

MOVING IN THE GROOVE



LIBERTY SHOES LTD.

C R E D O

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

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Company Information

Board of Directors

Adesh Kumar Gupta

CEO & Executive Director
(DIN - 00143192)

Shammi Bansal

Executive Director
(DIN- 00138792)

Sunil Bansal

Executive Director
(DIN - 00142121)

Adeesh Kumar Gupta

Executive Director
(DIN - 00137612)

Ashok Kumar

Executive Director
(DIN - 06883514)

Raghubar Dayal

Independent Director
(DIN - 00481803)

Amitabh Taneja

Independent Director
(DIN - 00031257)

Vivek Bansal

Independent Director
(DIN - 00939232)

Ramesh Chandra Palhan

Independent Director
(DIN - 05241019)

Pushpinder Singh Grewal

Independent Director
(DIN- 06364475)

Lovelena Mody

Women- Independent Director
(DIN- 01279148)

Company Secretary & Compliance Officer

Munish Kakra

Chief Financial Officer &
Company Secretary
(M. No. ACS 6262)

Audit Committee

Raghubar Dayal
Ramesh Chandra Palhan
Vivek Bansal
Sunil Bansal

Nomination and Remuneration Committee

Raghubar Dayal
Ramesh Chandra Palhan
Pushpinder Singh Grewal

Management Committee

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

Stakeholders Relationship Committee

Sunil Bansal
Adeesh Kumar Gupta
Ramesh Chandra Palhan

Corporate Social Responsibility Committee

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

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
44, Community Centre, Naraina Industrial
Area Phase-I
New Delhi -110 028
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
CIN: L19201HR1986PLC033185

Corporate Office

2nd Floor, Tower - B, Building No. 8,
DLF Cyber City, Phase - II,
Gurugram - 122002, Haryana
Tel.: (91) - 124 – 4616200
Fax: (91) - 124 – 4616222
Email: mail@libertyshoes.com

Bankers

Allahabad Bank
Corporation Bank
DBS Bank Ltd.
HDFC Bank Ltd.
IndusInd Bank Ltd.
Kotak Mahindra Bank Ltd.
State Bank of India

Auditors

M/s Pardeep Tayal & Co.,
Chartered Accountants
Indian Bank Building, G.T. Road,
Panipat - 132 103, Haryana

www.libertyshoes.com

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From The CEO's Desk

Dear friends,

The "Achhey Din" are here. For the footwear Industry as a whole as the new initiatives of the government have allowed the industry to be recognized as a dynamic sector with the highest potential to build the dream of a strong India by providing employment to the needy and being a source of foreign exchange earnings for the exchequer. **The Indian Government has taken various measures to support the growth of footwear industry by giving recognition to the Industry through the formation of Council for Footwear Leather and Accessories (CFLA).**

Your Company has been excited by this recognition and is investing in the business to grow its presence across the country and also working on newer international markets that are looking for high quality products. You may have noticed an increased visibility of the brand as our retail team has been on an expansion mode. The Company managed stores and the franchise stores have been opening at some key markets across not just the metro towns but also on the Hi streets of Class 1 cities. These expanded distribution advantage will show results in the coming years. The contact with a new set of consumers has been encouraging and has opened up newer business opportunities for your Company. The Company owned

stores are delivering a new standard of service which is helping the brand get a better image and raising the equity amongst consumers. What's more, the speciality shoes division has built newer markets and has established itself not just as leaders of the segment but also as a significant revenue source in the Company.

We have introduced & incorporated modern business techniques to ensure that the business becomes more sustainable in the long run. By making newer partnerships & building upon the old tried and tested ones to ensure the profits will look better over the years.

With the prospects of good monsoon and the sustained efforts of the Government the Indian economy is all set to grow at rapid pace. We believe that we have set up a sustainable path of growth for the future and we are ready with all our hard work to exploit the emerging opportunities present for this sector and economy as a whole.

We are most grateful to you for continuing to show your faith in the policies and helping us lead to better days ahead.

Adesh Kumar Gupta
Chief Executive Officer

Notice

Notice is hereby given that the 30th (Thirtieth) Annual General Meeting of the Members of **Liberty Shoes Ltd.** ("the Company") will be held on **Monday, 19th September, 2016 at 11.00 A.M** at the Registered Office of the Company situated at **Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, P.O. Bastara, Dist. Karnal -132114, Haryana** to transact the following businesses:-

ORDINARY BUSINESSES:

Item no. 1-Adoption of Financial Statements

To receive, consider and adopt:

- the Audited Financial Statement of the Company for the Financial year ended March 31, 2016 together with the Reports of the Board of Directors and the Auditors thereon.
- the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2016 together with the Reports of the Auditors thereon.

Item no. 2-Appointment of Directors

- To appoint a Director in place of Sh. Adeesh Kumar Gupta (DIN - 00137612), who retires by rotation and being eligible offers himself for re-appointment.
- To appoint a Director in place of Sh. Ashok Kumar (DIN - 06883514), who retires by rotation and being eligible offers himself for re-appointment.

Item no. 3-Ratification of appointment of Auditors

To ratify the appointment of Auditors of the Company, and to fix their remuneration and to pass the following resolution as an **ORDINARY RESOLUTION** thereof:

"RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under and pursuant to the recommendation of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at their 28th Annual General Meeting held on 29th September, 2014, appointment of M/s Pardeep Tayal & Co., Chartered Accountants (Firm Registration No. 002733N) as the Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors of the Company be and are hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017 as mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

Item no. 4- Re-appointment of Sh. Adeesh Kumar Gupta (DIN: 00137612) as an Executive Director

To consider and if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with the Schedule V of the Companies Act, 2013 (hereinafter referred to as "the Act" including any modification(s) or re-enactment(s) thereof for the time being in force) and all other applicable provisions of the Act, if any, and in accordance with provisions of Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Sh. Adeesh Kumar Gupta (DIN: 00137612) as an "Executive Director" of the Company for a further period of 2 years w.e.f. 1st October, 2016 on the terms and conditions including the remuneration, payable as minimum remuneration as enumerated in the draft Service Agreement which is to be entered into between the Company and Sh. Adeesh Kumar Gupta, salient features of which are specified in the Explanatory Statement under Section 102 of the Companies Act, 2013 annexed to this Notice, with option to the Board of Directors to vary the terms including increase in remuneration within the limits prescribed under the Act or any re-enactment thereof, and as may be mutually agreed between Sh. Adeesh Kumar Gupta and the Company from time to time.

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

By order of the Board
For Liberty Shoes Ltd.

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

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

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. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AFORESAID ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF, ONLY ON A POLL. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2. THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED AND SIGNED, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A PROXY FORM IS ANNEXED TO THIS REPORT.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share capital of the Company. Members holding more than ten percent of total Share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.

3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Rules framed there under, in respect of the Special Business under item no. 4 of the accompanying Notice is annexed hereto.
4. Pursuant to Section 113 of the Companies Act, 2013 and Rules framed thereunder, Corporate Members intending to send their authorized representative(s) to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution and Power of Attorney, if any, authorizing their representative(s) to attend and vote at the Annual General Meeting.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days notice in writing is given to the Company.
6. 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 Register of Members and Share Transfer Books shall remain closed from Tuesday, 13th September, 2016 to Monday, 19th September, 2016 (both days inclusive).
7. Members are requested to produce the Attendance Slip duly signed as per the specimen signature recorded with the Company/Depository Participants for admission to the Meeting hall.
8. Members, who held shares in dematerialized form, are requested to bring their Depository Participant (D.P.) I.D. and Client I.D. No(s). for easier identification to record attendance at the Meeting.
9. 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 Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd, 44, Community Centre, Naraina Industrial Area Phase-I, New Delhi-110028.
10. 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 the Depository Participants by the Members.
11. As per Regulation 40(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copy of their Income Tax Permanent Account Number (PAN). Additionally, for securities market transactions and / or for off market / private transactions involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copy of PAN Card to the Company / Registrar and Share Transfer Agents for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s) / Nominee(s).
12. The Investors/Shareholders are to be cautious while submitting the physical documents viz. Demat Request Forms (DRF) and share certificates, etc. with their Depository Participant(s) and should ensure that they (DPs) do not delay in sending the DRF and Share Certificate(s) to the Registrar and Share Transfer Agents (RTA) after generating the Demat Request Number (DRN). Kindly note that if DRF and share certificates, etc. are not received from their Depository Participant(s) by the RTA within a period of 15 days from the date of generation of the DRN for dematerialization, the DRN will be treated as rejected /cancelled. This step is being taken on the advice of Depositories, viz., National Securities Depository Limited and Central Depository Services (India) Limited so that no demat request remains pending beyond a period of 21 days. Upon rejection / cancellation of the DRN, a fresh DRF with new DRN has to be forwarded along with share certificate(s) by the Depository Participant(s) to the RTA.
13. Unpaid / Unclaimed Dividend:
 - i. Pursuant to 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 provisions Section 205B of the Companies Act, 1956.

- ii. The members, who have not yet claimed their dividends warrants for the financial year ended 31st March, 2014 and 31st March, 2015, are requested to claim the amount of Dividend from the Company immediately by submitting a request letter with the Company or Registrar and Share Transfer Agent M/s Link Intime India Pvt. Ltd. at the above mentioned addresses before the due date of transfer of respective amount of unpaid/unclaimed dividend to IEPF. Unclaimed/Unpaid amount of dividend for the financial year ended 31st March, 2014 and 31st March, 2015 will be transferred to the IEPF on 3rd November, 2021 & 3rd November, 2022 respectively.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd.
15. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.libertyshoes.com under section "Investor Relations". Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company by submitting duly completed Form No SH. 13 with the Company's RTA in case of shares in physical form and 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, in this regard Members may download Form SH-14 from the website of the Company www.libertyshoes.com and submit duly completed Form SH. 14 with the Company's RTA in case of shares in physical form and their respective depository in case of shares in electronic form.
16. Members holding shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar and Share Transfer

Agent, M/s Link Intime India Pvt. Ltd., for consolidation in to a single folio.

17. 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.
18. A brief profile along with necessary information of the Directors seeking their appointment/re-appointment in the forthcoming Annual General Meeting in pursuance of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Notice of this Annual General Meeting as Annexure A of Annexure to the notice.
19. Members are requested to:-
 - a. Bring their copy of the Annual Report and Attendance Slip at the venue of the Meeting.
 - b. Quote their Folio/DP ID & Client ID No. in all correspondence with Company/Registrar & Share Transfer Agent.
 - c. Note that no gift shall be distributed at the Annual General Meeting.
 - d. Note that Members present in person or through registered proxy/authorized representative(s) shall only be entertained.
 - e. Update their e-mail ID's with their Depository, in case shares holds in Dematerialized form and with RTA in case shares holds in physical form, if not provided earlier.
20. As per Section 101 and Section 136 of the Companies Act, 2013 read with relevant provisions of Companies (Management and Administration) Rules, 2014, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company/RTA or with their respective Depository participants. Members, who have not registered their e-mail address with the Company/RTA, can now register the same by submitting a duly filled in E-communication Registration form annexed to this Annual Report which is also available on the website of the Company www.libertyshoes.com, to Company/RTA of the Company. Members holding shares in demat form are requested to register their e-mail address with their respective Depository Participants only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
21. The Notice of Annual General Meeting, Annual Report and Attendance slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or

depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copies of the above documents are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members, who have received the Notice of Annual General Meeting, Annual Report and Attendance Slip in electronic mode, are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter at the venue of the AGM to attend the same.

22. Members, desiring any information relating to the accounts, are requested to write to the Company at an early date so as to enable the management to keep the information ready.
23. All the documents referred to in the Notice and Explanatory Statement including Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company on all working days between 10.00 A.M. and 1.00 P.M. up to the date of the aforesaid Annual General Meeting or any adjournment thereof, except on Sundays and other holidays.
24. The Ministry of Corporate Affairs (MCA), Government of India has introduced a 'Green initiative in Corporate Governance' by allowing paperless compliances by the Companies for service of documents to their Members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013 and Rules framed thereunder. In case you have not registered your correct e-mail ID, please communicate the same to our Registrar and Share Transfer Agents (RTA) - M/s. Link Intime India Pvt. Ltd. at their above address in respect of the shares held by you in physical mode or communicate to your Depository Participant(s) concerned in respect of shares held by you in demat / electronic mode. Although you are entitled to receive physical copy of the Notices, Annual Reports, etc. from the Company, we sincerely seek your support to enable us to forward these documents to you only by e-mail, which will help us in participating in the Green Initiatives of the MCA and protect our environment. In view of the above, the Company has already dispatched earlier written communications to its Members requesting them to register their designated email ID with the Company / RTA. However, Members who are desirous of obtaining physical copy of the Notices, Annual Reports and other documents may forward their written request to the Company / RTA for the same.
25. As required under the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, a route map, including a prominent landmark, showing directions to reach the AGM venue is annexed hereto.
26. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies

(Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-voting and ballot form facility to the Members to cast their votes electronically on all resolutions set forth in this Notice. This remote e voting facility is in addition to voting that may take place at the meeting venue on Monday 19th September, 2016. The process and general instructions for remote e-voting are given as follows:

(A) In case of members receiving e-mail (for those members whose e-mail addresses are registered with the Company):

- (i) The shareholders should log on to the e voting website www.evotingindia.com.
- (ii) Click on 'Shareholders' tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p>
	<ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN (160823011) for **LIBERTY SHOES LIMITED** on which you choose to vote.
- (xi) On the voting page, you will see **"RESOLUTION DESCRIPTION"** and against the same the option **"YES/NO"** for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.
- (xiv) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on **"Click here to print"** option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) **Note for Non - Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. as on close of business hours of Monday, 12th September, 2016 may follow the same instructions as mentioned above for e-Voting.

(ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

(B) In case of members receiving the physical copy of Notice of Annual General Meeting (for members whose e-mail IDs are not registered with the Company/depository participant(s) or requesting physical copy):

Please follow all steps from Sl. no. (I) to Sl. no. (XVII) above to cast vote

General Instructions:

- I) The remote e-voting period begins on Thursday, 15th September, 2016 at 09.00 a.m. and ends on Saturday, 17th September, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding

- shares either in physical form or in dematerialized form, as on close of business hours of Monday, 12th September, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholders, the Shareholder shall not be allowed to change it subsequently.
- II) In case you have any queries or issues regarding e voting, you may refer the Frequently Asked Question ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
 - III) The voting rights of shareholders shall be in proportion to their shares of paid-up equity share capital of the Company as on close of business hours of Monday, 12th September, 2016.
 - IV) Member can also download the notice of the meeting from the website of the Company available at www.libertyshoes.com for exercising their e Voting rights.
 - V) Members desiring to exercise vote by Physical Ballot form are requested to carefully read the instructions printed on the Ballot form and return the form duly completed & signed in the attached pre-paid postage Self addressed envelope so as to reach the scrutinizer not later than close of working hours i.e Saturday, 17th September, 2016 at 5.00 p.m.
 - VI) The Board of Directors has appointed CA Sukesh Gupta, partner of M/s Pardeep Tayal & Co. (Chartered Accountants), Panipat, Haryana as Scrutinizer for conducting the remote e-voting, voting through ballot form and voting at the 30th Annual General Meeting in a fair and transparent manner. The pre-paid postage self addressed envelope attached to this Notice bears the address to which duly completed Ballot form is to be sent.
 - VII) At the end of the remote e-voting period, Scrutinizer will download the entire voting data using its Scrutinizer login.
 - VIII) The Scrutinizer shall, immediately after the conclusion of voting at the 30th Annual General Meeting, first count the votes cast at the 30th Annual General Meeting, thereafter unblock the votes cast through remote e-voting and through ballot form in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizers' report of the total votes cast in favour or against, if any to the chairman or a person authorized by him in writing who shall countersign the same.

- IX) The Chairman of the Meeting or any person of the Company, duly authorised by him, in writing, shall announce the result of remote e-voting, ballot form and voting at the 30th Annual General Meeting through poll after receiving of consolidated scrutinizer's report from the scrutinizer.
- X) The consolidated Results of the above voting along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.libertyshoes.com within three days of passing of the resolutions at the 30th Annual General Meeting of the Company to be held on Monday, 19th September, 2016 and communicated to National Stock Exchange of India Ltd. and BSE Ltd.
- XI) The resolution shall be deemed to be passed on the date of 30th Annual General Meeting, subject to the receipt of sufficient votes through a compilation of voting results (i.e. remote e-voting and ballot form facilities along with the voting held at the Annual General Meeting through Poll).

Those members, who do not have access to remote e-voting facility, may send their assent or dissent in writing on the Ballot Form attached with this Annual General Meeting Notice in the enclosed self addressed postage pre-paid envelope so as to reach the Scrutinizer at 4/42, Punjabi Bagh (West), New Delhi-110026 on or before close of business hours of Saturday, 17th September, 2016 at 5.00 p.m. Any Ballot Form received after this date will be treated as if the reply from the members has not received. The Scrutinizer's decision on the Validity of a Ballot form facilities will be final.

IMPORTANT NOTE:

Liberty Shoes Ltd., being a listed Company and having more than 1000 shareholders, is compulsorily required to provide Remote e-voting facility to members in terms of Section 108 of the Act read with Rule 20 of the Rules and Regulation 44 of the Listing Regulations, voting by show of hands will not be available to the members at the 30th Annual General Meeting in view of the further provisions of Section 107 read with Section 114 of the Act.

Annexure to the Notice

(Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013)

ITEM NO. 4

Sh. Adeesh Kumar Gupta (DIN: 00137612) aged 52 years, has been associated with the Company for last several years in different capacities and considering his past contribution towards the Company, was appointed as an Executive Director for a period of 5 years w.e.f. 1st October, 2011 by members of the Company in their

25th Annual General Meeting held on 28th September, 2011. He has been contributing to operations of the Company with his vast experience.

A brief profile of Sh. Adeesh Kumar Gupta detailing the nature of his expertise, qualification, experience, name of Companies in which he holds Directorship and Membership/Chairmanship of Board Committees etc. has been provided in Annexure A to the Annexure to the Notice of this Annual General Meeting.

In view of his valuable contribution and considering his expertise, the Board of Directors on the recommendation of Nomination and Remuneration Committee in their Meeting held on 30th May, 2016 have proposed the re-appointment of Sh. Adeesh Kumar Gupta as an Executive Director for a further period of 2 years w.e.f. 1st October, 2016 subject to the approval of the Members of the Company in the 30th Annual General Meeting on the below mentioned terms and conditions including remuneration, payable as minimum remuneration in terms of the provisions of Schedule V of the Companies Act, 2013 and as set out in the draft Service Agreement to be executed with Sh. Adeesh Kumar Gupta. The above appointment has also been approved by the Nomination and Remuneration Committee of the Board, pursuant to Section 178 of the Companies Act, 2013 and Rules framed there under and also in terms of the Nomination and Remuneration Policy of the Company.

The Company has obtained from Sh. Adeesh Kumar Gupta his consent to be re-appointed as an Executive Director of the Company and also received declaration in Form DIR-8 to the effect that he is not disqualified to be appointed as a Director in any Company.

The Board considers that the continuing association of Sh. Adeesh Kumar Gupta on the Board of Directors of the Company will be of immense benefit to the Company and it would be prudent to re-appoint Sh. Adeesh Kumar Gupta as an Executive Director of the Company and he has requisite qualification and experience for the position he is holding. As a Director of the Company, his office shall be liable to retire by rotation at Annual General Meeting. Accordingly, the Board recommends the resolution no. 4 for the members' approval.

