considered debts for ₹ 406.25 Lakhs (Previous year ₹ 307.99 Lakhs) as doubtful debts/ advances/securities and also has withdrawn ₹ Nil (Previous year ₹ 107.09 Lakhs) out of the provisions made in the earlier years for the same and written off as

bad debts ₹ Nil (Previous year ₹ 105.73 Lakhs). 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 (₹/Lakhs)

Particulars	2021-22	2020-21
Provision for the year	436.03	307.99
Less: Provision made for doubtful debts in earlier years	320.71	107.10
Net debited/(credited) to Statement of Profit & Loss	115.32	200.89



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**Balance Sheet**

Amount (₹/Lakhs)

Particulars	2021-22	2020-21
Opening Balance	320.71	119.82
Add: Provision for the year	115.32	200.89
Total	436.03	320.71
Less: Amount withdrawn during the year	-	-
Closing balance	436.03	320.71
Trade Receivables (Refer to Note No. 7)	382.89	290.93
Other Current Assets (Refer to Note No. 11)	23.36	-
Security Deposits to Others (Refer to Note No. 4)	29.78	29.78

48. In accordance to its policy as regards to evaluation of its trade receivables, considering the non recoverability of some of the debts/advances, the

Company has written off the debts/advances amount to ₹11.82 Lakhs(Previous year ₹1,225 Lakhs).

49. Capital Work in Progress-Ageing Schedule:

Amount (₹/Lakhs)

Particulars	Amount in CWIP for period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Building under Construction	0.59	-	-	-	0.59
Machinery under installation (temporarily suspended)	-	-	-	1.39	1.39
<b>Total</b>	<b>0.59</b>	<b>-</b>	<b>-</b>	<b>1.39</b>	<b>1.98</b>

50. The Board of Directors of the Company presently considers and maintains "Footwear" as the main business segment of the Company. Further 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 2021-22.

51. Basic and Diluted Earnings per share: The basic and diluted earnings per share of the Company is as under:

**Statement of Profit & Loss**

Amount (₹/Lakhs)

Particulars	2021-22	2020-21
Basic & Diluted		
Profit after Taxation (A)	262.72	23.71
Weighted average number of Equity Shares (B)	170.40	170.40
Nominal Value per Equity Share (in ₹)	10.00	10.00
Basic & Diluted Earnings per share (A/B) (in ₹)	1.54	0.14

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**52. Related Party Transactions:**

The Company has made the following transactions with related parties as defined under the provisions of Ind-AS-24:

**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)**

<b>Name</b>	<b>Designation</b>
Sh. Adesh Kumar Gupta	CEO & Executive Director
Sh. Adish Kumar Gupta	Executive Director
Sh. Sunil Bansal	Executive Director
Sh. Shammii 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:**

Liberty Enterprises, Liberty Footwear Co., Liberty Group Marketing Division, Liberty Innovative Outfits Limited (now known as Anything Skool Limited), Little World Constructions Private Limited, Liberty Fashion Outfits, LFO, A.P Packaging, 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):

<b>Name</b>	<b>Designation</b>
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, Sh. Arvind Bali Kumar, Sh. Sanjay Bhatia, Ms. Nidhi Lal\*\*, Dr. Sujata

\*Up to 28th September, 2021

\*\*Up to 22nd February, 2022

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## II. Related Party Transactions

The Following table provides the total amount of transactions that have been entered in to with related parties

(Amount in ₹Lakhs)