The respective abstract of the terms and conditions of the re-appointment of Sh. Adeesh Kumar Gupta as an Executive Director along with Memorandum of their interest or concern is set out as below:

Abstract of the terms and conditions of the re-appointment of Sh. Adeesh Kumar Gupta as an Executive Director:

- (i) Period: For a period of 2 years w.e.f. 1st October, 2016.
- (ii) Nature of Duties: Sh. Adeesh Kumar Gupta shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interest of the Company.

(iii) Remuneration:

- a) Salary: ₹4,00,000/- per month subject to the Board reviewing any increase or variation in such salary.
- b) Perquisites: As per the rules of the Company as applicable for the Director for the time being in force. In view of the inadequate profits of the Company, the proposed remuneration payable to Sh. Adeesh Kumar Gupta is the minimum remuneration and the total remuneration, of salary, perquisites, and any other allowances shall not exceed the ceiling as provided in Section II of the Part-II of Schedule V of the Companies Act, 2013 including any amendment thereof from time to time.

No commission of whatsoever nature shall be paid to the Executive Director apart from the aforesaid remuneration.

(iv) Other terms of re-appointment:

- a) The terms and conditions of the re-appointment of Sh. Adeesh Kumar Gupta as Executive Director may be varied or altered from time to time by the Board of Directors or Committee thereof in its discretion, if deemed fit but subject to the provisions of the Companies Act, 2013 or any regulations/ rules made there under.
- b) The Office of Sh. Adeesh Kumar Gupta as Executive Director shall be liable to retire by rotation.
- c) No sitting fee shall be paid to Sh. Adeesh Kumar Gupta for attending the Board or Committee Meeting(s)
- d) Sh. Adeesh Kumar Gupta shall abide by the Company's Code of Conduct or any other Code of Conduct as laid down in terms of Corporate Governance and Insider Trading Regulations, 2015.

Draft of the Service Agreement to be executed with the above Executive Director and other relevant documents are available for inspection at the Company's registered office on any working day between 10:00 A.M. to 1:00 P.M. up to the date of forthcoming AGM.

None of the Directors, Key managerial Personnel of the Company or their relatives of the Company may be deemed to be concerned or interested in the proposed resolution no. 4, except Sh. Adeesh Kumar Gupta to the extent of his shareholding in the Company.

By order of the Board
For Liberty Shoes Ltd.

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

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Annexure-A

A BRIEF PROFILE ALONGWITH THE NECESSARY INFORMATION OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT THEREOF IN THE FORTHCOMING ANNUAL GENERAL MEETING SCHEDULED TO BE HELD ON MONDAY, 19TH SEPTEMBER, 2016 IN PURSUANCE OF REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of the Director	Sh. Ashok Kumar	Sh. Adeesh Kumar Gupta
Age	47 Years	52 Years
Date of Appointment as Director	23rd January, 2015	12th August, 2011
Qualification	LL.B	Graduate
Relationship with other Directors inter se	None	None
Experience / Expertise in specific Functional Areas	He is a law Graduate and has been advising Company on various legal matters of the Company for last several years. He possesses a vast wealth of legal knowledge and has a proven record of providing indispensable legal advice to the Company and delivering of positive outcomes for the Company.	Has been associated with the Company in different capacity for last several years and having vast experience in the field of Human Resource Management and supervision of leather finishing unit. He has been contributing to operations of the Company with his vast experience.
List of directorship held in other Companies	None	<ul style="list-style-type: none"> • Geofin Investments (P) Ltd. • Little world Constructions private Limited
List of membership in committees of other Companies	None	None
Shareholding of Executive/ Non-Executive director(s)	Nil	1,89,360 Equity Shares

Information in terms of Schedule V to the Companies Act, 2013

I. General Information:

- a) **Nature of Industry:** The Company is engaged in the business of manufacturing and trading of footwear and accessories through its retail and wholesale network.
- b) **Date or expected date of commencement of commercial production:** The commercial production of the Company was started in December, 1993.
- c) **Expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** The commercial production of the Company has already commenced in December 1993, therefore not Applicable.
- d) **Financial performance based on given indicators:**
(For the Financial year ended March 31, 2016)
 - Profit/(Loss) before depreciation, interest, tax and exceptional items: ₹43.44 Cr.
 - Profit after tax and Exceptional item: ₹10.20 Cr.
 - Net Worth (excluding Capital reserve): ₹155.11 Cr.
 - Book Value per share of ₹10 each: ₹91.03.
- e) **Foreign Investments and Collaboration as on 31st March 2016:** The Company has no foreign collaboration but has done foreign investment in its wholly owned overseas subsidiary namely Liberty Foot Fashion Middle East, FZE and invested a sum of AED 25,39,376 by way of its equity contribution.

II. Information about the Appointee/Director:

1. Background Details and expertise and experience in specific functional areas:

Sh. Adeesh Kumar Gupta, aged 52 years, is having experience of over two and half decades in the field of Human Resource Management as well as of leather finishing unit. He was earlier associated with the Company as Director during the period of 1990 to 2001 and then joined the Board as Director in the year 2011 and then was appointed as an Executive Director for a period of five years w.e.f. 1st October, 2011 which was approved by the members in their 25th Annual General Meeting of the Company held on 28th September, 2011. He has been contributing to operations of the Company with his vast experience.

2. Past Remuneration:

Initially he was being paid Remuneration of ₹12,00,000/- p.a. plus all the perquisites in terms of the Policy of the Company for the time being applicable or in force. The Board of Directors, considering the manifold responsibilities assigned to Sh. Adeesh Kumar Gupta, his diversified experience and keeping in view the remuneration being paid in the Industry to the person(s) holding the similar

position and on the recommendation of Remuneration Committee of the Board, approved the increase in the remuneration of Sh. Adeesh Kumar Gupta from ₹12,00,000/- to ₹48,00,000/- p.a., inclusive of all the perquisites as per the Policy of the Company for the time being applicable or in force. The members in their 27th Annual General Meeting held on 20th September, 2013 approved the above increase in remuneration paid w.e.f. 1st April, 2013 as minimum remuneration in view of inadequate profit in terms of provisions of Schedule XIII to the Companies Act, 1956.

3 & 4 Recognition or awards/Job Profile and his suitability:

Sh. Adeesh Kumar Gupta has been associated with the Company in different capacity for last several years and contributing to the operations of the Company with his vast experience. He is looking after Human Resource Management of the Company and also supervising the Leather finishing unit of the Company. The Board of Directors are of the opinion that the continuing association of Sh. Adeesh Kumar Gupta on the Board of Directors of the Company will be of immense benefit to the Company and it would be prudent to re-appoint Sh. Adeesh Kumar Gupta as Executive Director of the Company on the same terms and conditions including remuneration to be payable to him and he has requisite qualification and experience for the position he is holding. He has submitted a declaration in form DIR-8 under Section 167 of the Companies Act, 2013 to the effect that he is not disqualified to be appointed as a Director in any Company.

5. Remuneration proposed:

The remuneration proposed to be paid to Sh. Adeesh Kumar Gupta for the position of Executive Director is ₹48,00,000/- p.a. including perquisites as per the rules of the Company within limits of Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any.

6. Comparative remuneration profile as per published information with respect to industry, size of the Company, profile of the position and person:

Sr. No.	Particulars	(1)	(2)	(3)
1	Name of the Company	Bata India Ltd.	Relaxo Footwear Ltd.	Mirza International Ltd.
2	Type of Industry	Footwear	Footwear	Footwear
3	Financial Year Ended	March, 2016	March, 2016	March, 2016
4	Annual Turnover (Net of Excise Duty)	₹2451.25 Crores	₹1715.27 Crores	₹925.74 Crores
5	Designation, Personal and Remuneration Profile (2016)	<p>(i) CEO & Managing Director, B.E. (Mechanical), 51 years old having 25 years of experience in similar field/industry at a remuneration comprising Salary, Allowances and Perquisites totaling to ₹446.20 Lakh p.a.</p> <p>(ii) Director Finance, Commerce Graduate, Chartered Accountants, 57 years old, having more than 30 years of experience in similar field/industry at a remuneration comprising Salary & allowances and Perquisites totaling to ₹107.00 Lakh p.a.</p>	<p>(i) Managing Director, Graduate, (B.Com Licentiate of LPRI London, 62 years old, having more than 38 years of experience in similar field/industry at a remuneration comprising of Salary & Commission totaling to ₹879.88 Lakh p.a.</p> <p>(ii) Whole Time Director, Graduate, (B.Sc) 66 years, having more than 43 years of experience in similar field/industry at a remuneration comprising Salary & Commission totaling to ₹879.88. Lakh p.a.</p>	<p>(i) Managing Director, diploma in Leather technology, London, 60 years old, having 40 years of experience in similar field/industry at a remuneration comprising salary & perquisites totaling to ₹146.38 Lakh p.a.</p> <p>(ii) Whole Time Director, diploma in Leather Goods Technologies, U.K., 59 years old having 37 years of experience in similar field/industry at a remuneration comprising Salary & Perquisites totaling to ₹118.27 Lakh p.a.</p>

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:

Sh. Adeesh Kumar Gupta, Executive Director is representing the promoters group of the Company. He is drawing remuneration of ₹48,00,000/- p.a. for the position of Executive Director as per the Policy of the Company and earlier approval by the members in their 27th Annual General Meeting held on 20th September, 2013. He and his relatives have interest as partners in Liberty Footwear Co., Liberty Group Marketing Division and Liberty Enterprises, Partnership firms at Karnal which have assigned exclusive rights to the Company to use their Trademarks, Sub brands, Manufacturing facilities, Sale and Distribution Networks and other assets of the firms on payment of franchise/licensing fees. Sh. Adeesh Kumar Gupta is holding 1,89,360 Equity Shares in the Company. He belongs to the Promoter group of the Company and he is not relative of any Managerial Personnel of the Company in terms of the provisions of Companies Act, 2013 and Listing Regulations.

III. Other Information:

A. Reasons of loss or inadequate profits:

- The Institutional sales segment, being major contributor in total sales, could not succeed in bagging repetitive big Institutional orders which has impacted the Company's top line and resulting in to marginal decline in profitability. The exports due to slowdown in global economy and steep fall in oil prices world over has majorly impacted the Export performance of the Company.
- Regular increase in minimum wages in Haryana where three plants of the Company operates, has impacted bottom line of the Company.
- Inflationary pressure prevailing in Domestic market for last

couple of years affects consumer sentiments.

- Increase in the finance cost due to higher utilization of borrowed funds.

B. Steps taken or proposed to be taken for improvement:

- Expanding the reach in untapped areas/cities for increasing the sales for domestic growth.
- To further strengthen the brand perception & pass on impact of higher costs to consumer.
- Exploring new export market and with focused approach on qualitative products.
- Effective utilisation of working capital loans to reduce the Interest Costs.
- Restructuring of operations of the Company by cost reduction of Administration and other expenses.

C. Expected increase in productivity and profits in measurable terms:

It is difficult at this stage to quantify the effect of the measures taken/being taken by the Company to improve the overall performance in financial terms. However, the measures being taken/to be taken by the Company will add on to the overall value of the Company which will be reflecting through the increase in the profitability of the Company.

IV. Disclosure:

Disclosure in the Board of Director's report under the heading 'Corporate Governance' Report attached to the financial statements:

The requisite details, as required to be disclosed under Corporate Governance Report attached to the Annual Report to the extent applicable to the Company and the Directors, have been disclosed therein.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 30th Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2016.

In addition to the Audited Financial Statements for the financial year ended 31st March, 2016, your Company has also presented its consolidated financial statements after considering the Audited

Annual results of its overseas wholly owned subsidiary Liberty Foot Fashion Middle East FZE in accordance with the requirements of the applicable Accounting Standards and provisions of the Listing Agreement/Regulations with the Stock Exchanges.

Financial Highlights (Standalone):

The highlights of the financial statements are as under:-

(₹ In Lakh)

Particulars	2015-16	2014-15
Gross Sales	47,065.86	54,646.16
Less: Excise Duty	1,817.75	2,257.15
Net Sales	45,248.11	52,389.01
Add: Other Income	202.62	228.30
Revenue from Operations and Other Income	45,416.53	52,617.31
Profit before Depreciation, Finance Costs and Tax (EBITDA)	4,344.89	4,420.43
Less: Finance Costs	1,639.21	1,606.68
Less: Depreciation & Amortisation	1,349.79	1,242.38
Profit Before Exceptional Items (PBT)	1,355.89	1,571.37
Less: Exceptional Items	117.69	71.34
Profit Before Tax Expense	1,238.20	1,500.03
Less: Tax Expenses	217.47	(206.17)
Net Profit for the year (NP)	1,020.73	1,706.20
Proposed Dividend (Including Provision for Corporate Dividend Tax)	-	307.93

Review of the operations of the Company:

During the financial year ended 31st March 2016, your Company has recorded a turnover of ₹47,066 Lakh as against ₹54,646 Lakh during the corresponding previous year. The Net Profit of your Company, for the year under consideration, remained at ₹1,020.74 Lakh as against ₹1,706.20 Lakh during the corresponding previous year. The Net Profit of your Company for the financial year ended 31st March, 2016 is after considering effect of Exceptional items of ₹117.69 Lakh (Previous year ₹71.34 Lakh) (as per details mentioned in notes note 2.26 of the notes to Financial Statements of the Company attached with this Annual Report).

Your Company, on consolidation basis with its wholly owned subsidiary Company Liberty Foot Fashion Middle East FZE, Dubai, recorded a turnover of ₹47,066 Lakh and achieved a Consolidated Net profits of ₹1,005.53 Lakh as the WOS has not yet commenced its operations.

Your Company's performance for the current financial year ended 31st March, 2016 in terms of its overall turnover and profitability has witnessed decline as against the previous year but has registered growth of around 20% in Sales at the Company Owned Company Operated (COCO) showrooms, whereas same stores sales, your Company has witnessed around 11% growth. This shows the satisfaction level of the customers in Liberty Brand. Your Company's institutional Sales segments, being major contributor in sales of the Company, could not succeed in bagging repetitive big institutional orders which has majorly impacted the top line of the Company. For the

respective last 2 years, your Company has executed this Institutional orders worth ₹50 Crores in each year. The exports, due to slow down in global economies & steep fall in oil prices world over, has also impacted your Company's performance in overseas market and witnessed declining trend during the year under consideration.

The Commodity prices and inflation of India during the year consideration remained under control but due to poor consecutive monsoon and drought in major states of the Country deprived the people living in rural areas from using their available resources for spending on footwear which has adversely affected the Company's performance on the domestic front.

Your Directors are concerned with the Company's performance during the year under consideration and believing that this phase would be temporary and with all round measures for efficiency improvements will results in improved performance in future.

Your Company, to regain its earlier position amongst the organized footwear players, has been continuously focusing by improving its collections in categories for Men, Women and Children by providing good quality products with latest and advanced designs at aspirational prices to cater the customers' value for money products. Your Company, as its pursuit of retail expansion, has been very conservative in opening of new retail stores during the year and kept focusing on same stores growth by improving efficiency in terms of replenishment and feed the stores afresh with latest merchandise. Your Company, in order to expand its retail network, has been focusing on tier -1 and tier-

2 cities of India which will improve its reach to the untapped market and hope that focus on same stores growth with selective expansions will give better results for the Company in the years to come.

As informed earlier, the respective arrangements with M/s. Liberty Enterprises (LE) and Liberty Group Marketing Division (LGMD), the two partnership firms in which few directors are interested, through which rights to use their manufacturing facilities and intangible assets of the said firms against minimum guaranteed annual fees, were available with the Company until 31st March, 2015. Your Company had entered in to Memorandum of Understanding with M/s Liberty Enterprises (LE) & M/s Liberty Group Marketing Division (LGMD) for purchase or otherwise takeover the Footwear Business (including, amongst others, the Sub Brands and Distribution Networks) of the said Firms and were proposed to be completed by 31st March, 2016 subject to the approval of the shareholders and the requisite statutory approvals required, if any. However, due to some technical and legal issues, the same could not be consummated till 31st March 2016 and considering the enduring benefits and requirements of the business of the Company, the earlier arrangements have been again renewed afresh for further period of 1 year i.e till 31st March, 2017 on the same terms and conditions including fees. Your directors are in talks with the concerned partners/person for acquisition of the assets of the above partnership firms before the end of the existing arrangements subject to shareholders and statutory approvals wherever required.

Your Directors are pleased to inform you that your Company has been awarded with Make in India awards 2015 for excellence in Leather Footwear during the year under consideration besides receiving of recognitions by leading business and industrial magazines/news papers.

Credit Rating:

During the year under review, Care Analysis and Research Limited (CARE), the leading rating agency has re-affirmed its rating CARE "A" (-) pronounced as CARE "A" Minus for the Long Term banking facilities and CARE "A2" (+) pronounced as CARE "A" (Two Plus) for Short Term banking facilities sanctioned to the Company.

Subsidiary Company & Consolidated financial statement:

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

The Wholly Owned Overseas Subsidiary of the Company M/s Liberty Foot Fashion Middle East FZE (LFF), Dubai has not yet started its operation and has incurred nominal routine expenses during the year under consideration which has been accounted while consolidating its financial statements with the Company. Your Company till 31st March, 2016 has invested a sum of ₹302.42 Lakh (Previous Year ₹302.42 Lakh) in LFF as its capital contribution. The financial results of LFF have been consolidated with the Company in compliance with Accounting Standards-21 of the Accounting Standards issued by the Institute of Chartered Accountants of India.

In accordance with Section 129 of the Companies Act, 2013, consolidated financial statements of the Company and its subsidiary Company is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under section 129 of the Companies Act, 2013.

The consolidated financial statements disclose the assets, liabilities, income, expenses and other details of the Company and its subsidiary.

Pursuant to provisions of first proviso of Section 129(3) of the Companies Act, a statement containing salient features of the financial statements of the Company's wholly owned subsidiary are given in Annexure I in Form AOC-1 and the same forms part of this report.

Pursuant to the third proviso to Section 136 (1) of the Companies Act, 2013, the financial Statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of wholly owned subsidiary, are available on the website of the Company at www.libertyshoes.com. The annual accounts of the wholly owned subsidiary and the related information will be made available to any member of the Company/its wholly owned subsidiary seeking such information and are available for inspection by any member of the Company/ its wholly owned subsidiary at the Registered Office of the Company.

Appropriations:

Dividend

Your Directors, considering the financial requirement to the Company, have not recommended any dividend for the financial year ended 31st March 2016.

Transfer to Reserves

Your Directors proposed to transfer ₹600.00 Lakh (Previous Year ₹600.00 Lakh) to the General Reserves out of the profits available with the Company for appropriations. Accordingly, an amount of ₹420.74 Lakh (Previous Year ₹138.94 Lakh) has been proposed to be retained in the Profit & Loss Account of the Company.

Employees Stock Option Scheme(s)

During the year ended 31st March, 2016, 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 selection, appointment and remuneration of Directors and Senior Management Personnel. The contents of the Policy and evaluation criteria have been stated in the Corporate Governance Report. The above Nomination and Remuneration Policy is set out in Annexure-II of this Report. The Policy is also available on the website of the Company i.e. www.libertyshoes.com.

Policy on Prevention of Insider Trading

Your Company has adopted a code of Conduct for Prevention of Insider Trading with a view to regulate trading in Equity Shares of the Company by the Directors and designated employees of the Company. The said Code of Conduct is available on the website of the Company at www.libertyshoes.com. The Code requires pre-clearance for dealing in Company's shares and prohibits purchase or sale of shares in your Company by the Directors and designated employees, 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 from time to time. They are also made aware of the various policies and code of conduct and business ethics adopted by the Board. Details of familiarization programs extended to the Non Executive & Independent Directors during the year under consideration are disclosed on the Company website at www.libertyshoes.com.

Risk Management Policy & Risk Management

The Management of the Company has always been consciously reviewing its business operations in accordance with set rules and procedure and if any deviation or risk is found, remedial and effective steps are being taken to minimize the deviation and risk. In line with the provisions of Section 134 (3) (n) of the Companies Act, 2013, the Company has developed a Risk Management Policy to build and establish the process and procedure for Identifying, assessing, quantifying, minimized, 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 types of risks which include Business Environment Risks, Strategic Business Risks, and Operational Risks etc. The Board of Directors periodically reviews and evaluates the risk management system of the Company so that the management controls the risks through properly defined networks. Head of the Departments are responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee. No risks threatening the existence of the organization have been identified. However there are other risks against which adequate mitigation plans are prepared.

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

Whistle Blower Policy (Vigil Mechanism)

As per the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Regulation 22 of Listing Regulations, your Company has an effective mechanism of reporting illegal or unethical behavior. The Company has a Whistle Blower Policy (vigil mechanism) wherein the directors, employees, consultants and contractors are free to report violations of laws, rules and regulations or unethical conducts, actual or suspected fraud or violation of the Company's code of conduct or ethics policy to the nodal officer. The mechanism followed is appropriately communicated within the Company across all levels and has been posted on the Notice Board of the Company. The confidentiality of those reporting violations etc. is maintained and they are not subjected to any discriminatory practice. The concern can be reported by sending an e-mail message at the dedicated address viz.

ethicscounsellors@libertyshoes.com. Individuals can also raise their concerns directly to the CEO or the Chairman of the Audit Committee of the Company. Any allegation falling within the scope of the concerns are identified, investigated and dealt with appropriately. The Audit Committee periodically reviews the functioning of this mechanism. The Vigil mechanism established in the Company provides adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism. During the year, no personnel of the Company was denied access to the Audit Committee. The details of establishment of Vigil mechanism/ Whistle Blower Policy of the Company are available at the website of the Company viz. www.libertyshoes.com.

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. Adeesh Kumar Gupta & Sh. Ashok Kumar, Directors of the Company will retire by rotation at the 30th 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 30th Annual General Meeting.

Appointment(s) and Cessation of office of Directors

(a) Appointment /Re-appointment of Directors

During the year under consideration, there is no appointment/re appointment of any Director in the Company. Pursuant to the recommendation of Nomination and Remuneration Committee, your Board of Directors, considering experience, qualification and valuable contribution in the Company, in their meeting held on 30th May, 2016 approved, subject to members' approval, re appointment of Sh. Adeesh Kumar Gupta as Executive Director of the Company w.e.f. 1st October, 2016 for a further period of 2 years on the same terms and conditions including minimum remuneration, payable to him for the position of Executive Director. The previous tenure of 5 years of Sh. Adeesh Kumar Gupta will expire on 30th September, 2016 which was approved by the members in their 25th Annual General Meeting held on 28th September, 2011. Accordingly, necessary resolution is being placed for the approval of the members at the 30th Annual General Meeting of the Company.

A brief profile along with necessary details of Director seeking their re-appointment has been provided in the Annexure-A of the Annexure to the Notice of the 30th Annual General Meeting as required under the provisions of Regulation 36 (3) of Listing Regulations.

(b) Cessation of Directors

During the year under consideration, Sh. Adarsh Gupta, Executive Director of the Company, due to his pre-occupation, has resigned from the position of Executive Director of the Company w.e.f. 18th August, 2015. The Board members acknowledged the

valuable services rendered by Sh. Adarsh Gupta during his tenure as Executive Director of the Company and expressed its appreciation and gratitude for the same. Sh. Adarsh Gupta served the Company for more than 25 years in different capacities with his valuable knowledge and rich experience. He belongs to the promoter group of the Company.

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. Adeesh 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 meeting held on 31st March, 2016, excluding the director being evaluated.

In lines with the provisions of Companies Act, 2013 and Listing Regulation, separate meeting of the Independent Directors of the Company was held on 31st March, 2016 in the absence of non-independent director and members of management to evaluate the performance of the non-Independent Directors and Board as a whole of the Company.

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 been approved by the Nomination and Remuneration Committee during the financial year 2014-15. The Policy of the Company also provides that Non-Independent Independent Directors be drawn from amongst eminent professionals with experience in business/finance/ law/public administration & enterprises. The Board Diversity Policy of the Company requires the Board to have balance of skills, experience and diversity of perspectives appropriate to the Company. Directors are appointed/re-appointed with the approval of the Members for a shorter period say, two to five years only. All Directors, other than Independent Directors, are liable to retire by rotation and are eligible for re-election in terms of the provisions of Articles of Association. The Independent Directors of your Company have confirmed that they meet the criteria of independence as prescribed under section 149 of the Companies, Act, 2013 and Regulation 16 of Listing Regulations.

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

Events Subsequent to the Date of Financial Statements

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.

The Ministry of Corporate Affairs, Government of India vide its Notification dated February 16, 2015 has issued the Companies (Indian Accounting Standards) Rules, 2015 which lays down a roadmap of Companies for implementation of Indian Accounting Standards (Ind AS). Every listed Company and their holding and subsidiary Companies (other than banking Companies, insurance Companies and non-banking financial Companies) are required to comply with Ind AS in preparation of their financial statements for accounting periods beginning on or after April 1, 2016, with the comparatives for the periods ending March 31, 2016. The provisions of above Rules will be applicable on your Company w.e.f. April 1, 2017 considering the Net worth of your Company as on March 31, 2014 is less than ₹500 Crores. Your Company will adopt the Ind AS for accounting periods beginning on or after April 1, 2017 in preparation of its financial statements for the said periods. Further, since the provisions of said Rules is not applicable on overseas subsidiaries, therefore the overseas wholly owned subsidiary of your Company M/s Liberty Foot Fashion Middle East FZE in Dubai is not required to comply with Ind AS in preparation of their financial statements.

Change in the nature of Business, if any

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

Internal financial control systems and their adequacy

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

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

Declaration by Independent Directors

The Company has received necessary declarations from each independent director under Section 149(7) of the Companies Act, 2013, that she/he meets the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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;
- 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;
- 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 2015-16.

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, 2016 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

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under, M/s Pardeep Tayal & Co., Chartered Accountants (Registration No. 002733N), were appointed as the Statutory Auditors of the Company from the conclusion of the Twenty Eight (28th) Annual General Meeting held on 29th September, 2014 till the conclusion of the Thirty First (31st) Annual General Meeting of the Company to be held in the year 2017, subject to the ratification of their appointment by the Members of the Company in their every Annual General Meeting. A resolution to that effect forms part of notice of the 30th Annual General Meeting sent along with this Annual Report.

Auditors' Report

Your Company's Directors have examined the Statutory Auditors' Report on Annual Accounts of the Company for the financial year ended 31st March, 2016. There are 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.

Secretarial Auditors and their Report

Your Directors have appointed M/s Sanjay Grover & Associates, a Practicing Company Secretaries, in accordance with the provisions of Section 204 read with Section 179 of the Companies Act, 2013 and rule 8 of the Companies (Meetings of Board and its Powers), Rules, 2014 for the financial year 2015-16 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, 2016 has been submitted by M/s Sanjay Grover & Associates and taken on record by the Board of Directors of the Company. The Report of the Secretarial Audit in Form MR-3 for the financial Year ended 31st March, 2016 is enclosed to the 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 have appointed M/s Rakesh Kanwar & Co. Karnal, Haryana, Chartered Accountants, 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 2015-16 for conducting the Audit of the books of

accounts and 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, 2016 has been submitted by M/s Rakesh Kanwar & Co. Karnal, Haryana, Chartered Accountants 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, 2016 under Section 186 of the Companies Act, 2013 and Rule made there under. Pursuant to Section 186 (4) read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), disclosure on particulars relating to Loans, advances and investments are provided as part of the financial statements.

Significant and material orders

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

Transactions with Related Parties

During the year 2015-16, 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. During the year under consideration, all related party transactions, non repetitive in nature for which omnibus approval was granted, are placed before the Audit Committee for its approval. 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.

There were no materially significant transactions with related parties during the financial year 2015-16 which were in conflict with interest of the Company. Your Company during the year, did not have any related party transactions which required prior approval of the Shareholders. However, the Company has been undertaking transactions for last so many years in respect of payment of Royalty/ Franchise fees to few of the related parties after obtaining the prior approval of shareholders and Central Government under the provisions of the Companies Act, 1956. All the related party transactions have been disclosed in the Notes to financial statements as required under AS-18 of Accounting Standard.

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

Particulars of 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 is given in Annexure III and the same forms part of this report.

During the financial year 2015-16, 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.

Extract of Annual Return

As provided under Section 92(3) of the Companies Act, 2013, the extract of annual return is given in Annexure IV in the prescribed Form MGT-9, which forms part of this report.

Corporate Social Responsibility (CSR)

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

1. Promoting Education and Skill development

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

2. Promoting Preventive and other Health Care

Liberty has provided free of cost/ concessional medical aids and testing facilities to the poor and needy people by making its suitable contribution to Hospital etc.at Karnal.

3. Rural Development

With due permission of State Government Liberty has adopted village/rural areas in Karnal for their development and uplifting the life of the villagers residing there by fulfilling the necessary and essential requirements of survival including providing of working conditions and opportunities for gainful, employment of women and skill development. It has also contributed in the Karnal Vikas Nidhi Scheme initiated by State Government for the development of Karnal and its rural areas and villages like "to undertake all work related to improvement of society, promotion of communal and societal harmony and brotherhood, to create awareness and addressing social evils, promotion and progress of agriculture and

animal husbandry, promotion of small scale industries, to take up programs in which science and technology have major role, minimizing unemployment among youth of weaker section of society, women empowerment etc.”

4. **Promoting of Sports**

Liberty has made contribution to registered Sports Associations at Karnal which provides training to youth/young athletes of Haryana to prepare and make them ready to participate in National Games/ Olympics.

5. **Environmental sustainability**

Liberty is ensuring environmental sustainability, conservation of natural resources, animal welfare and maintaining of quality of soil, air and water through plantation and installation of solar plants at our Plants/ Offices. Besides this the Company has also donated free of cost footwear to World Wild life Fund (WWF) for the protection of wild animals in India.

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 and also contributed to the Association incorporated with the objective of development of trade to which your Company belongs.

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

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

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

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

During the year ended 31st March, 2016 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 Pardeep Tayal & Co., Chartered Accountants, on compliance with corporate governance norms under the Listing Regulations, is given at page no. 39 to page no. 57 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 and its wholly owned subsidiary, wherever applicable, are presented at page no. 59 to page no. 61 of this Annual report. The Management Disclosure and Analysis Report provides a consolidated prospective of economic, social and environmental aspects material to our strategy and our ability to create and sustain value to our key stakeholders.

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

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

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 appreciation for the consistent cooperation and support received from the shareholders, Bankers, Channel Partners and the Government Authorities.

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

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Annexure-I to Directors' Report

Statement containing the salient features of the financial statements of subsidiaries/associate companies/joint ventures.

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014-AOC-1]

(Amount in ₹ except % of shareholding)

1	Name of the Subsidiary Company	Liberty Foot Fashion Middle East, FZE*
2	Financial period ended	31st March, 2016
3	Reporting Currency/ Exchange rate	1 AED = Rs.18.02
4	Share capital	1,80,20,000
5	Share Application Money	2,77,39,556
6	Reserves & Surplus	(80,63,968)
7	Total Assets	4,36,10,238
8	Total Liabilities	4,36,10,238
9	Investments	-
10	Turnover*	-
11	Profit (Loss) before taxation	(15,21,050)
12	Provision for taxation	-
13	Profit (Loss) after taxation	(15,21,050)
14	Proposed Dividend	-
15	% of shareholding	100

*The Wholly owned subsidiary Company has not commenced its operations.

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Annexure-II to Directors' Report

Nomination and Remuneration Policy

OBJECTIVE AND GUIDING PRINCIPLES

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

- ❖ the level and composition of remuneration is reasonable to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives;
- ❖ the relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
- ❖ the remuneration to Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) and other employees 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 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 half shall be Independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN

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

FREQUENCY OF MEETINGS

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

COMMITTEE MEMBERS' INTERESTS

- A. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- B. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VOTING

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

Diversity

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

- ❖ Accounting;
- ❖ Corporate Finance;
- ❖ Legal;
- ❖ Corporate laws;
- ❖ Information Technology
- ❖ Business Strategy;
- ❖ Engineering;
- ❖ 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 and disclosure of such appointment 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. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
 - ❖ 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:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

- 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.

- 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

- 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 and Central Government, 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 for the time being in force.
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. Increments will be effective from the date of re-appointment in respect of Managerial Person and 1st April in respect of other KMP and Senior Management of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **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 for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, 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 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

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 sanction of the Central Government, 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 permitted by the Central Government.

- **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 for the time being in force.

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 or such amount as may be prescribed by the Central Government from time to time.

3. Limit of Remuneration /Commission:

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

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

- **REMUNERATION TO OTHER EMPLOYEES**

The Remuneration including loans and advances to other employees will be decided as per remuneration policy of the Company.

MINUTES OF COMMITTEE MEETING

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

DEVIATIONS FROM THIS POLICY

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

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Annexure-III to Directors' Report

Particulars of employees

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

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

Executive Directors	Ratio to median Remuneration
Sh. Adesh Kumar Gupta	49.69
Sh. Adarsh Gupta	-*
Sh. Shammi Bansal	49.69
Sh. Sunil Bansal	49.69
Sh. Adeesh Kumar Gupta	49.69
Sh. Ashok Kumar	13.66

*Sh. Adarsh Gupta has not drawn remuneration during the financial year 2015-16. (up to the date of resignation i.e. 18th August, 2015)

Non- Executive Directors: No remuneration has been paid to the Non- Executive directors, except payment of sitting fee for attending the Board Meeting or Committee thereof.

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

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

*He was appointed as Executive Director w.e.f. 1st June, 2015 and worked part of the financial year 2015-16, therefore increase is not reported .

* *Sh. Adarsh Gupta has not drawn remuneration during the financial year 2015-16. (up to the date of resignation i.e. 18th August, 2015)

- c) **The percentage increase in the median remuneration of employees in the financial year : 15%**

- d) **The number of permanent employees on the rolls of the Company : 2355**

- e) **The explanation on the relationship between average increase in remuneration and Company Performance:**

On an average, employees received an annual increase of 8% in the Company. The individual increments varied from 8% to 15%, based on individual performance. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an Individual performance.

- f) **Comparison of the remuneration of the Key Managerial personnel against the performance of the Company:**

Aggregate remuneration of Key Managerial personnels (KMPs) in financial year 2016 (₹ in Lakh)	236.00
Revenue (₹ in Lakh)	47,065.86
Remuneration of KMPs (as a % of revenue)	0.50
Profit before Tax (PBT) (₹ In Lakh)	1,238.21
Remuneration of KMPs (as a % of PBT)	19.06

- g) **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2016	March 31, 2015	% Change
Market Capitalization (₹ in Lakh)	24,358.68	42,174.00	(42.24)
Price Earning Ratio (PE Ratio)	23.86	24.73	(3.52)

- h) **Percentage increase over decrease in the market quotations of the shares of the Company comparison to the rate at which the Company came out with the last public offer:**

Particulars	March 31, 2016	August 9, 1994 (IPO)	July 18, 2005 (IPO)*	% Change
Market Price (BSE)	142.00	99.00	49.50	188.78
Market Price (NSE)	142.95	99.00	49.50	188.78

* Adjusted for 1:1 bonus issue in 2005

- i) **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:**

The average Annual increase was around 8%. However, during the course of the year, the total increase is approximately 3%, after accounting for promotions and other event based compensation revisions.

There was no increase in the managerial remuneration for the current year in comparison to the last year.

- j) **Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

Particulars	Sh. Adesh Kumar Gupta, CEO & Executive Director	Sh. Adarsh Gupta, Executive Director*	Sh. Shammi Bansal Executive Director	Sh. Sunil Bansal Executive Director	Sh. Adeesh Kumar Gupta Executive Director	Sh. Ashok Kumar Executive Director**	Sh. Munish Kakra CFO & Company Secretary
Remuneration in FY 16 (₹ In Lakh)	48.00	-	48.00	48.00	48.00	11.00	33.00
Revenue (₹ In Lakh)	47,065.86						
Remuneration as % of revenue	0.10	-	0.10	0.10	0.10	0.02	0.07
Profit before Tax (PBT) (₹ In Lakh)	1,238.20						
Remuneration as % of PBT	3.88	-	3.88	3.88	3.88	0.89	2.67

*Sh. Adarsh Gupta has not drawn remuneration during the f.y. 2015-16. (up to the date of resignation i.e. 18th August, 2015)

**He was appointed as Executive Director w.e.f. 1st June, 2015.

- k) **The Key parameters for any variable component of remuneration availed by the directors:**

During fiscal 2016, no director of the Company has received remuneration with variable component.

- l) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

During fiscal 2016, no employee of the Company has received remuneration in excess of the highest - paid director.