Sr. No.	Nature of Transaction	Related Party	For the year ended 31st March 2022	For the year ended 31st March 2021
(i)	Rent	Little World Constructions Private Limited	2.97	3.16
		Liberty Footwear Co.	0.71	0.71
		Sanjeev Bansal Charitable Trust	5.31	5.31
		Sh. Adesh Kumar Gupta	0.75	0.68
		Sh. Sunil Bansal	1.20	1.20
		Sh. Harish Kumar Gupta	2.77	2.52
		<b>Total</b>	<b>13.71</b>	<b>13.58</b>
(ii)	Purchase of Goods & Business Promotional Materials	Liberty Fashion Outfits	-	(1.15)
		LFO	426.74	323.13
		Total Print & Packing	433.18	318.35
		A.P. Packaging	3.09	3.04
		<b>Total</b>	<b>863.01</b>	<b>643.37</b>
(iii)	Sales of Goods manufactured and dealt in by the Company	Anything Skool Limited (formerly known as Liberty Innovative Outfits Ltd.)	510.76	202.93
		<b>Total</b>	<b>510.76</b>	<b>202.93</b>
(iv)	Franchise/License Fee (including GST/Service Tax) <sup>1</sup>	Liberty Enterprises	135.25	133.90
		Liberty Group Marketing Division	821.89	767.72
		Liberty Footwear Co.	1,165.31	1,006.87
		<b>Total</b>	<b>2,122.45</b>	<b>1,908.49</b>
(v)	Remuneration to Directors and Other Key Managerial Personnel (KMP) <sup>2</sup>	Sh. Adesh Kumar Gupta	46.00	39.00
		Sh. Sunil Bansal	46.00	39.00
		Sh. Shammi Bansal	46.00	39.00
		Sh. Adish Kumar Gupta	46.00	39.00
		Sh. Ashok Kumar	30.53	12.53
		Sh. Munish Kakra	42.74	33.55
		<b>Total</b>	<b>211.27</b>	<b>202.08</b>
(vi)	Remuneration to Relatives of KMP	Sh. Raman Bansal	28.75	24.38
		Sh. Vivek Bansal	28.75	24.38
		Sh. Anupam Bansal	28.75	24.37
		Sh. Ayush Bansal	2.03	1.77
		Sh. Manan Bansal	2.03	1.76
		<b>Total</b>	<b>90.31</b>	<b>76.66</b>
(vii)	Commission (including GST) to relative of KMP	Sh. Akshat Gupta	27.66	22.12
		<b>Total</b>	<b>27.66</b>	<b>22.12</b>
(viii)	Directors' Sitting Fee <sup>3</sup>	Sh. Raghubar Dayal	1.00	2.25
		Sh. Ramesh Chander Palhan	1.00	2.25
		Smt. Lovelena Mody	0.25	1.00
		Sh. Aditya Khemka	0.75	1.00
		Sh. Arvind Kumar Bali	2.00	1.00
		Sh. Sanjay Bhatia	1.50	-
		Ms. Nidhi Lal	1.00	-
		Dr. Sujata	0.75	-
		<b>Total</b>	<b>8.25</b>	<b>7.50</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Taking note of the ongoing dispute among the partners of related partnership firms as regards to its business operations, on the request of majority of the partners besides making the statutory payments of the related partnership firms on time to time basis, the Company, in accordance to the terms of respective agreements, has been discharging its contractual liability towards respective partnership firms by making the payment to respective partners in accordance to the details provided by majority of partners.

<sup>2</sup>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.

<sup>3</sup>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".

(Amount in ₹Lakh)

<b>III. Balance Outstanding at the end of the year</b>				
<b>Sr. No.</b>	<b>Nature of Balances</b>	<b>Related Party</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
(i)	Trade Receivables	Anything Skool Limited (formerly known as Liberty Innovative Outfits Ltd.)	234.05	248.66
		<b>Total</b>	<b>234.05</b>	<b>248.66</b>
(ii)	Long Term Loans & Advances	Liberty Enterprises	10.00	10.00
		Liberty Group Marketing Division	50.00	50.00
		<b>Total</b>	<b>60.00</b>	<b>60.00</b>
(iii)	Short Term Loans and Advances	Liberty Enterprises	2.46	-
		<b>Total</b>	<b>2.46</b>	<b>-</b>
(iv)	Trade Payables	Liberty Footwear Co.	203.53	276.18
		Liberty Group Marketing Division	191.54	200.59
		Liberty Enterprises	-	6.47
		LFO	144.62	145.19
		A.P. Packaging	2.15	0.53
		Total Print & Packing	104.52	84.99
		Little World Constructions Private Limited	-	0.17
		Sanjeev Bansal Charitable Trust	1.22	-
		<b>Total</b>	<b>647.58</b>	<b>714.12</b>
(v)	Expenses Payable-Current Liabilities	Sh. Adesh Kumar Gupta	2.06	1.31
		Sh. Harish Kumar Gupta	0.21	-
		Sh. Akshat Gupta	11.88	-
		<b>Total</b>	<b>14.14</b>	<b>1.31</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**53. 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:

**Statement of Profit & Loss:****a) Net Employee Benefit Expense (recognized in Employee Cost):**

(Amount in ₹Lakh)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2022	31.03.2021
1.	Current Service Cost	108.08	80.81
2.	Interest Cost on Benefit Obligation	56.40	52.73
3.	Expected return on Plan Assets	(41.81)	(38.97)
4.	Actuarial Loss/(Gain)	(51.36)	1.89
5.	Net Benefit Expenses	71.31	104.46

**Balance Sheet****b) Details of Provision for Gratuity**

(Amount in ₹Lakh)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2022	31.03.2021
1.	Present Value of Defined Benefit Obligation	849.56	802.58
2.	Fair value of Plan Assets	627.88	560.61
3.	Surplus/(Deficit)	(221.68)	(241.87)
4.	Net Asset/(Liability)	(221.68)	(241.87)

**c) Changes in Present Value of the Defined Benefit Obligation are as follows:**

(Amount in ₹Lakh)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2022	31.03.2021
1.	Defined Benefit Obligation at the beginning of the year	802.58	735.02
2.	Current Service Cost	108.08	88.81
3.	Interest Cost	56.40	52.73
4.	Actuarial (Gain)/Loss on Obligation*	(51.36)	1.89
5.	Benefits paid	(66.15)	(75.87)
6.	Defined Benefit Obligation at the end of year	849.56	802.58

\*recognized in other comprehensive income/(expense)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## d) Changes in Fair Value of Plan Assets are as follows:

(Amount in ₹Lakh)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2022	31.03.2021
1.	Opening Fair Value of Plan Assets	560.61	580.03
2.	Expected Return	41.82	38.97
3.	Contribution by employer	79.68	-
4.	Benefits paid	(54.23)	(58.39)
5.	Actuarial (Gain)/Loss	-	-
6.	Closing Fair Value of Plan Assets	627.88	560.61

## e) The principle assumptions used in determining Gratuity Obligations are as follows:

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2022	31.03.2021
1.	Discount Rate	7.00%	7.00%
2.	Expected Rate of Return on Plan Assets	7.00%	7.00%
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 current and previous periods are as follows:

(Amount in ₹Lakh)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2022	31.03.2021
1.	Defined Benefit Obligation	(849.56)	(802.58)
2.	Plan Assets	627.88	560.61
3.	Surplus/(Deficit)	(221.68)	(241.97)
4.	Experience adjustments on Plan Liabilities	(221.68)	(241.97)
5.	Experience adjustments on Plan Assets	-	-

54. 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.

55. There are no dues payable to the Investor Education and Protection Fund as at 31st March, 2022.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 56. Detail of Materials consumed:

(Amount in ₹Lakh)

Description	2021-22	2020-21
PVC Compound	814.20	706.12
Laminated Leather Fabric	1,764.79	1,954.28
PU Chemicals	2,231.70	2,287.76
Leather	1,546.13	2,546.04
PU Soles	1,641.04	1,794.93
EVA Resin	479.81	252.77
Shoe Uppers/Components	2,763.10	2,267.10
Others	4,435.22	4,704.45
Total	15,675.99	16,513.45
Less: Amount of Export Incentives	156.59	187.54
<b>Net Consumption</b>	<b>15,519.40</b>	<b>16,325.91</b>

## 57. Consumption/Purchase of Imported and Indigenous Materials and percentage thereof:

(Amount in ₹Lakh)

Description	2021-22		2020-21	
	Amount	%	Amount	%
<b>Raw Materials Consumed</b>				
Imported	707.28	4.56	993.96	6.09
Indigenous	14,812.12	95.44	15,331.95	93.91
<b>Total</b>	<b>15,519.40</b>	<b>100.00</b>	<b>16,325.91</b>	<b>100.00</b>
<b>Finished Goods Purchased</b>				
Imported	166.98	3.67	504.25	9.54
Indigenous	4,384.37	96.33	4,783.03	90.46
<b>Total</b>	<b>4,551.35</b>	<b>100.00</b>	<b>5,287.28</b>	<b>100.00</b>
<b>Consumable Stores &amp; Spares</b>				
Imported	38.39	10.27	66.23	16.23
Indigenous	335.39	89.78	341.84	83.77
<b>Total</b>	<b>373.68</b>	<b>100.00</b>	<b>408.07</b>	<b>100.00</b>

## 58. Expenditure &amp; Earnings in Foreign Currency:

(Amount in ₹Lakh)

Description	2021-22	2020-21
a) CIF Value of Imports		
Raw Materials & Others	978.11	1488.41
Capital Goods	222.63	330.76
Stores & Spares	49.11	41.20
b) Expenditure in Foreign Currency		
Travelling Expenses	-	-
Export Commission	103.09	58.83
Business Promotion	-	-
Customer Claims	-	8.48
Advertisement	0.62	-
c) FOB Value of Exports of		
Finished Goods	3,016.80	2,486.18