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

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

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Annexure- IV to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:		
i.	CIN:	L19201HR1986PLC033185
ii.	Registration Date:	September 3, 1986
iii.	Name of the Company:	Liberty Shoes Limited
iv.	Category/Sub Category of the Company:	Company Limited by shares/Indian Non-Government Company
v.	Address of the Registered office and contact details:	Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, P.O. Bastara, Distt. Karnal-132114, Haryana Tel.: (91)-1748-251101-03. Fax: (91)-1748-251100 E-mail: lpm@libertyshoes.com Website: www.libertyshoes.com
vi.	Whether listed Company:	Yes
vii.	Name, Address and contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 44, Community Centre, Naraina Industrial Area Phase-I, New Delhi-110028 Tel.: (91)-11-41410592-94. Fax: (91)-11-41410591 E-mail: delhi@linktime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY	
(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)	

Sr. No.	Name and Description of main products/services	NIC Code of the Product/services	% of total turnover of the Company
1	Manufacturing and Trading of Footwear and Footwear Accessories	2910	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Liberty Foot Fashion Middle East FZE, P.O. Box 50553, Dubai, UAE	Not Applicable	Subsidiary	100	2(87)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

I.	Category-wise Share Holding Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
a.	Individuals/Hindu Undivided Family	6506630	83360	6589990	38.67	5964269	83360	6047629	35.49	(3.18)
b.	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	4472517	-	4472517	26.25	4472517	-	4472517	26.25	-
d.	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
e.	Others	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)		10979147	83360	11062507	64.92	10436786	83360	10520146	61.74	(3.18)
2	Foreign									
a.	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b.	Bodies Corporate	-	-	-	-	-	-	-	-	-
c.	Institutions	-	-	-	-	-	-	-	-	-
d.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e.	Others	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)		10979147	83360	11062507	64.92	10436786	83360	10520146	61.74	(3.18)
B.	Public Shareholding									
1	Institutions									
a.	Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b.	Financial Institutions/ Banks	12844	700	13544	0.08	10308	700	11008	0.06	(0.02)
c.	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
d.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e.	Insurance Companies	-	-	-	-	-	-	-	-	-
f.	Foreign Institutional Investors	21000	-	21000	0.12	-	-	-	-	(0.12)
g.	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i.	Foreign Portfolio Investors (Corporate)	-	-	-	-	-	-	-	-	-
j.	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)		33844	700	34544	0.20	10308	700	11008	0.06	(0.14)
2	Non-Institutions									
a.	Bodies Corporate	810585	2700	813285	4.77	528843	2700	531543	3.12	(1.65)
b.	Individuals									
i	Individual Shareholders holding nominal share capital upto ₹2 Lakh	2094278	203238	2297516	13.48	2781717	212608	2994325	17.57	4.09
ii	Individual Shareholders holding nominal share capital in excess of ₹2 Lakh	2605909	24180	2630089	15.43	1746826	-	1746826	10.25	(5.18)
c.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d.	Any Other (specify)									
i.	Trusts	400	-	400	-	-	-	-	-	-
ii.	Foreign Companies	-	-	-	-	-	-	-	-	-
iii.	Clearing Members/Clearing Houses	126567	-	126567	0.74	116457	-	116457	0.68	(0.06)
iv.	Hindu Undivided Families	-	-	-	-	990167	-	990167	5.81	5.81
v.	Non-Resident Indians (Non Repat)	74292	200	74492	0.44	66833	200	67033	0.39	(0.04)
	Non-Resident Indians (Repat)	-	-	-	-	62495	-	62495	-	-
vi.	Directors and their relatives	600	-	600	-	-	-	-	-	-
Sub-Total (B) (2)		5712631	230318	5942949	34.88	6293338	215508	6508846	38.20	3.32
Total Public Shareholding (B)=(B)(1) + (B) (2)		5746475	231018	5977493	35.08	6303646	216208	6519854	38.26	3.18
Total (A) + (B)		16725622	314378	17040000	100.00	16740432	299568	17040000	100.00	-
C.	Shares held by Custodians and against which Depository Receipts have been issued									
		-	-	-	-	-	-	-	-	-
GRAND TOTAL (A) + (B) + (C)		16725622	314378	17040000	100.00	16740432	299568	17040000	100.00	0.00

ii.	Shareholding of Promoters							
Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in the shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Sh. SHAMMI BANSAL	240640	1.41	-	259640	1.52	-	0.11
2	Smt. KAMLAWATI	13600	0.08	-	13600	0.08	-	-
3	Sh. ANMOL GUPTA	677500	3.97	-	1139	0.01	-	(3.96)
4	Sh. PRANAV GUPTA	242910	1.43	-	242910	1.43	-	-
5	Sh. ARPAN GUPTA	480000	2.82	-	480000	2.82	-	-
6	Sh.DINESH KUMAR GUPTA	72400	0.42	-	72400	0.42	-	-
7	Smt. REHTI DEVI	83360	0.49	-	83360	0.49	-	-
8	ADEESH KUMAR GUPTA (KARTA)	660000	3.87	-	660000	3.87	-	-
9	Sh. ADEESH KUMAR GUPTA	150360	0.88	-	189360	1.11	-	0.23
10	Sh. AKSHAT GUPTA	241660	1.42	-	241660	1.42	-	-
11	DINESH KUMAR GUPTA (KARTA)	640000	3.76	-	640000	3.76	-	-
12	ADESH KUMAR GUPTA (KARTA)	680000	3.99	-	680000	3.99	-	-
13	Sh. ADESH KUMAR GUPTA	95000	0.56	-	95000	0.56	-	-
14	Sh. ADARSH GUPTA	11000	0.06	-	11000	0.06	-	-
15	Sh. SUNIL BANSAL	213640	1.25	-	232640	1.37	-	0.11
16	Sh. RAMAN BANSAL	213640	1.25	-	232640	1.37	-	0.11
17	Sh. VIVEK BANSAL	214640	1.26	-	233640	1.37	-	0.11
18	Sh. ANUPAM BANSAL	459640	2.70	-	478640	2.81	-	0.11
19	Sh. AYUSH BANSAL	300000	1.76	-	300000	1.76	-	-
20	Sh. MANAN BANSAL	150000	0.88	-	150000	0.88	-	-
21	Sh. PULKIT BANSAL	300000	1.76	-	300000	1.76	-	-
22	Sh. VAIBHAV BANSAL	150000	0.88	-	150000	0.88	-	-
23	Sh. RUCHIR BANSAL	300000	1.76	-	300000	1.76	-	-
24	M/s GEOFIN INVESTMENTS PVT. LTD.	4472517	26.25	-	4472517	26.25	-	-
	Total	11062507	64.92	-	10520146	61.74	-	(3.18)

iii.	Change in Promoters' Shareholding (please specify, if there is no change)				
Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Sh. Shammi Bansal				
1	At the beginning of the year	240640	1.41	240640	1.41
2	Open Market Purchase on 22.07.2015	19000	0.11	259640	1.52
3	At the end of the year			259640	1.52
	Sh. Adeesh Kumar Gupta				
1	At the beginning of the year	150360	0.88	150360	0.88
2	Open Market Purchase on 22.07.2015	39000	0.23	189360	1.11
3	At the end of the year			189360	1.11
	Sh. Sunil Bansal				
1	At the beginning of the year	213640	1.25	213640	1.25
2	Open Market Purchase on 22.07.2015	19000	0.11	232640	1.37
3	At the end of the year			232640	1.37
	Sh. Raman Bansal				
1	At the beginning of the year	213640	1.25	213640	1.25
2	Open Market Purchase on 22.07.2015	19000	0.11	232640	1.37
3	At the end of the year			232640	1.37
	Sh. Vivek Bansal				
1	At the beginning of the year	214640	1.26	214640	1.26
2	Open Market Purchase on 22.07.2015	19000	0.11	233640	1.37
3	At the end of the year			233640	1.37
	Sh. Anupam Bansal				
1	At the beginning of the year	459640	2.70	459640	2.70
2	Open Market Purchase on 22.07.2015	19000	0.11	478640	2.81
3	At the end of the year			478640	2.81
	Sh. Anmol Gupta				
1	At the beginning of the year	677500	3.97	677500	3.97
2	Open Market Sale on 16.07.2015	38500	0.23	639000	3.75
3	Open Market Sale on 16.07.2015	38500	0.23	600500	3.52
4	Open Market Sale on 20.07.2015	52000	0.31	548500	3.22
5	Open Market Sale on 22.07.2015	135828	0.80	412672	2.42
6	Open Market Sale on 23.07.2015	11700	0.07	400972	2.35
7	Open Market Sale on 24.07.2015	37000	0.22	363972	2.14
8	Open Market Sale on 27.07.2015	23000	0.13	340972	2.00
9	Open Market Sale on 28.07.2015	14972	0.09	326000	1.91
10	Open Market Sale on 29.07.2015	2000	0.01	324000	1.90
11	Open Market Sale on 30.07.2015	46600	0.27	277400	1.63
12	Open Market Sale on 31.07.2015	127400	0.75	150000	0.88
13	Open Market Sale on 03.08.2015	148861	0.87	1139	0.01
14	At the end of the year			1139	0.01

*Except above there is no change in Promoters' shareholding between 01.04.2015 to 31.03.2016

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):					
Sr. No	Top 10 Shareholders*	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding at the end of the year 31.03.2016	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	SATISH KUMAR GUPTA	863584	5.0680	866202	5.0833
2	HARISH KUMAR GUPTA	764296	4.4853	754296	4.4266
3	DOLLY KHANNA	283206	1.6620	270739	1.5888
4	DHEERAJ GUPTA	178500	1.0475	171500	1.0065
5	AKARSH GUPTA	160000	0.9390	150000	0.8803
6	SHAMBHU KUMAR PODDAR	40000	0.2347	140000	0.8216
7	KANISHK GUPTA	105000	0.6162	105000	0.6162
8	DINESH KUMAR GUPTA	72400	0.4249	72400	0.4249
9	SHAMBHU KUMAR PODDAR	-	-	61000	0.3580
10	DIGVIJAY COMMERCE AND TRADING PVT. LTD.	-	-	58848	0.3454

*The shares of the Company are traded on a daily basis and hence the date wise increase/ decrease in shareholding is not indicated. Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

v. Shareholding of Directors and Key Managerial Personnel:								
Sr. No.	Folio/Beneficiary Account no.	Name of the Director/ Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
					No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	IN30115127865430	Sh. Adesh Kumar Gupta - CEO & Executive Director	01.04.2015	At the beginning of the year	95000	0.56	95000	0.56
			31.03.2016	At the end of the year			95000	0.56
2	IN30154918000382	Sh. Shammi Bansal - Executive Director	01.04.2015	At the beginning of the year	240640	1.41	259640	1.52
			31.03.2016	At the end of the year			259640	1.52
3	IN30115128197297	Sh. Sunil Bansal - Executive Director	01.04.2015	At the beginning of the year	213640	1.25	232640	1.37
			31.03.2016	At the end of the year			232640	1.37
4	IN30115127865552	Sh. Adeesh Kumar Gupta - Executive Director	01.04.2015	At the beginning of the year	150360	0.88	189360	1.11
			31.03.2016	At the end of the year			189360	1.11
5	IN30154917962368	Sh. Adarsh Gupta - Executive Director*	01.04.2015	At the beginning of the year	11000	0.06	N.A.*	N.A.*
			31.03.2016	At the end of the year			N.A.*	N.A.*
6	IN301313/20186971	Sh. Ramesh Chandra Palhan - Independent Director (jointly with wife)	01.04.2015	At the beginning of the year	200	0.001	200	0.001
			31.03.2016	At the end of the year			200	0.001

*Resigned from the position of Directorship w.e.f 18.08.2015.

Note: Except above, other Directors/KMPs do not hold Equity Shares in the Company

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

(₹ in Lakh)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i	Principal Amount	13,871.56	13.35	-	13,884.91
ii	Interest due but not paid	7.48	-	-	7.48
iii	Interest accrued but not due	-	-	-	-
Total (i + ii + iii)		13,879.04	13.35	-	13,892.39
Change in indebtedness during the financial year					
i	Addition	242.69	3,188.31	-	3,431.00
ii	Reduction	1,030.71	2,782.11	-	3,812.82
Net Change		(788.02)	406.20	-	(381.82)
Indebtedness at the closing of the financial year					
i	Principal Amount	13,070.11	419.55	-	13,489.66
ii	Interest due but not paid	20.91	-	-	20.91
iii	Interest accrued but not due	-	-	-	-
Total (i + ii + iii)		13,091.02	419.55	-	13,510.57

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration of Director and Key Managerial Personnel								
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager: (Per Annum)							
Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager						(₹ in Lakh)
		Sh. Adesh Kumar Gupta	Sh. Adarsh Gupta*	Sh. Shammi Bansal	Sh. Sunil Bansal	Sh. Adeesh Kumar Gupta	Sh. Ashok Kumar	Total Amount
1	Gross salary							
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	48.00	48.00	48.00	48.00	48.00	13.20	253.20
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission- as % of profit	-	-	-	-	-	-	-
5	Others, Allowances	-	-	-	-	-	-	-
	Total (A)	48.00	48.00	48.00	48.00	48.00	13.20	253.20
	Ceiling as per the Act (@10% of profits calculated under Section 198 of the Companies Act, 2013)							156.16

* Resigned w.e.f. 18th August, 2015

(₹ in Lakh)

B.	Remuneration to other Directors				
Sr. No.	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1	Independent Directors- Sitting Fee	2.70	-	-	2.70
	Total (1)	2.70	-	-	2.70
2	Other Non-Executive Directors	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)= (1+2)	2.70	-	-	2.70
	Total Managerial Remuneration (B)	2.70	-	-	2.70
	Ceiling as per the Act (@1% of profits calculated under Section 198 of the Companies Act, 2013)				15.61

C.	Remuneration to Key Managerial Personnel (KMP) other than MD/Manager/WTD (Per Annum)			(₹ in Lakh)
Sr. No.	Particulars of Remuneration	Name of KMP	Total Amount	
		Sh. Munish Kakra, CFO & Company Secretary		
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	33.00	33.00	
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission- as % of profit	-	-	
5	Others, Allowances	-	-	
	Total	33.00	33.00	

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENSES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Annexure- V to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities:

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

Liberty has always been a frontrunner in contributing to the society at large considering it as responsibility and has identified various areas to make the contribution. In Liberty, CSR initiatives are 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, It 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 CSR Committee constituted under the Act provides oversight of CSR policy execution to ensure that the CSR objective of the Company are met and it reviews and looks after the

activities of CSR including identifying the areas of CSR as per the provisions of the Act. The projects to be undertaken are within the broad framework of schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs proposed to be undertaken by the Company are available on the website of the Company viz. www.libertyshoes.com.

2. Composition of CSR Committee:

As reported earlier, the Board of Directors of the Company constituted its CSR Committee on 29th May, 2014 and further reconstituted on 30th May, 2016 which comprises of Sh. Shammi Bansal, Executive Director as Chairman and Sh. Adeesh Kumar Gupta, Executive Director Sh. Raghubar Dayal, Sh. Ramesh Chandra Palhan and Smt. Lovelena Mody, Independent Directors as members of the Committee.

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

(a) Total amount to be spent for the financial year: ₹27.86 Lakh (Being 2% of the Average net profit of last three financial years viz ₹1393.00 Lakh).

(b) Amount unspent: Not Applicable.

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

Sr. No.	CSR Projects or Activity identified	Sector which the project is covered	Projects or programs (1) Local Area or other (2) specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise (₹ in Lakh)	Amount spent on the projects or programs Subheads: (1) Direct Expenditure (2) Overheads (₹ in Lakh)	Cumulative Expenditure up to the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency
1	a) Development and uplifting the life of the villagers in rural areas by fulfilling the necessary and essential requirements of survival including providing of working conditions and opportunities for gainful, employment of women and skill development. (b) Contributed in the "Karnal Vikas Nidhi Yojna" launched by Haryana State Government for the development of rural areas in Karnal to undertake all work related to improvement of society, promotion of communal and social harmony and brotherhood, to create awareness and addressing social evils, promotion and progress of agriculture and animal husbandry, promotion of small scale industries, to take up programs in which science and technology	(a) Rural development programs (b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects (c) Promotion of Sports (d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining of quality of soil, air and water	Local Area	11.00	11.00	11.00	Direct

	have major role, minimizing unemployment among youth of weaker section of society, women empowerment etc.	(e) Eradicating hunger, poverty and malnutrition, and sanitation and making available safe drinking water					
2.	Contributed to registered Sports Associations in Karnal, for providing training to youth/young athletes of Haryana to prepare and make them ready to participate in National Games/Olympics.	Promotion of Sports	Local Area	2.00	1.71	1.71	Direct
3.	(a) Tree Plantation and development of green area in and around the plants/offices. (b) Provided free of cost footwear to World Wild life Fund (WWF) for the promotion of welfare of animals.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining of quality of soil, air and water	Local Area/Delhi/ NCR/Other Area	3.00	2.09	2.09	Direct
4.	(a) Contributions/ sponsorships to Schools for providing education/ healthcare to children who can't afford it and to ensure the holistic development of underprivileged children by providing them quality education, healthcare and balanced nutrition. (b) Donated free of cost footwear to various school/ institutions to further provide to the children/ students who can't afford it.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Local Area/Delhi/ NCR/Other Area	4.00	3.30	3.30	Direct
5.	Provided Free of cost/ concessional medical aids and testing facilities to the poor and needy people through Sanjeev Bansal Cygnus Hospital, Karnal.	Promotion of Preventive health care	Local Area	10.00	10.00	10.00	Direct
	Sub-Total			30.00	28.10	28.10	
	Overhead			-	-	-	
	Total CSR Spent			30.00	28.10	28.10	

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

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

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

Shammi Bansal
Executive Director & Chairman- CSR Committee
(DIN: 001318792)

Annexure VI to Directors' Report

Annexure 'A'

Disclosure of particulars under Section 134 (1) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the financial year ended 31st March, 2016, are given as under:

A) CONSERVATION OF ENERGY:

I) Energy Conservation measures taken

Liberty remained focused for power and fuel consumption reduction at its all manufacturing units. The energy conservation measures implemented during the financial year ended 31st March, 2016 are given below:

- Continuing arrangement for purchase of electricity through a dedicated feeder by forming a consortium of Companies. Third party power purchase to rationalize the electricity requirement and its cost.
- Replacement with LED lighting at the plants & administrative offices also wherever feasible.
- Taking steps to enhance the efficiency of the equipment and machines by getting its regular check up, Replacement lower efficiency Motors with high efficiency motors wherever required in the plant.

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

Liberty would continue with its efforts towards effective utilization of energy across its manufacturing units. Besides this Company has also implemented during the year various water conservative measures resulted in reduction of water consumption.

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

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

The savings are as under:

- Total energy saving in the year 2015-16: ₹8,15,425/-
- Energy saving per pair during the year 2015-16: ₹0.10 per pair
- Energy saving against total cost of consumption of energy in the year 2015-16: 0.90%

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

The Company has initiated the process of feasibility of identifying the alternative source of energy i.e installation of solar power at its plants.

V) Capital Investment on energy conservation equipment

The Company has not made any major capital investment except routine replacements in the energy consumption equipment.

B) TECHNOLOGY ABSORPTION:

I. Efforts made in technology absorption

In Liberty, efforts were made by identifying new processes/adaptation of existing processes to overcome the general challenges in commercial production, product development

and absorption of technologies.

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

- R & D efforts were directed mainly towards core areas of footwear and innovations relating to manufacturing & packaging etc.
- Launch of new design with innovative concepts offering value for money for its consumers.
- Introduction of process for quality and durability enhancement.

III. Technology Imported during last three years: None

IV. The future plan of action

Distinctive efforts will be implemented in innovation capability development and improving process for product developments. Further efforts will also be implemented to develop new products after understanding consumers' insights and align processes across the Company's business activities.

V. Expenditure in R & D

The Company has not incurred any capital expenditure towards its research and development activities, however, has spent ₹38.65 Lakh as recurring expenditures towards its development activities.

This expenditure constitutes 0.10% of the turnover of the Company for the year under consideration.

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

The implementation of innovative technologies in various manufacturing processes has helped Liberty to improve quality of footwear and development competence amongst its employees.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

I) Efforts and initiative in relation to the exports:

The Company has further strengthened its efforts to understand the overseas customer's requirements and to bring in Liberty footwear in untapped Countries and also improve the business relations with its existing customers.

II) Total foreign exchange used and earned:

During the year, the Company has earned foreign exchange of ₹3,603.74 Lakh (previous year ₹4,850.73 Lakh) and used foreign exchange of ₹1,688.07 Lakh (previous year ₹1,814.10 Lakh).

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
(DIN: 00143192)

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Form NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

[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 is 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, regulation 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.

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 31st March, 2016 ("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:

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 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder/Companies Act, 1956 (wherever applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and rules and regulations made thereunder 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/ the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) *The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - (g) *The Securities and Exchange Board of India (Delisting

of Equity Shares) Regulations, 2009;

- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015 applicable w.e.f. December 1, 2015;

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

We have also examined compliance with the applicable clauses of the following-

- (i) Secretarial Standards on Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India (applicable w.e.f. July 01, 2015) which the Company has generally complied with.
- (ii) Listing Agreements (applicable upto November 30, 2015) entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable and as per the Management's representation & explanation provided, the Company is in process of filing of e-form in respect of resolution for approval of the Annual Financial Statements along with the Board's Report under section 179(3)(g) of the Act and also for filing e form under section 170 of the Act for regularization of a director in the last Annual General Meeting of the Company.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period under review were carried out in compliance with the provisions of the Act.

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

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

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

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No. P2001DE052900

Sanjay Grover
Managing Partner
CP No. 3850

Place: New Delhi
Dated: May 30, 2016

Corporate Governance Report

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

1. Company's philosophy on Code of Governance

Liberty's philosophy of Corporate Governance is to achieve the business excellence and its dedication for enhancing shareholders value through promoting accountability, transparency & corporate fairness in all its transactions.

Liberty understands that the compliances of applicable statutes and timely disclosures enhance the perception of the Company and also the trust of all stakeholders.

"Liberty" continuously strive at improving and adhering to the good governance practice.

2. Board of Directors

(a) Composition and Category of Directors

The Board of Directors is entrusted with the overall responsibility of the management, affairs and performance of the Company and has been authorised with the requisite powers.

Liberty Board is a balanced Board, comprising Executive and Non Executive Directors. The Non-Executive Directors include independent professionals and entrepreneurs having understanding of diversified Industries and the overall administration. Your Company also has a woman Director which brings diversity on the Board.

As on date of this report, the Board of Directors of the Company comprises of 11 (Eleven) Directors including (1) one woman Director, out of which 5 (Five) are Executive Directors and 6 (Six) are Non Executive Independent Directors. Out of the said 5 Executive Directors, 4 are representing Promoter group of the Company.

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

Sh. Adesh Kumar Gupta, CEO & Executive Director of the Company, acted as Chairman of all the Board meetings held during the financial year 2015-16.

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 or its subsidiary.

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, 2016 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, 2016	No. of Committee	
						Member-ship	Chairman-ship
1.	Sh. Adesh Kumar Gupta	00143192 Promoter & ED	5(5)	Yes	8	-	-
2.	Sh. Shammi Bansal	00138792 Promoter & ED	5(4)	Yes	1	-	-
3.	Sh. Sunil Bansal	00142121 Promoter & ED	5 (5)	Yes	1	-	-
4.	Sh. Adeesh Kumar Gupta	00137612 Promoter & ED	5(5)	Yes	2	-	-
5.	Sh. Adarsh Gupta*	00161193 ED	5(1)	No	2	-	-
6.	Sh. Ashok Kumar	06883514 ED	5(5)	Yes	-	-	-
7.	Sh. Raghubar Dayal	00481803 NED (I)	5(5)	Yes	-	-	-
8.	Sh. Amitabh Taneja	00031257 NED (I)	5(2)	No	6	1	2
9.	Sh. Vivek Bansal	00939232 NED (I)	5(2)	No	1	-	-
10.	Sh. Ramesh Chandra Palhan	05241019 NED (I)	5(5)	Yes	-	-	-
11.	Sh. Pushpinder Singh Grewal	06364475 NED (I)	5(4)	Yes	-	-	-
12.	Smt. Lovelena Mody	01279148 NED (I)	5(2)	Yes	2	-	-

* Resigned w.e.f. 18.08.2015

(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 2015-16, 5 (Five) Board Meetings were held viz. on 29th May, 14th August, 6th November 2015 and 11th February & 31st March 2016. The maximum interval between any two Board Meeting(s) was not more than 120 Days prescribed under the Listing Regulations. The annual calendar of meetings is broadly determined at the beginning of the year. The Board periodically reviews the compliance reports of all laws applicable to the Company.

None of the directors on the board hold directorships in more than ten public Companies. Further, none of them is a member of more than ten Board level committees or chairman of more than five committees across all the Indian public limited Companies in which he is a director. Further none of the Independent Directors serves as an Independent Director in more than seven listed Companies. Necessary disclosures regarding committee positions in other public Companies as on March 31, 2016 have been made by the directors.

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

All the Independent Directors of the Company are satisfying the requirements as specified in the Regulation 25 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to qualify to act as Independent Directors of the Company and actively participate in the Meetings held from time to time for providing the necessary guidance/ suggestions for protecting the interest of investors/stakeholders. The suggestions received from the Independent Directors are suitably observed by the management for its beneficial implementation. All the Non Executive Independent Directors propose to be appointed/existing on the Board have given a declaration under Section 149 (7) that he meets the criteria of Independence as provided in Section 149 (6) of the Companies Act, 2013 and also under Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

During the year under consideration a separate meeting of the Independent directors was held on 31st March, 2016 inter-alia to evaluate the performance of the Board, its Committees, Chairman and the individual Directors of the Company. The meeting was

attended by all the independent Directors except Sh. Amitabh Taneja and Sh. Vivek Bansal.

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 2015-16, ₹2,70,000/- has been paid as sitting fees to Non-executive Independent Directors for attending the Meeting of the Board and Audit Committee Meeting. Further, no sitting fees has been paid to Executive Directors for attending the Board / Committee thereof, in accordance with the respective Service Agreement entered in to with them. Further, the Company till date has not offered Equity Shares under stock option scheme to the Directors/Employees of the Company.

(f) Code of Conduct

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

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

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

To,
The Members
Liberty Shoes Ltd.

As the Chief Executive Officer (CEO) of Liberty Shoes Ltd. and as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said Regulations, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2016.

Adesh Kumar Gupta

Chief Executive Officer (CEO)

DIN: 00143192

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

Sh. Adeesh Kumar Gupta and Sh. Ashok Kumar Retires by rotation in the ensuing Annual General Meeting and being eligible, have offered themselves for re -appointment.

Sh. Adeesh Kumar Gupta, Executive Directors of the Company was appointed as Executive Directors by the members of the Company in their 25th Annual General Meeting for a period of 5 years w.e.f. 1st October, 2011 and his tenure as an Executive Director is expiring on 30th September, 2016 in terms of their appointment. Pursuant to the recommendation of Nomination and Remuneration Committee, Board of Directors of the Company, considering experience, qualification and valuable contribution in the Company, in their meeting held on 30th May, 2016 approved, subject to members' approval, re-appointment of Sh. Adeesh Kumar Gupta as Executive Director of the Company w.e.f. 1st October, 2016 for a further period of 2 years on the terms and

conditions set forth in the draft Service Agreement including minimum remuneration, payable to him for the position of Executive Director. Sh. Adeesh Kumar Gupta represents Promoter group of the Company and holds 1,89,360 Equity Shares in the Company.

Sh. Ashok Kumar, Executive Director of the Company was appointed as Additional Director of the Company w.e.f. 23rd January, 2015. The Board of Directors in their meeting held on 29th May, 2015 considering his experience, qualification and valuable contribution to the Company and on the recommendation of Nomination and Remuneration Committee of the Board, approved his appointment as Director liable to retire by rotation and further as Executive Director of the Company for a period of 3 years w.e.f. 1st June, 2015, subject to the approval of the members of the Company in their General Meeting. The Members of the Company in their 29th Annual General Meeting held on 29th September, 2015 approved the appointment of Sh. Ashok Kumar as Director liable to retire by rotation and further as

Executive Director of the Company for a period of 3 years w.e.f. 1st June, 2015. Since then he is continuing on the Board of the Company as Executive Director.

Sh. Ashok Kumar is a law Graduate and has been advising Company on various legal matters of the Company for last several years. He possesses a vast wealth of legal knowledge and has a proven record of providing indispensable legal advice to the Company and delivering of positive outcomes for the Company. He does not belong to the Promoter group of the Company and does not hold Equity Shares of the Company. A brief profile along with necessary details of Directors seeking their re-appointment has been provided in the Annexure-A of the Annexure to the Notice of the 30th Annual General Meeting as required under the provisions of Regulation 36 (3) of Listing Regulations.

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 2015-16 and the related attendance, are prescribed below:

(a) Audit Committee

The Board of Directors of the Company has constituted an Audit Committee in 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 up 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 agreement laid down by the Stock exchange(s) and legal requirements concerning financial statements.
- Discussing with external auditors, before audit commences 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.
- Any other matter referred to the Audit Committee by the Board of Directors of the Company.

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 three Non Executive Independent Directors. Sh. Raghubar Dayal, Independent Director, acts as Chairman of the Audit Committee Meetings held during the year. Sh. Munish Kakra, CFO & Company Secretary has been appointed as Secretary of the Audit Committee in pursuance to provisions of

Regulation 18 of 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No	Name of the Committee Member	Position	Category	No. of Meeting(s) Held (Attended)
1.	Sh. Raghubar Dayal	Chairman	NED(I)	5(5)
2.	Sh. Sunil Bansal	Member	ED	5(5)
3.	Sh. Ramesh Chandra Palhan	Member	NED(I)	5(5)
4.	Sh. Vivek Bansal	Member	NED(I)	5(2)
5.	Sh. Munish Kakra	Company Secretary	Secretary	5(2)

Meetings held during the year

During the financial year 2015-16, 5 (Five) Audit Committee meetings were held on 29th May, 14th August, 6th November 2015, 11th February and 31st March 2016. 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, 2016 were reviewed by the Audit Committee in its Meeting held on 30th May, 2016. 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 part of senior management of the Company and laying down remuneration policy.

Further, the Company seeks the expertise of the outside consultants as and when needed for analyzing the policies of the Company in relation to appointment and payment of remuneration to Senior Level Executive(s) and Staff.

Sh. Raghubar Dayal, Independent Director, has been heading the Nomination and Remuneration Committee of the Board as

its Chairman.

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

- (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.

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

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

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

Meetings held during the year: During the financial year 2015-16, the members of the Nomination and Remuneration Committee were held on 29th May, 2015 and 31st March, 2016.

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. 17.

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

- i) The appointment and remuneration of new Directors on Board, Key Managerial Personnel and senior management employees shall be made on the basis of core competency, expertise, experience, qualification etc.
- 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 ₹10,000/- 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 NEDs.

❖ **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)**

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 and ₹1,10,000/- per month to Sh. Ashok Kumar as an Executive Director.

❖ **Perquisites:**

In addition to the aforesaid salary, Executive Directors are also entitled to perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self in accordance with the rules of the Company. However, the monetary value of such perquisites being limited to the Monthly remuneration of ₹4,00,000/- and ₹1,10,000/- respectively.

Perquisites are evaluated as per Income Tax Act Rules, 1962 wherever applicable, and in the absence of any such rules, perquisites are evaluated at actual cost;

And Use of chauffeur driven car for official purpose and telephone at residence (including payment for local calls and long distance calls on telephone) and use of car for private purpose are billed by the Company to the Executive Directors.

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

Accordingly, during the financial year 2015-16, the following remuneration was paid to the Executive Directors of the Company:-

S. No.	Name of the Director	Designation	Salary (In ₹)	Perquisites (In ₹)	Others (In ₹)	Sitting Fees Paid (In ₹)
1	Sh. Adesh Kumar Gupta	CEO & Executive Director	48,00,000	NIL	NIL	NIL
2.	Sh. Shammi Bansal	Executive Director	48,00,000	NIL	NIL	NIL
3.	Sh. Sunil Bansal	Executive Director	48,00,000	NIL	NIL	NIL
4.	Sh. Adeesh Kumar Gupta	Executive Director	48,00,000	NIL	NIL	NIL
5.	Sh. Ashok Kumar	Executive Director	11,00,000	NIL	NIL	NIL
6.	Sh. Adarsh Gupta*	Executive Director	NIL	NIL	NIL	NIL

*No remuneration has been drawn by Sh. Adarsh Gupta, Executive Director of the Company during the financial year 2015-16 (up to 18th August, 2015, i.e. date of resignation).

Notes:

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

Service Contracts, Severance Fee and Notice period

The appointment of the executive director is governed by the resolutions passed by the Board and the shareholders of the Company, which cover the terms and conditions of such appointment. The Nominations and Remuneration Committee satisfy itself with regard to the experience, qualification, past relationship/association 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 ensures 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 Companies Act, 2013 and Listing Regulations including independent relationship of the Directors vis-a-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. The statutory provisions will however apply. 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 SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 and the brief of the same is as under:

- (a) to consider and resolve the grievances of the security holders;

- (b) to consider and resolve the complaints/queries of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc.

During the year, the Committee met Four times on 29th May, 14th August and 6th November 2015 and 11th February, 2016.

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

Sr. No	Name of the Committee Member(s)	Position	Category	Meetings Held (Attended)
1.	Sh. Ramesh Chandra Palhan	Chairman	NED(I)	4(4)
2.	Sh. Adarsh Gupta*	Member	ED	4(1)
3.	Sh. Adeesh Kumar Gupta**	Member	ED	4(2)
4.	Sh. Sunil Bansal	Member	ED	4(4)

*Resigned w.e.f. 18.08.2015

** Appointed w.e.f. 06.11.2015

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. He was present in all the meetings of the Committee

held during the year under consideration.

Status of investor reference/complaints/requests received by the Company during the year ending 31st March, 2016 stood as under:

Nature of References / Requests	No. of Grievances/ Requests/Complaints Received	No. of Grievances/ Requests/Complaints Resolved	No. of Grievances/ Requests/Complaints not resolved to the satisfaction of shareholders	No. of Grievances/ Requests Pending
Non receipt of Share Certificate(s) & Non receipt	NIL	NIL	NIL	NIL
Non receipt of Bonus, Dividend & Annual Report	NIL	NIL	NIL	NIL
Issue of duplicate / Loss of Certificate	9	9	NIL	NIL
Revalidation of Dividend	10	10	NIL	NIL
Issue of Physical Annual Report	3	3	NIL	NIL
Change of address, Name correction Transmission & others	3	3	NIL	NIL
Received from regulatory bodies such as Ministry of Corporate Affairs, SEBI (SCORES) and Stock Exchanges etc.	1	1	NIL	NIL
Transfer/ Transmission of Shares	2	2	NIL	NIL
Dividend Through ECS	NIL	NIL	NIL	NIL
Non- receipt of Dividend	2	2	NIL	NIL
Total	30	30	NIL	NIL

All the references/complaints received from the shareholders or from regulatory bodies during the year under review were resolved to their entire satisfaction. Apart from these queries/complaints, there is one pending case relating to dispute over title to shares in which the Company has been made a party. However the aforesaid case is not material in nature. There are 7 (Seven) cases (involving 900 Equity Shares) concerning dispute over titles to Shares, are pending with the Company as on 31st March, 2016.

(d) Management Committee

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

During the year, the Committee met Three times on 31st August, 14th December 2015 and 28th March, 2016.

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

Sr. No	Name of the Committee Member	Position	Category	Meetings Held (Attended)
1.	Sh. Adesh Kumar Gupta	Member	ED	3(3)
2.	Sh. Adarsh Gupta*	Member	ED	3(-)
3.	Sh. Adeesh Kumar Gupta**	Member	ED	3(2)
4.	Sh. Shammi Bansal	Member	ED	3(3)
5.	Sh. Raghubar Dayal	Member	NED(II)	3(3)
6.	Sh. Ramesh Chandra Palhan	Member	NED(II)	3(3)

* Resigned w.e.f. 18.08.2015

** Appointed w.e.f. 06.11.2015

(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 constituted by the Board of Directors in their meeting held on 29th May, 2014 which comprised Four Directors viz. Sh. Shammi Bansal (ED) as the Chairman and Sh. Adeesh Kumar Gupta, (ED) Sh. Raghubar Dayal & Sh. Ramesh Chandra Palhan {(NED)(II)} as members of the Committee. The Board of Directors in their meeting held on 30th May, 2016 reconstituted the composition of CSR

Committee by inducting Smt. Lovelena Mody {(NED)(II)} as its member.

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 following is the constitution of the Committee:-

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

* Appointed as member w.e.f. 30.05.2016

During the year, one meeting of the CSR Committee was held on 31st March, 2016.

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. The detailed CSR policy is available on the website of the Company viz. www.libertyshoes.com.

4. Governance through Management process

Name of the policy	Brief description	Web link
Code of Conduct	The Board of Directors has adopted Code of Conduct for all the Board Members and designated members of Senior Management of the Company.	http://investor.libertyshoes.com/doc/Code_of_conduct_of_Board_Members_and_senior_Management_Personnel.pdf
Code for prevention of Insider Trading	The Company has adopted a code of conduct to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This code of conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website.	http://investor.libertyshoes.com/doc/CODE_OF_PRACTICES_AND_PROCEDURES_FOR_FAIR_DISCLOSURE.pdf
Whistleblower Policy (Policy on vigil mechanism)	The Company has adopted the Whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company code of conduct.	http://investor.libertyshoes.com/doc/Whistle_Blower_Policy.pdf
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive /non-executive Director) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	http://investor.libertyshoes.com/doc/NOMINATION_AND_REMUNERATION_POLICY.pdf
Corporate Social Responsibility Policy	The policy outlines the Company's strategy to bring about a positive impact on society through programs relating to hunger. Poverty, education, health care, environment and lowering its resource footprint.	http://investor.libertyshoes.com/doc/CSR_Policy.pdf
Related Party Transactions Policy	The policy regulates all transactions between the Company and its related parties	http://investor.libertyshoes.com/doc/Related_party_transaction.pdf
Policy on determination of materiality of events	The policy applies to disclosures material events affecting the Company. This policy is in addition to the Company's corporate policy statement on investor relations, which deals with the dissemination of unpublished, price-sensitive information.	http://investor.libertyshoes.com/doc/Liberty_Policy_on_Determination_of_Materiality_of_Events.pdf
Website Archival Policy	The Policy deals with the archival of Corporate records of the Company.	http://investor.libertyshoes.com/doc/Liberty_Archival_Policy.pdf
Risk Management Policy	This policy is approved by the Board to build and establish the process and procedure for identifying, assessing, quantifying, minimizing, mitigating and managing the associated risk. It aims to develop an approach to make assessment and management of risks in financial, operational and project based areas in timely manner.	http://investor.libertyshoes.com/doc/Risk_Management_Policy.pdf
Policy for preservation of Documents	This policy obligates the Company or preservation of documents in order to prevent from being altered, damaged or destroyed	http://investor.libertyshoes.com/doc/Prservation_of_Transaction_Policy.pdf
Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at workplace	The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company always provide an equal employment opportunity to employees and is committed to provide a safe and conducive work environment that enables employees to work without fear of prejudice, gender bias and sexual harassment.	http://investor.libertyshoes.com/doc/SexualHarassmentPolicy_LibertyShoesLtd.pdf

5. Subsidiary Monitoring Framework

At present, the Company is having only 1 (one) wholly owned subsidiary Company namely Liberty Foot Fashion Middle East FZE which is overseas unlisted Company. As required under the applicable provisions of Listing Regulations and management practices adopted by the Company and its subsidiary Company, the Company monitors the performance of its subsidiary Company, inter alia, by the (a) 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 & an arrangement entered into by the subsidiary Company.

6. General Body Meetings

i. General Meeting

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

Meeting	Year	Venue	Day & Date	Time
29th Annual General Meeting	2015	Registered Office	Tuesday, 29th September, 2015	11.00 AM
28th Annual General Meeting	2014	Registered Office	Monday, 29th September, 2014	11.00 AM
27th Annual General Meeting	2013	Registered Office	Friday, 20th September, 2013	11.00 AM

b. Extraordinary general meeting:

No extraordinary general meeting of the members was held during the year 2015-16.