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 59. Financial Ratios:

Sr. No.	Description	2021-22	2020-21	Variation	Reason for change by more than 25% in comparison to previous year
a)	Current Ratio	1.89	1.58	20%	
b)	Debt-Equity Ratio	0.34	0.52	(35%)	
c)	Debt Service Coverage Ratio	2.43	2.55	(5%)	
d)	Return on Equity Ratio	1.40%	0.13%	1000%	<sup>2</sup>
e)	Inventory Turnover Ratio	2.61	2.24	17%	
f)	Trade Receivables Turnover Ratio	4.74	4.20	13%	
g)	Trade Payable Turnover Ratio	3.90	2.43	60%	<sup>3</sup>
h)	Net Capital Turnover Ratio	3.58	3.54	1%	
i)	Net Profit Ratio (excluding Exceptional Items)	0.60%	0.17%	256%	<sup>2</sup>
j)	Return on Capital Employed	4.88%	4.63%	5%	
k)	Return on Investment	NA	NA		

<sup>1</sup> Due to substantial reduction in Inventories, Trade Receivables and other current assets as against previous year, having adverse effects of Covid-19 on overall business scenario, resulting in substantial reduction in overall debt of the Company during the year.

<sup>2</sup> Yielding of higher Net Profits in comparison to previous year wherein the same under pressure due to Covid-19.

<sup>3</sup> On a/c of higher volume of business/purchases during the year in comparison to the previous year.

## Formulas for computation of above ratios are as follows

Sr. No.	Particulars	Unit of Measurement	Formula
a)	Current Ratio	Times	Current Assets/Current Liabilities
b)	Debt-Equity Ratio	Times	Total Debt/Total Equity
c)	Debt Service Coverage Ratio	Times	Earnings before Interest, Tax and Exceptional Items/Interest Expense + Principal Repayments made during the year for long term loans
d)	Inventory Turnover Ratio	Times	Return on Equity Ratio%Profit After Tax/Average Net Worth
e)	Trade Receivables Turnover Ratio	Times	Cost of Goods Sold (Cost of Material Consumed + Purchases + Changes in Inventory + Manufacturing Expenses)/Average Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade
f)	Trade Payable Turnover Ratio	Times	(Cost of Materials Purchased + Other Expenses)/ Average Trade Payables
g)	Net Capital Turnover Ratio	Times	(Cost of Materials Purchased + Other Expenses)/ Average Trade Payables
h)	Net Profit Ratio	%	Net Sales/Working Capital (Current Assets-Current Liabilities)
i)	Return on Capital Employed	%	(Profit After Tax + Exceptional items)/Net Sales
j)	Return on Investment	%	(Net Profit After Tax + Finance Cost + Exceptional Items)/ Average Capital Employed (Total Assets – Total Current Liabilities)
k)	Return on Investment	%	NA



**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022****Statement of Profit & Loss**

60. In light of Section 135 of the Companies Act, 2013, the Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹ 24.93 Lakh (Previous year ₹ 30.10 Lakh) for CSR activities:

Amount (₹/ Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a) Gross amount required to be spent by the Company during the year	23.60	29.24
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	24.93	30.10

61. As per Company's assessment about recoverability and carrying values of its assets comprising of receivables, inventories, plant and equipment, intangible assets, it expects to recover the carrying amount of these assets. However, the Company will continue to monitor any material changes to future economic conditions due to uncertainties linked to COVID -19.

62. 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

**Sunil Bansal**  
Executive Director  
DIN-00142121

**Shammi Bansal**  
Executive Director  
DIN - 00138792

**Arvind Bali Kumar**  
Independent Director  
DIN-02520675

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

Place: Gurugram, Haryana  
Dated: Monday, 30<sup>th</sup> May, 2022

# 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](mailto:investorcare@libertyshoes.com) Website: [www.libertyshoes.com](http://www.libertyshoes.com)

## E-COMMUNICATION REGISTRATION FORM

36<sup>th</sup> ANNUAL GENERAL MEETING - FRIDAY, 30<sup>th</sup> SEPTEMBER, 2022 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](mailto: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](mailto:investorcare@libertyshoes.com) [www.libertyshoes.com](http://www.libertyshoes.com)