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

29 th Annual General Meeting on 29 th September, 2015	28 th Annual General Meeting on 29 th September, 2014	27 th Annual General Meeting on 20 th September, 2013
Nos. of Special Business: 6	Nos. of Special Business: 11	Nos. of Special Business: 11
<ol style="list-style-type: none"> 1. Appointment of Smt. Lovelena Mody (DIN: 01279148) as an Independent Director 2. Appointment of Sh. Ashok Kumar (DIN: 06883514) as a Director 3. Appointment of Sh. Ashok Kumar (DIN: 06883514) as an Executive Director 4. Re-appointment of Sh. Adesh Kumar Gupta (DIN: 00143192) as CEO & Executive Director 5. Re-appointment of Sh. Adarsh Gupta (DIN: 00161193) as an Executive Director* 6. Re-appointment of Sh. Shammi Bansal (DIN: 00138792) as an Executive Director 	<ol style="list-style-type: none"> 1. Re-appointment of Sh. Sunil Bansal (DIN: 00142121) as Executive Director of the Company 2. Appointment of Sh. Raghubar Dayal (DIN: 00481803) as an Independent Director of the Company for a period of 5 years 3. Appointment of Sh. Vivek Bansal (DIN: 00939232) as an Independent Director of the Company for a period of 5 years 4. Appointment of Sh. Amitabh Taneja (DIN: 00031257) as an Independent Director of the Company for a period of 5 years 5. Appointment of Sh. Ramesh Chandra Palhan (DIN: 05241019) as an Independent Director of the Company for a period of 5 years 6. Appointment of Sh. Pushpinder Singh Grewal (DIN: 06364475) as an Independent Director of the Company for a period of 5 years 7. Appointment and fixation of Remuneration of Cost Auditors M/s K. L. Jaisingh & Co., for the FY 2014-15 in compliance to the Companies Act, 2013 8. Approval and adoption of Articles of Association of the Company in compliance of the provisions of the Companies Act, 2013 9. Approval for exercising borrowing powers under Section 180 (1) (c) of the Companies Act, 2013 10. Approval for exercising powers in relation to mortgage / create security on the Assets of the Company under Section 180 (1) (a) of the Companies Act, 2013 11. Approval for keeping Register of Members with the Registrar M/s Link Intime India Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Increase in Remuneration of Sh. Adesh Kumar Gupta, CEO & Executive Director 2. Increase in Remuneration of Sh. Adarsh Gupta, Executive Director 3. Increase in Remuneration of Sh. Shammi Bansal, Executive Director 4. Increase in Remuneration of Sh. Sunil Bansal, Executive Director 5. Increase in Remuneration of Sh. Adeesh Kumar Gupta, Executive Director 6. Increase in Remuneration of Sh. Raman Bansal, Head-Sales & Distribution 7. Increase in Remuneration of Sh. Vivek Bansal, Head-Production 8. Appointment of Sh. Anupam Bansal as Head-Retail & fixation of his remuneration 9. Post facto approval in terms of the Central Government approval no. 4/48/T-1/2013/D/141, dated 3rd April, 2013 for entering in to contract by the Company with M/s Liberty Footwear Co. (LFC) for availing services for use of their registered Trade Mark "Liberty" and other marks & logos 10. Post facto approval in terms of the Central Government approval no. 4/80/T-1/2013/D/142, dated 3rd April, 2013 for entering in to contract by the Company with M/s Liberty Enterprises (LE) for use of services of their Fixed Assets for manufacturing of footwear and Export Sales Network for sale of footwear by the Company 11. Post facto approval in terms of the Central Government approval no. 4/102/T-1/2013/D/143, dated 3rd April, 2013 for entering in to contract by the Company with M/s Liberty Group Marketing Division (LGMD) for use of services of their Fixed Assets for manufacturing of footwear and registered trademarks and Domestic Sales networks for sale of footwear by the Company

**Due to resignation of Sh. Adarsh Gupta from the position of Directorship w.e.f. 18.08.2015, agenda item no. 9 to the Notice of AGM was not transacted and no resolution was passed for his re-appointment as Executive Director.*

Sh. Sukesh Gupta, Chartered Accountant was appointed as scrutinizer by the Board and present at the above 29th Annual General Meeting for supervising and monitoring the voting through ballot facilities on the above agenda items and to issue his report on the same.

iii. Detail of special resolution passed by the Company through postal ballot exercise, the persons who conducted the postal ballot exercise and detail of the voting pattern, detail of special resolution proposed to be conducted through postal ballot and procedure for postal ballot

During the year under review, no special resolution has been passed through the exercise of postal ballot. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot exercise.

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

iv. Group As on 31st March, 2016:

Sh. D. K. Gupta, D. K. Gupta (Karta), Sh. Arpan Gupta, Sh. Adesh Kumar Gupta, Adesh Kumar Gupta (Karta), Sh. Adarsh Gupta, Sh. Anmol Gupta, Sh. Adeesh Kumar Gupta, Adeesh 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.

8. 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. During the financial year 2014-15 the Board has approved and adopted a policy on related party transactions to regulate the transactions of the Company with its related parties. The policy has been uploaded on the website of the Company www.libertyshoes.com.

As per the policy, all the related party transactions require prior approval of the Audit Committee and Board of Directors of the Company. Prior approval of the shareholders of the Company is also required for certain related party transactions as prescribed under Companies Act, 2013 and listing agreement/SEBI 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 Notes on Accounts to the financial statements for the year ended 31st March, 2016 as specified in Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006.

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

The Company has complied with the requirements of Stock Exchange(s), SEBI 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.

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

i) 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. Adeesh Kumar Gupta	None
5.	Sh. Ashok Kumar	None
6.	Sh. Raghubar Dayal	None
7.	Sh. Amitabh Taneja	None
8.	Sh. Vivek Bansal	None
9.	Sh. Ramesh Chandra Palhan	None
10.	Sh. Pushpinder Singh Grewal	None
11.	Smt. Lovelena Mody	None

ii) **Key Managerial Personnel:**

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

iv) **Detail of establishment of Vigil mechanism and Whistle Blower Policy**

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

v) **Compliance with Mandatory requirements**

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.

vi) **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. The Chairman of the Company is an Executive Director; hence this provision is not applicable on us.

2. Shareholding Rights

We display our quarterly, half yearly and annually results on our website www.libertyshoes.com and also publish our results in widely circulated newspapers. We have communicated the payment of dividend through e-mail to shareholders in addition to dispatch of letters to all shareholders. We publish the voting results of shareholders meetings and make it available on our website www.libertyshoes.com and report the same to Stock Exchanges in terms of regulation 44 of the Listing Regulations. Significant events are also posted on this website under "Investor Relations" section. Complete Annual Report is sent to every shareholder through e mail whose E-mail ID has been updated with the depositories/Company/RTA and also to those who make request for providing the same. Notice of General Meeting along voting instructions is sent to all the shareholders and makes it 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, 2016.

4. Separate Posts of Chairperson and Chief Executive Officer

The Chairman of the Company is the Executive Director. We believe that senior leadership should have in-depth knowledge and understanding of the functioning of the Company and trade to which the Company belongs, so as to enhance the value- generating capacity of the organization and contribute significantly to stakeholders' aspirations and societal expectations. The Chief Executive Officer of the Company is therefore generally chosen from amongst the Executive Management of the Company. The current Chief Executive Officer and Executive Director of the Company is also the Chairman of the Board. The Company's Board consists of Independent Directors not less than 50 percent of the total strength of the Board and all policy and strategic decisions of the Company are taken through required majority decisions of the Board. The interested directors does not participates and castes their votes in the matters in which they and their relatives are having interest.

5. Reporting of Internal Auditor

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

6. 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. Business Standard, Financial Express English daily and in Janasatta, Hindi Daily.

Additionally, the Company from time to time also furnished the required documents and information to both the stock exchange(s) NSE and BSE in terms of the applicable provisions of Listing Regulations. All our financial results, news releases and presentation made, if any, at investor conferences and to analysts are posted on the Company's website at www.libertyshoes.com

Website

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

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

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

Extensive Business Reporting Language (XBRL)

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making.

Ministry of Corporate Affairs (MCA) vide its circular No. 37/2011 dated June 7, 2011 had mandated certain companies to file their Annual Accounts vide this mode. The Company, in compliance, has filed its Annual Accounts on MCA through XBRL for the previous financial year ended on 31st March, 2015.

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, Consolidated Financial Statements, Cash Flow Statement, Directors' Report, Auditors' Report and other important information is circulated to the investors.

Pursuant to the green initiative launched by the MCA, the Company also sends e-copies of the Annual Report to Members who have registered for the same. The Annual Reports are also available in the Investor Relations section on the Company's website www.libertyshoes.com.

7. General Shareholder Information:

i. Annual General Meeting:

Day, Date & Time	: Monday, 19 th September, 2016 at 11.00A.M.
Venue	: Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, P.O. Bastara, Dist. Karnal-132 114 (Haryana)
Books Closure Date	: Tuesday, 13 th September, 2016 to Monday, 19 th September, 2016

ii. Financial Year & Financial Calendar (Tentative):

Financial Results for the Quarter ended 30th June, 2016	: By 14 th August, 2016
Financial Results for the Quarter ended 30th September, 2016	: By 14 th November, 2016
Financial Results for the Quarter ended 31st December, 2016	: By 14 th February, 2017
Financial Results for the Quarter ended 31st March, 2017	: By 30th May, 2017
Annual General Meeting for the year ended 31st March, 2017	: By August / Sept. 2017.

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:

Please refer to Management Discussion and Analysis Report for details.

iv. Dividend Payment Date:

Considering the financial requirement of the Company, the

Board of Directors have not recommended / approved payment of Dividend for the financial year ended 31st March, 2016.

v. Listing on Stock Exchanges with their Trading Codes:

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

National Stock Exchange of India Ltd.,

Exchange Plaza, Bandra Kurla Complex Bandra (East),
Mumbai- 400 051

NSE: LIBERTSHOE.

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

BSE: 526596

ISIN of Equity Shares of the Company:

INE557B01019

The Annual Listing fee for the financial year 2016-17 has
since been paid to both the Stock Exchange(s).

vi. Stock Market Data:

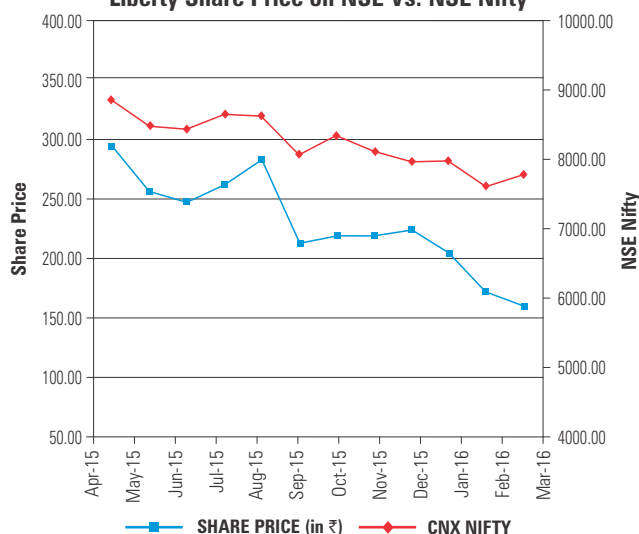
The Comparison of the share price of the Company with the
broad based indices are provided herein under:

Performance in Comparison to S & P Nifty

Index vs. Share Price

S. No.	YEAR (2015-16)	S&P CNX Nifty	SHARE PRICE (IN ₹)
1	April-15	8844.80	294.80
2	May-15	8489.55	256.00
3	June-15	8467.15	247.80
4	July-15	8654.75	261.70
5	August-15	8621.55	283.25
6	September-15	8055.00	213.50
7	October-15	8336.30	219.30
8	November-15	8116.10	219.90
9	December-15	7979.30	224.00
10	January-16	7972.55	205.00
11	February-16	7600.45	171.95
12	March-16	7777.60	159.50

Liberty Share Price on NSE Vs. NSE Nifty

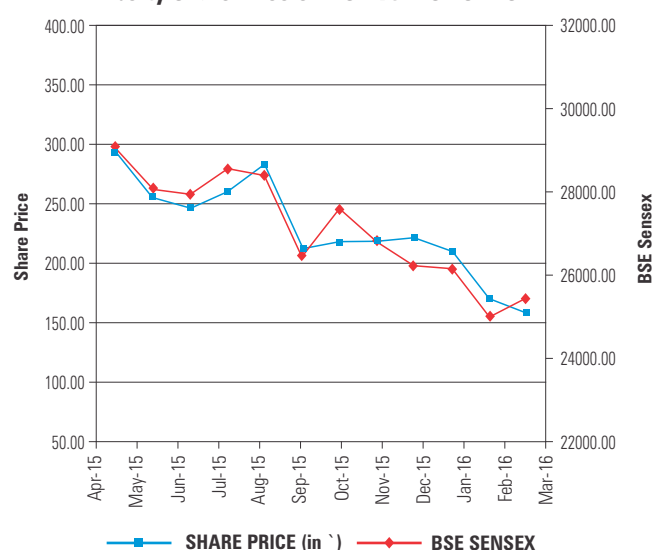


Performance in Comparison to Sensex

Sensex vs. Share Price

S. No.	YEAR (2015-16)	BSE SENSEX	SHARE PRICE (IN ₹)
1	April-15	29094.61	294.40
2	May-15	28071.16	256.20
3	June-15	27968.75	247.40
4	July-15	28578.33	261.00
5	August-15	28417.59	284.00
6	September-15	26471.82	213.50
7	October-15	27618.14	218.70
8	November-15	26824.30	219.60
9	December-15	26256.42	222.00
10	January-16	26197.27	211.20
11	February-16	25002.32	171.60
12	March-16	25479.62	159.60

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, 2016 are as under:

KEY INDICATORS:

EQUITY SHARE PRICE MOVEMENT ON NSE & BSE (April 2015- March 2016)

	(Price in ₹)				Volume (In No. of Shares)	
	High		Low			
Year (2015-16)	NSE	BSE	NSE	BSE	NSE	BSE
April	294.80	294.40	234.00	234.70	2615629	905704
May	256.00	256.20	227.05	227.60	1630514	400428
June	247.80	247.40	206.35	208.40	1584577	425999
July	261.70	261.00	222.00	223.30	3490117	843814
August	283.25	284.00	187.00	187.60	4916550	1262275
September	213.50	213.50	187.35	188.70	1735843	551146
October	219.30	218.70	191.50	192.00	2472397	618781
November	219.90	219.60	182.95	183.10	1702453	470003
December	224.00	222.00	190.00	191.00	1795217	463974
January	211.80	211.20	161.15	161.00	983840	264098
February	171.95	171.60	125.00	125.00	1096297	323918
March	159.50	159.60	132.00	133.10	1412612	379466
Total					25436046	6909606

vii. Registrar and Share Transfer Agent:

Link Intime India Private Limited
44, Community Centre,
Naraina Industrial Area Phase- I
New Delhi - 110 028
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 sent the documents along with Share Certificates to the Company for approval/endorsement of transfers /transmissions.

However, the objections/deficiencies in the documents lodged by shareholders are sent to them immediately within a reasonable time period. With a view to expedite the process of Share transfer/ transmission etc. on fast track basis, the Board has empowered the CFO & Company Secretary of the Company for approval/endorsement of the Share certificates etc. The

details of the transfer/transmission of shares are placed before the Board and Stakeholders Relationship Committee periodically. Confirmations in respect of the requests for dematerialization of shares are being sent to the respective depositories i.e. NSDL & CDSL expeditiously.

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

The Company/RTA takes adequate steps for expeditiously redress the investors' complaints/grievances/queries. In compliance with the provisions of Listing Regulations, the Company has been registered on the SCORES platform and monitors and handles the investor complaints electronically. A statement giving number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter have been filed on quarterly basis with the Stock Exchanges in compliance with the Regulation 13 of the Listing Regulations. These statements are also available on the website of the Company viz. www.libertyshoes.com.

Pursuant to the Regulation 7 (3) of the Listing Regulations, Certificate(s) on half yearly basis have been issued by M/s Sanjay Grover & Associates, Practicing Company Secretary of New Delhi for due Compliance of Share Transfer formalities by the Company. As per SEBI (Depositories & Participants) Regulations, 1996, certificate(s) have been

received from M/s Sanjay Grover & Associates, Practicing Company Secretary of New Delhi for timely dematerialization of shares and in respect of Secretarial Audit on quarterly basis for reconciliation of the Share Capital of the Company.

ix. Distribution of Shareholding:

Distribution Summary as on 31st March, 2016

Shareholding of nominal value of	Number of Shareholders		Number of Shares		Amount (in ₹)
	Number	% of total	Number	% of total	
Up to 500	17396	94.119	1869180	10.9694	18691800
501-1000	616	3.333	491225	2.8828	4912250
1001-2000	244	1.320	369998	2.1713	3699980
2001-3000	74	0.400	187884	1.1026	1878840
3001-4000	21	0.114	73747	0.4328	737470
4001-5000	28	0.152	133040	0.7808	1330400
5001-10000	39	0.211	273259	1.6036	2732590
10001-50000	34	0.184	601035	3.5272	6010350
50001-100000	5	0.027	339248	1.9909	3392480
Above 100001	26	0.141	12701384	74.5386	127013840
Total	18483	100.00	17040000	100	170400000

Category wise List of Shareholders as on 31st March, 2016

Category	No. of Shares held	Voting Strength (%)
Promoters Holding:		
A. Individual Promoters	60,47,629	35.49
B. Bodies Corporate(s)	44,72,517	26.25
Total promoters holding	1,05,20,146	61.74
Public Holding		
A. FI's, NRI's & Banks etc.	11,008	0.06
B. Indian public including Private corporate bodies	65,08,846	38.20
Total Public Holding	65,19,854	38.26
Grand Total	1,70,40,000	100.00

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, 2016, the status of Shares in physical and dematerialized form stood as under:

S. No	Mode of Equity Share Holding(s)	Number of Shares	Percentage of total capital
1	Demat	1,67,40,432	98.25
2	Physical	2,99,568	1.75
	Total	1,70,40,000	100.00

xi. The Company has complied with the requirements as laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (from December 1, 2015 to March 31, 2016) and Clause 49 of the erstwhile Listing Agreement with the Stock Exchanges (from April 1, 2015 to November 30, 2015) for the purpose of ensuing Corporate Governance. A certificate to this effect obtained from M/s Pardeep Tayal & Co., 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 Karnal in Haryana, at Dehradun and Roorkee in Uttarakhand and at Ponta Sahib in Himachal Pradesh.

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

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

xiv. Policy for determination of a material subsidiary:

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

xv. Policy on Related Party Transactions:

The Policy may be accessed on the Company's website at www.libertyshoes.com.

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

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

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

from suspense account during the year-**Nil**

(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year- **Nil**

(e) Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares-**NA**

xvii. 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 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 members of the Board and Senior Management and they 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 Directors and designated employees of the Company can trade in the shares of the Company only during the period when 'trading window' is open. The trading window, amongst others, is closed during the time of declaration of financial results and occurrence of any material events as per the code.

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

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

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

xix. CIN: L19201HR1986PLC033185

xx. 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)**

44, Community Centre,
Naraina Industrial Area Phase- I
New Delhi – 110 028
Tel : (91) 11-41410592~94
Fax : (91) 11-41410591
Email: delhi@linkintime.co.in

Liberty Shoes Ltd.

Department of Investors' Relations
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Certificate on Compliance with Conditions of Corporate Governance

Independent Auditor's Certificate

To,
The Members of,
Liberty Shoes Ltd.

1. We have examined the compliance of conditions of Corporate Governance by Liberty Shoes Ltd. ("the Company"), for the year ended on 31st March, 2016, as stipulated in:
 - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchanges for the period from 1st April, 2015 to 30th November, 2015.
 - Clause 49 (VII)(E) of the Listing Agreements of the Company with the stock exchanges for the period from 1st April, 2015 to 1st September, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the period from 2nd September, 2015 to 31st March, 2016 and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management.

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31st March, 2016.
5. We state that such compliance 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.

For Pardeep Tayal & Co.
Firm Registration No. 002733N
Chartered Accountants

Pardeep Tayal
Partner
Membership No. 081643

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

CEO/CFO Certification Pursuant to Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors

Liberty Shoes Ltd.

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

- a. We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2016 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, 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 year under reference;

- ii. there have not been any significant changes in accounting policies as disclosed in the financial statements of the Company; and
- iii. there are no instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Adesh Kumar Gupta
Chief Executive Officer
DIN-00143192

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

Place : Gurugram, Haryana
Dated: Monday, 30th May, 2016

Management Discussion and Analysis Report

Economy and market outlook

The Economy of India is the seventh-largest economy in the world measured by nominal GDP and the third-largest by purchasing power parity. The country is classified as a newly industrialized country, one of the G-20 major economies, a member of BRICS and a developing economy with an average growth rate of approximately 7% over the last two decades. India's economy became the world's fastest growing major economy in the last couple of years, replacing the People's Republic of China. The overall export of India has recorded a major decline due to various global factors including steep fall in oil prices. Domestic consumption though has improved but confined to the specific sector mainly due to poor consecutive monsoon for two years and lack of increase in rural demand.

The long-term growth prospective of the Indian economy is positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. The Indian economy has the potential to become the world's 3rd-largest economy by the next decade, and one of the largest economies by mid-century. The Indian economy is the "bright spot" in the global landscape. India also topped the World Bank's growth outlook for 2015-16 for the first time with the economy having grown 7.6% in 2015-16 and expected to grow 8.0%+ in 2016-17.

The Government has taken a number of measures to put in place a simplified, progressive and non-adversarial tax regime by incorporating internationally prevalent best practices in tax administration. Besides this the Government is engaged in reforming institutions, simplifying procedures and repealing obsolete laws, apart from unlocking infrastructure development opportunities and cutting subsidy leakages. Employment is being generated through initiatives like Make in India, Start-up India, Mudra Scheme Skill India and the introduction of special package for specific sector.

Overall, 2016, in view of the slowdown in global and factors prevailing in domestic economy, remained challenging for the Company.

Liberty's performance for 2016 is to be seen in this above given economic environment.

At retail level, where Liberty dominantly operates, it seems that Company will take some more time to perform according to its perception and strong brand equity.

The Indian Footwear Industry-Structure and Development, Opportunities/Threats, Risk and Concern.

India is the 2nd largest producer of footwear globally, accounting for 13 per cent of the global footwear production, next to China, which dominates the global footwear industry accounting for close to 67 percent of the market. The Country produces 2.2 billion pairs of footwear annually in different categories of footwear and exports about 180 million pairs. This industry has shown its

potential through its consistency in high export earnings and its ranking amongst most foreign exchange earners for the country continuously in the past several years.

Indian Footwear sector due to its inherent strengths as described below has found its place as thrust area under 'Make in India' initiative of the Central Government and showcased as the Top Priority Sector amongst the other 25 sectors chosen for "Make in India workshop" chaired by Hon'ble Prime Minister of India. Few of the strength of Footwear sector are as under:

- Footwear Industry has growth potential to be a \$ 80 Billion industry by 2030, which means a CAGR of approximately, 20% in the next 15 years with great potential for exports and a huge domestic market.
- Footwear Industry is a Green industry having no water, air, noise, industrial pollution, therefore, fits into the slogan of "ZERO DEFECT ZERO EFFECT" perfectly. All resources required for the industry are indigenously available in abundance.
- Footwear industry has tremendous potential to create 20 lakh new jobs at the grass root level primarily for weaker section of society, women, SC/ST, poor and needy in the next 5 years, meeting the agenda of the Central Government in job creation.
- Footwear industry needs very low intensity of electricity, No major water requirement for manufacturing being dry process and moreover Land requirement for footwear industry is very low as compared to other manufacturing industries hence no pressure on natural resources also.

The identified challenges and threats before the Indian Footwear and Leather Industry are India's competitiveness cheap and under invoiced imports, inadequate infrastructure, largest unorganized sector in comparison to organized, multiplicity of tax incidence and trade regulations, lack of branding, capacity inadequacy, lack of skilled labour & labour wages, environmental issues and inadequate investment.

Owing to weak economic conditions in India since the past few years, domestic footwear companies in to high product value segment have witnessed moderate sales growth mainly due to pressure on their volumes. However, companies in to branded low value footwear continue to report healthy sales growth for more than 20% with increasing shift in demand for branded footwear and increasing retail presence in Tier-II and Tier-III cities. Despite growth witnessed by the overall fashion industry being robust, expansion of the footwear market remained moderate during the financial year 2015-16. On-line retails have emerged as a popular medium for shopping specifically women's and sports footwear. The exclusive range of products available on-line are often available at a discount prices which makes on-line retail a lucrative channel of sale of footwear. Furthermore increasing demand for innovation in design and technology of footwear products is likely to create a growth opportunity for the global footwear market; however development of imitated footwear products by local manufacturers is expected to hinder the growth of the market.

The profitability for most of the companies has been under pressure in the recent quarters due to subdued sales growth, increasing raw material prices and adverse foreign currency movements.

Acknowledging the importance of footwear industry, the Indian Government has taken various measures and initiatives in order to support its growth, which has led to structural changes in the footwear industry. Recently, in order to address Industry issues, under Indian Leather Development Programme (ILDLP) 11 sub-schemes have been approved for implementation during the 11th Five Year Plan period by Central Government. The emphasis of schemes is mainly on infrastructure development, capacity building, human resource development, investment promotion and addressing environmental issues for the Footwear and Leather industry. In addition to this Ministry of Commerce and Industry, Government of India has given recognition to the Industry players to form association and non-profit organization under Section 8 of the Companies Act, 2013 with the objectives inter-alia to facilitate both Industry and Government for the development of the entire segment of the Industry. Government in consultation with RBI has also reintroduced interest subvention scheme for promoting footwear exports by increasing competitiveness of Indian industry in the global markets. Foreign Direct Investment through automatic route has already been allowed by the Indian Government and to boost the footwear industry, the Government is reducing excise duty on certain category of footwear, besides it has implemented reduction in excise duty for rubber sheet for soles and heels from 12.5% to 6% and an increase of abatement from 25% to 30%.

For footwear sector to grow rapidly going forward and compete aggressively with the other low cost producing nations, strong push is required in various aspects including favourable policies which would help in rationalizing tax structure, providing infrastructural support in capacity building, reducing transactional costs and increasing the availability of skilled labour in the Country. With the Government initiatives and overall development including advancement of production processes, the Industry will see the lucrative opportunities to gain from in the forthcoming years.

Liberty enjoyed its presence in the Indian Footwear Industry for more than six decades and has established a strong brand equity which is being continuously augmented to strengthen its PAN India presence and to add more satisfied consumers in all categories of footwear.

Internal Control System and its Adequacy

Liberty's internal financial controls are adequate and operate effectively and ensure orderly and efficient conduct of its business including adherence to its policies, safeguard its assets, prevent and detect frauds and errors, maintain accuracy and completeness of its accounting records and further enable it in timely preparation of reliable financial information. These controls have been integrated with the Company's risk management policy to ensure that control measures for the effective mitigation of

risks identified are in place. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

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

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

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

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

Financial Performance:

The highlights of the financial performance of the Company during the year ended 31st March, 2016 have been stated in the Directors' Report for the year ended 31st March, 2016, which appears separately in the Annual Report. The brief details of the performance of the Company during the year under consideration are given as under:

Capital Structure: During the year, there has been no change in the Capital Structure of the Company and Paid up Capital of the Company was ₹1,704 Lakh as on 31st March, 2016.

Reserves & Surplus: The Company's reserves and surplus has increased from ₹12,791.13 Lakh to ₹13,811.87 Lakh in 2015-16.

Long Term Borrowings: During the year under review, the Company availed Term Loan of ₹242.69 Lakh as against previous year's ₹570.32 Lakh. The outstanding amount of the Term Loan (Non Current and Current maturities) as on 31st March, 2016 was ₹1,322.45 Lakh as against previous year's ₹1,768.31 Lakh.

Other Long Term Borrowings: During the year under review, the other long term borrowings, which consists of securities received from channel partners, increased by ₹21.40 Lakh and stood at ₹597.61 Lakh (Previous year ₹576.21 Lakh).

Short Term Borrowings: The amount of working Capital loan secured through the Company's current assets stood at ₹11,747.66 Lakh as compared to ₹12,103.25 Lakh in the previous year. The decrease in borrowings is because of better control over the receivables and reduction of inventory. Further, for short term requirements, the Company has availed unsecured short term loans from the related party and the outstanding balance as on 31st March 2016 remained at ₹419.55 Lakh (Previous year

₹13.35 Lakh).

Trade Payables: The Trade Payable of ₹7,379.42 Lakh (Previous year ₹9,083.65 Lakh) included an amount of ₹10 Lakh (as against the previous year's ₹29.96Lakh) due towards M/s Liberty Enterprises, Liberty Group Marketing Division, Liberty Footwear Co., the partnership firms in which few of the Directors and their relatives are interested, under the terms of the respective agreements dated 3rd April, 2013.

Other Current Liabilities & Provisions: Other current liabilities & provisions amounting to ₹2,320.63 Lakh (Previous year ₹2,807.80 Lakh) consists of long term debts from banks and others due within 12 months from the date of reporting, advances from customers, expenses payables, other liabilities, Proposed Dividend, provision for dividend distribution tax, provision for taxation (net of MAT credit entitlement) and provision for excise duty.

Fixed Assets: In the year 2015-16, Liberty's Fixed Assets Block (including tangible and intangible assets) increased by ₹1,695.02 Lakh. The said increase was mainly because of purchase of furniture & fixtures for new retail stores, new moulds at plants and towards normal capital expenditure in furtherance to the business operations of the Company.

Non-Current Investments: At the year end, Liberty's non-current investments in its only overseas Subsidiary stood at ₹121.93 Lakh (previous year ₹121.93 Lakh). The said overseas Subsidiary has not yet commenced its business operations; therefore, no further investments have been made in this subsidiary.

Long Term Loans & Advances: Long term loans & advances amounting to ₹1,893.22 Lakh (Previous year ₹1,826.69 Lakh) consists of security deposits of ₹651.48 Lakh (Previous year ₹544.97 Lakh), Share Application Money (pending allotment) paid to overseas Wholly Owned Subsidiary of ₹180.49 Lakh (Previous year ₹180.49 Lakh) and MAT Credit Entitlement ₹1,085.40 Lakh (Previous year ₹1,117.63 Lakh). During the year, the Company has made a provision of ₹NIL (Previous year ₹ NIL Lakh) for the security deposits considered as doubtful.

Inventories: Inventories, comprising finished goods, raw materials, work in process etc. as at 31st March, 2016, stood at ₹14,108.30 Lakh as against previous year's ₹14,320.96 Lakh. The inventory of the Company has remained almost same as of last year. The Inventory turnover ratio for the year ended 31st March, 2016 was 109 days as against 96 days in the previous year due to lesser sales as envisaged in the beginning of the year.

Trade Receivables: Trade Receivables, with an average realization period of 74 days (77 days in the previous year) stood at ₹9,548.86 Lakh in 2015-16 as against the previous year's ₹11,481.32 Lakh. Out of the trade receivables, ₹1,526.48 Lakh as against the previous year's ₹1,472.68 Lakh were due from overseas customers.

The Company after considering the collection process has made a provision of ₹1.23 Lakh against previous year's ₹47.09 for doubtful debts. During the year, the Company has written off its book debts of ₹27.24 Lakh as against previous year's ₹111.96 Lakh. Further, the Company has recovered its Bad Debts of ₹18.43 Lakh as against previous year's ₹77.84 Lakh.

Short Term Loans & Advances: The Short Term Loans and Advances given by the Company included an advance Income Tax (including Minimum Alternate Tax) of ₹296.23 Lakh in 2015-16 as against the previous year's ₹273.77 Lakh, export benefit receivables of ₹124.69 Lakh as against the previous year's ₹151.22 Lakh and prepaid expenses of ₹181.66 Lakh as against the previous year's ₹136.23 Lakh.

Revenue from Operations and Profits: Liberty's total Income, comprising sales and other Income, decreased from ₹54,874.47 Lakh to ₹47,268.48 Lakh in 2015-16. Profit after tax, after making a provision for depreciation, decreased from ₹1,500.03 Lakh to ₹1,238.21 Lakh in 2015-16. The Company's net profit, after considering a tax provision of ₹259.70 Lakh as against the previous year's ₹285.93 Lakh, MAT Credit Entitlement of NIL Lakh (Previous year's ₹127.35 Lakh), a deferred tax assets of ₹60.81 Lakh as against previous year's ₹255.89 and prior period expense on account of Income tax for earlier years of ₹18.57 Lakh as against prior period income on account of Income tax for earlier years of ₹108.85 Lakh stood at ₹1020.74 Lakh in 2015-16 as against the Previous year's ₹1,706.20 Lakh.

Finance Costs: Liberty's finance costs stood at ₹1,639.21 Lakh in 2015-16 (Previous year's ₹1,606.68 Lakh), comprising interest on term loans, working capital loans, other loans and bank charges.

Human Resource Developments: Liberty has a formulated uniform HR Policies for all employees/workers to define the HR functions and to make Liberty such a place or institution where the people working has defined role and responsibilities with a sense of belongingness amongst them. During the year under consideration, HR function implemented various initiatives to support this.

During the year under consideration, several initiatives through training & motivational programmes were taken to improve employees' knowledge, skills and effectiveness to improve productivity and to establish better inter se relations amongst themselves. The relationship with the employees has been cordial and they have extended their support to the financial performance of the Company.

As on 31st March, 2016, the total employees' strength of the Company stood at 2355 as compared to previous year's 2418.

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

Independent Auditors' Report

To
The Members of
Liberty Shoes Ltd.

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Liberty Shoes Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken in to account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements.

The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and

give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143 (3) of the Act, we report that:

- 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;
- 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;
- The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms section 164 (2) of the Act.
- 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 B".
- 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, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred in Note 2.27.11 to the financial statements.
 - The Company didn't have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Pardeep Tayal & Co.
Firm Registration No. 002733N
Chartered Accountants

Pardeep Tayal
Partner
Membership No. 081643

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Annexure -A to Independent Auditors' Report

(Referred to in paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date)
Reg.: Liberty Shoes Limited (the Company)

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All fixed assets have not been physically verified by the management during the year but there exists a regular programme of verification of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanation given by the management, the title deeds of the immovable properties included in the property, plant and equipment/fixed assets are held in the name of the Company.
- 2) The management has conducted the physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- 3) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- 5) The Company has not accepted any deposits from the public.
- 6) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of Cost Records under sub-section (1) of Section 148 of the Companies Act, 2013, for the products of the Company.
- 7) a) The Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c) According to the records of the Company, the dues outstanding of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Nature of Statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	2,99,75,448	November 2004 to June 2005 and May 2006 to June 2006	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
Service Tax Act, 1994	Service Tax on GTA Services	2,33,486	January 2005 to March 2007	Customs, Excise and Service Tax Appellate Tribunal, Chandigarh
Service Tax Act, 1994	Service Tax on GTA Services	2,95,112	April 2005 to March 2007	Customs, Excise and Service Tax Appellate Tribunal, Chandigarh
Punjab Value Added Tax, 2005	Value Added Tax on account of classification of goods at different rate of tax	19,13,016	Financial Year 2006-07	Deputy Commissioner (Appeals)
Punjab Value Added Tax, 2005	Value Added Tax on account of classification of goods at different rate of tax	22,30,998	Financial Year 2007-08	Deputy Commissioner (Appeals)

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments except by way of term Loans from the bank and the same were applied for the purposes for which it was raised.
- 10) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- 11) According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company and hence not commented upon.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been

disclosed in the notes to the Financial Statements as required by the applicable accounting standards.

- 14) According to information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3 (xiv) of the Order are not applicable to the Company and not commented upon.
- 15) According to the information and explanations given by the management, the Company has not entered into any non cash transactions with directors or persons connected with him.
- 16) According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Pardeep Tayal & Co.
Firm Registration No. 002733N
Chartered Accountants

Pardeep Tayal
Partner
Membership No. 081643

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Annexure - B to Independent Auditors' Report

(Referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date on the Standalone Financial Statements of Liberty Shoes Ltd.)

Report on the Internal Financial Controls 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, 2016 in conjunction with our audit of the standalone 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, 2016, 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 Pardeep Tayal & Co.
Firm Registration No. 002733N
Chartered Accountants

Pardeep Tayal
Partner
Membership No. 081643

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Balance Sheet

as at 31st March, 2016

(Amount in ₹)

PARTICULARS	NOTE NO.		31.03.2016		31.03.2015
Equity & Liabilities					
Shareholders' Funds					
Share Capital	2.1	17,04,00,000		17,04,00,000	
Reserves & Surplus	2.2	1,38,11,87,511	1,55,15,87,511	1,27,91,13,134	1,44,95,13,134
Non-current Liabilities					
Long Term Borrowings	2.3	7,76,00,598		11,35,87,384	
Deferred Tax Liability (Net)	2.4	1,46,30,500		2,07,11,930	
Other Long Term Liabilities	2.5	5,97,60,579		5,76,20,879	
Long Term Provisions	2.6	24,34,700	15,44,26,377	28,06,330	19,47,26,523
Current Liabilities					
Short Term Borrowings	2.7	1,21,67,21,777		1,21,16,59,324	
Trade Payables	2.8	73,79,42,557		90,83,64,984	
Other Current Liabilities	2.9	19,34,64,435		22,08,96,770	
Short Term Provisions	2.10	3,85,98,787	2,18,67,27,556	5,98,83,207	2,40,08,04,284
Total			3,89,27,41,444		4,04,50,43,941
Assets					
Non-current Assets					
Fixed Assets					
Tangible Assets	2.11	97,34,18,256		95,61,85,236	
Intangible Assets	2.11	74,57,937		98,91,988	
Capital Work in Progress	2.11	1,28,25,322		1,07,00,212	
Non-current Investments	2.12	1,22,38,091		1,22,38,091	
Long term Loans & Advances	2.13	18,93,22,215		18,26,69,323	
Other Non-current Assets	2.14	-	1,19,52,61,821	-	1,17,16,84,850
Current Assets					
Inventories	2.15	1,41,08,30,110		1,43,20,96,213	
Trade Receivables	2.16	95,48,46,832		1,14,81,31,767	
Cash and Bank Balances	2.17	7,52,96,578		6,33,91,537	
Short term Loans & Advances	2.18	25,65,06,103	2,69,74,79,623	22,97,39,575	2,87,33,59,092
Total			3,89,27,41,444		4,04,50,43,941
Significant Accounting Policies	1				
Notes on Financials Statements	2 to 2.27				
The notes are an integral part of these Financial Statements					

Signed in terms of our Audit Report of even date.
For Pardeep Tayal & Co.,
Firm Regn. No. 002733N
Chartered Accountants

for and on behalf of the Board

Pardeep Tayal
Partner
Membership No. 081643

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

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

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Statement of Profit and Loss

for the year ended 31st March, 2016

(Amount in ₹)

PARTICULARS	NOTE NO.		31.03.2016		31.03.2015
Revenue from Operations					
Sales		4,70,65,85,657		5,46,46,16,663	
Other Operating Revenues	2.19	1,68,41,984		1,79,82,138	
Less:					
Excise Duty		18,17,74,685	4,54,16,52,956	22,57,15,331	5,25,68,83,470
Other Income	2.20		34,20,269		48,48,266
Total Revenue			4,54,50,73,225		5,26,17,31,737
Expenses					
Cost of Raw Materials Consumed & Finished Goods Purchased	2.21	2,07,63,16,883		3,00,34,14,842	
Change in Inventories of Finished Goods, Goods in Process and Stock-in-Trade	2.22	4,19,20,057		(27,35,20,105)	
Employee Benefit Expenses	2.23	64,55,25,307		62,82,44,295	
Finance Cost	2.24	16,39,21,455		16,06,67,715	
Depreciation & Amortisations	2.11	13,49,78,658		12,42,37,869	
Other Expenses	2.25	1,34,75,54,295		1,46,44,02,303	
Excise Duty		(7,32,820)		(28,53,329)	
Total Expenses			4,40,94,83,835		5,10,45,93,590
Profit before exceptional and extraordinary items and tax			13,55,89,390		15,71,38,146
Exceptional Items	2.26		1,17,68,625		71,34,887
Profit before Tax			12,38,20,765		15,00,03,259
Tax Expense					
Current tax		2,59,69,861		2,85,92,830	
MAT Credit Entitlement		-		(1,27,35,496)	
Income tax for earlier years		18,57,957		(1,08,85,262)	
Deferred Tax		(60,81,430)	2,17,46,388	(2,55,88,950)	(2,06,16,878)
Net Profit for the year			10,20,74,377		17,06,20,137
Earning Per Share of ₹10/- each					
Basic & Diluted			5.99		10.01
Basic & Diluted (Before Exceptional Items)			6.68		10.43
Significant Accounting Policies	1				
Notes on Financials Statements	2 to 2.27				
The notes are an integral part of these Financial Statements					

Signed in terms of our Audit Report of even date.
For Pardeep Tayal & Co.,
Firm Regn. No. 002733N
Chartered Accountants

for and on behalf of the Board

Pardeep Tayal
Partner
Membership No. 081643

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

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

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Cash Flow Statement

for the year ended 31st March, 2016

PARTICULARS	31.03.2016	31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax, Interest and extra ordinary items	27,33,52,747	29,69,52,009
Adjustments for:		
Unrealised Foreign Exchange Difference	(71,64,549)	(35,94,624)
Depreciation	13,49,78,658	12,42,37,869
Loss/(Gain) on sale/amortisation of Fixed Assets (net)	1,17,68,625	71,34,887
Bank & Other Interest	(34,20,269)	(48,48,266)
Provision for doubtful debts	(33,63,092)	(1,36,37,243)
Operating Profit before working capital changes	40,61,52,120	40,62,44,632
Adjustments for:		
Trade & Other Receivables	19,66,48,027	2,20,90,910
Inventories	2,12,66,103	(30,80,47,034)
Loans & Advances	(37,96,904)	(4,74,95,447)
Trade & Other Payables	(19,88,85,492)	31,00,85,252
Cash generated from Operations	42,13,83,853	38,28,78,313
Direct Taxes Paid	(3,14,80,473)	(3,16,33,551)
Cash Flow before extra ordinary items	38,99,03,380	35,12,44,762
Extra Ordinary Items	-	-
Net Cash Flow from Operating Activities	38,99,03,380	35,12,44,762
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(17,16,26,793)	(19,67,95,049)
Sale of Fixed Assets	79,55,432	1,66,51,477
Bank and Other Interest	34,20,269	48,48,267
Net Cash used in Investing Activities	(16,02,51,092)	(17,52,95,305)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	2,42,68,688	5,70,32,000
Repayment of long term borrowings	(6,88,55,175)	(6,78,05,834)
Interest paid	(14,95,31,983)	(14,69,48,750)
Dividend paid	(2,55,60,000)	(2,55,60,000)
Dividend Distribution Tax	(52,33,326)	(43,43,922)
Net Cash used in Financing Activities	(22,49,11,796)	(18,76,26,506)
Net Increase/(Decrease) in Cash & Cash Equivalents	47,40,492	(1,16,77,049)
Cash & Cash Equivalents (Opening Balance)	6,33,91,537	7,14,73,962
Unrealised Foreign Exchange Difference	71,64,549	35,94,624
Cash & Cash Equivalents (Closing Balance)	7,52,96,578	6,33,91,537
Components of Cash & Cash Equivalents		
Cash in hand including imprest	1,36,09,747	1,19,94,879
Balance with Scheduled Banks		
Current Accounts	1,32,49,262	1,18,72,022
Cheques on hand	2,54,20,403	29,48,576
Fixed Deposits	2,30,17,166	3,65,76,060
Total	7,52,96,578	6,33,91,537

Notes: 1) Purchase of Fixed Assets include movements of capital work in progress between the beginning & at the end of the year 2) The Cash Flow Statement has been prepared under the indirect method as set out in AS -3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.

Signed in terms of our Audit Report of even date.
For Pardeep Tayal & Co.,
Firm Regn. No. 002733N
Chartered Accountants

for and on behalf of the Board

Pardeep Tayal
Partner
Membership No. 081643

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

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

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Notes to the Financial Statements for the year ended 31st March, 2016

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 and accessories through its retail and wholesale network. The Registered Office of the Company is situated at Libertypuram, Karnal, Haryana.

Note 1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis of accounting.

Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013 (The "Act").

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) 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 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.

c) 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 credit availed) of stock accounting. Cost of manufactured finished goods and goods in process include cost of raw materials consumed on weighted average basis

and appropriate portion of allocable overheads and Excise Duty and Taxes, wherever applicable. Scrap, if any, at the year-end does not form part of the closing inventory.

d) Fixed Assets and Capital work in progress

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

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

e) Depreciation

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

Assets	Useful Life
Factory Building	30 Years
Plant & Equipment	15 Years
Dies & Moulds	15 Years
Electric Installation & Equipments	10 Years
Furniture & Fixtures	10 Years
Office Equipment	5 Years
Computers	3 Years
Servers & Networks	6 Years
Motor Cars & Buses	8 Years
Motor Cycles	10 Years
Assets individually costing less than ₹5,000/- are fully depreciated in the year of acquisition.	

f) 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 to 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.

g) Operating Lease

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the lease term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit & Loss on straight line basis over the lease term.

Notes to the Financial Statements for the year ended 31st March, 2016

h) 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.

i) Excise Duty

Excise Duty, wherever applicable, is accounted for at the time of manufacture of finished goods.

j) Provisions and Contingent Liabilities

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

k) Employee Benefits

(i) Short-term employee benefits are recognized as an expense in the Statement of Profit & Loss of the year in which the related service is rendered.

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

l) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of

the cost of such assets. All other borrowing costs are charged to revenue in the period in which they are incurred.

m) Foreign Exchange Transactions

(i) Assets and liabilities relating to foreign currency transactions remaining unsettled at the year-end are converted into Indian rupees at closing rates and any gain or loss arisen is adjusted in Statement of Profit and Loss.

(ii) Gains/losses arising out of fluctuations in foreign exchange rates between the transaction date and settlement date are recognized in the Statement of Profit and Loss under the head "Exchange Rate Fluctuation".

(iii) The difference between the forward rate and the exchange rate on date of inception of a forward contract in respect of forward contracts with underlying assets or liabilities is recognized as income or expense and is amortized over the life of the contract.

(iv) Forward exchange contracts entered to hedge the foreign currency risk are marked to market as at the year end and the resultant exchange gain or loss is recognised in the Statement of Profit & Loss.

(v) Non monetary foreign currency items are carried at cost and accordingly the investment in foreign subsidiary is expressed in Indian Currency at the exchange rate prevailing at the date of the transaction.

n) Provision for Taxation

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

o) Provision for Deferred Taxation

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

(Amount in ₹)

	As at 31st March, 2016	As at 31st March, 2015
Note 2.1 Share Capital		
Authorised Share Capital		
63500000 (Previous year 63500000 Equity Shares) of ₹10 each	63,50,00,000	63,50,00,000
Issued, Subscribed & Fully Paid Up Capital		
17040000 (Previous year 17040000) Equity Shares of ₹10 each fully paid up.	17,04,00,000	17,04,00,000
	17,04,00,000	17,04,00,000
2.1.1 Reconciliation of Number of Shares		
	As at 31st March, 2016	As at 31st March, 2015
Equity Shares		
Balance at the beginning of the year 17040000 (Previous year 17040000) Equity Shares of ₹10 each fully paid up.	17,04,00,000	17,04,00,000
Add: Shares issued during the year	-	-
Equity Shares at the end of the year	17,04,00,000	17,04,00,000

Notes to the Financial Statements for the year ended 31st March, 2016

2.1.2 Terms/Rights attached to Equity Shares

(Amount in ₹)

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.

2.1.3 Detail of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Equity Shareholders	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Geofin Investments Private Limited	44,72,517	26.25	44,72,517	26.25
Satish Kumar Gupta (Karta)	8,88,584	5.21	8,88,584	5.21

	As at 31st March, 2016	As at 31st March, 2015
Note 2.2 Reserves & Surplus		
2.2.1 Capital Reserve	3,99,500	3,99,500
2.2.2 Securities Premium Account		
Balance at the beginning of the year	11,27,20,644	11,27,20,644
Add: Additions/(Utilisations) during the year	-	-
Balance at the end of the year	11,27,20,644	11,27,20,644
2.2.3 General Reserve		
Balance at the beginning of the year	1,04,70,09,364	98,70,09,364
Add: Transfer from surplus in the Statement of Profit & Loss	6,00,00,000	6,00,00,000
Balance at the end of the year	1,10,70,09,364	1,04,70,09,364
2.2.4 Surplus in the Statement of Profit & Loss		
Balance at the beginning of the year	11,89,83,626	10,50,89,092
Add: Profit for the year	10,20,74,377	17,06,20,137
	22,10,58,003	27,57,09,229
Less: Appropriations/Adjustments		
Transfer to General Reserve	6,00,00,000	6,00,00,000
Proposed Dividend on Equity Shares (Dividend per share ₹1.50/- (Previous year ₹1.50/-))	-	2,55,60,000
Provision for Dividend Distribution Tax	-	52,33,326
Adjustments on account of Depreciation as per Schedule II of Companies Act, 2013	-	6,59,32,277
Balance at the end of the year	16,10,58,003	11,89,83,626
Total Reserves & Surplus	1,38,11,87,511	1,27,91,13,134

Notes to the Financial Statements for the year ended 31st March, 2016

Note 2.3 Long Term Borrowings

(Amount in ₹)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Non Current	Current Maturities	Non Current	Current Maturities
2.3.1 Secured Term Loans				
(i) from Banks:				
Ruppee Term Loans	7,45,61,830	5,21,62,281	11,12,95,487	6,11,02,715
(ii) from Others:				
Ruppee Term Loans	30,38,768	24,82,151	22,91,897	21,41,418
	7,76,00,598	5,46,44,432	11,35,87,384	6,32,44,133
Less: Amount disclosed under other Current Liabilities (Refer Note 2.9.1)	-	5,46,44,432	-	6,32,44,133
Net Long Term Borrowings	7,76,00,598	-	11,35,87,384	-

(Amount in ₹)

Particulars of Loan	Detail of Security	Outstanding Balance as at 31.03.2016	Repayment Terms
(i) from Banks			
Term Loan from HDFC Bank	Exclusive charge on the assets financed under Term Loan and Equitable mortgage of land & building including hypothecation of plant & machinery situated at Village Bhagwanpur, Roorkee, Uttarakhand and Equitable Mortgage of Land at Distt-Sirmaur, Pontasahib and Langha Road, Sahaspur, Dehradun and 2nd Charge on Current Assets of the Company.	9,26,93,722	8 Quarterly installments of ₹27.78 Lakh each 12 Quarterly installments of ₹30.70 Lakh each 14 Quarterly installments of ₹16.25 Lakh each 14 Quarterly installments of ₹7.77 Lakh each
Vehicle Loans from HDFC Bank	Hypothecation of Vehicles	2,28,30,373	52% in Monthly Installment in 2016-17 39% in Monthly Installment in 2017-18 8% in Monthly Installment in 2018-19 1% in Monthly Installment in 2019-20
Vehicle Loans from ICICI Bank	Hypothecation of Vehicles	1,12,00,016	65% in Monthly Installment in 2016-17 29% in Monthly Installment in 2017-18 6% in Monthly Installment in 2018-19
Total		12,67,24,111	
(ii) from Others			
Vehicle Loans from BMW Financial Services	Hypothecation of Vehicles	4,29,382	100% in Monthly Installment in 2016-17
Vehicle Loans from Tata Capital Ltd.	Hypothecation of Vehicle	6,30,543	50% in Monthly Installment in 2016-17 50% in Monthly Installment in 2017-18
Vehicle Loans from Daimler Financial Services	Hypothecation of Vehicle	32,25,342	46% in Monthly Installment in 2016-17 50% in Monthly Installment in 2017-18 4% in Monthly Installment in 2018-19
Vehicle loan from Toyota Financial Services India Ltd.	Hypothecation of Vehicle	12,35,652	22% in Monthly Installment in 2015-16 34% in Monthly Installment in 2016-17 35% in Monthly Installment in 2017-18
Total		55,20,919	

Notes to the Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

		As at 31st March, 2016	As at 31st March, 2015
Note 2.4	Deferred Tax Liability (Net)		
	Balance at the beginning of the year	2,07,11,930	4,63,00,880
	Add: for the year	(60,81,430)	(2,55,88,950)
	Balance at the end of the year	1,46,30,500	2,07,11,930
2.5	Other Long Term Liabilities		
	Security Deposits	5,97,60,579	5,76,20,879
	Total Other Long Term Liabilities	5,97,60,579	5,76,20,879
2.6	Long Term Provisions		
	Provision for Gratuity	24,34,700	28,06,330
	Total Other Long Term Provisions	24,34,700	28,06,330
2.7	Short Term Borrowings		
2.7.1	Secured		
	Loans repayable on demand		
	from Banks:		
	(Secured against hypothecation of Company's entire stock of raw materials, stock in process, finished goods, consumables, stores and spares, finished goods in stores, in transit and with shippers at port awaiting shipment for exports, receivables, cheques, bank drafts and all other current assets and 2nd paripassu charge on Plant & Machinery.)	1,17,47,66,483	1,21,03,24,756
	Total Secured Loans	1,17,47,66,483	1,21,03,24,756
2.7.2	Unsecured		
	Loans and Advances from Related Parties		
	Short Term Loans	4,19,55,294	13,34,568
	from Others	-	-
	Total Unsecured Loans	4,19,55,294	13,34,568
	Total Short Term Borrowings	1,21,67,21,777	1,21,16,59,324
2.8	Trade Payables		
	Trade Payables for goods & services (Includes Sundry Creditors)	73,79,42,557	90,83,64,984
	Total Trade Payables	73,79,42,557	90,83,64,984
2.9	Other Current Liabilities		
2.9.1	Current Maturities of Long Term Debts (refer Note 2.3.1)		
	from Banks	5,21,62,281	6,11,02,715
	from Others	24,82,151	21,41,418
	Total	5,46,44,432	6,32,44,133
2.9.2	Other Payables		
	Advances from Customers	3,42,16,058	2,50,40,061
	Expenses Payable	6,66,57,211	8,94,61,354
	Other Liabilities	3,79,46,734	4,31,51,222
	Total	13,88,20,003	15,76,52,637
	Total Other Current Liabilities	19,34,64,435	22,08,96,770
2.10	Short Term Provision		
	Provision for taxation (Net of MAT Credit Entitlement)	2,59,69,861	1,58,57,334
	Provision for Gratuity	9,10,732	7,81,533
	Provision for Excise Duty	1,17,18,194	1,24,51,014
	Proposed Dividend	-	2,55,60,000
	Provision for Dividend Distribution Tax	-	52,33,326
	Total Short Term Provisions	3,85,98,787	5,98,83,207

Notes to the Financial Statements for the year ended 31st March, 2016

Note 2.11 FIXED ASSETS										
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Total as on 01.04.2015	Additions during the period	Sales/Adj. during the period	Total as on 31.03.2016	Total as on 01.04.2015	For the period	Sales/Adj. during the period	Total as on 31.03.2016	As on 31.03.2016	As on 31.03.2015
Tangible Assets (Not under Lease)										
Land	12,68,74,906	-	4,19,766	12,64,55,140	-	-	-	-	12,64,55,140	12,68,74,906
Building*	23,73,82,922	37,36,606	-	24,11,19,528	8,23,79,429	79,13,568	-	9,02,92,997	15,08,26,531	15,50,03,493
Plant & Equipments	79,82,92,743	1,58,64,760	3,47,722	81,38,09,781	49,49,56,405	5,07,47,654	2,50,286	54,54,53,773	26,83,56,008	30,33,36,338
Furniture & Fixture	32,31,31,046	6,79,17,830	2,95,57,275	36,14,91,601	14,90,35,417	3,30,42,482	1,95,83,952	16,24,93,947	19,89,97,654	17,40,95,629
Vehicles	16,77,07,705	3,15,75,606	1,55,97,683	18,36,85,628	6,62,76,361	2,12,31,145	93,17,896	7,81,89,610	10,54,96,018	10,14,31,344
Office Equipments	12,66,38,120	2,32,82,816	12,75,911	14,86,45,025	9,39,96,069	1,35,17,850	10,11,066	10,65,02,853	4,21,42,172	3,26,42,051
Moulds	27,41,60,098	2,65,71,228	27,21,553	29,80,09,773	21,13,58,623	55,39,070	32,653	21,68,65,040	8,11,44,733	6,28,01,475
Total Tangible Assets	2,05,41,87,540	16,89,48,846	4,99,19,910	2,17,32,16,476	1,09,80,02,304	13,19,91,769	3,01,95,853	1,19,97,98,220	97,34,18,256	95,61,85,236
Previous Year	1,91,22,39,032	18,25,68,494	4,06,19,986	2,05,41,87,540	92,74,28,817	12,14,74,832	(4,90,98,655)	1,09,80,02,304	95,61,85,236	98,48,10,215
Intangible Assets										
Patents	15,500	-	-	15,500	3,838	-	-	3,838	11,662	11,662
Softwares	1,82,52,522	5,52,837	-	1,88,05,359	83,72,196	29,86,888	-	1,13,59,084	74,46,275	98,80,326
Total Intangible Assets	1,82,68,022	5,52,837	-	1,88,20,859	83,76,034	29,86,888	-	1,13,62,922	74,57,937	98,91,988
Previous Year	1,43,72,286	38,95,736	-	1,82,68,022	56,12,997	27,63,037	-	83,76,034	98,91,988	87,59,289
Capital work in progress:										
a) Building under construction	82,55,633	39,64,669	11,83,833	1,10,36,469	-	-	-	-	1,10,36,469	82,55,633
b) Assets under installation	24,44,579	17,88,853	24,44,579	17,88,853	-	-	-	-	17,88,853	24,44,579
Total Capital work in progress	1,07,00,212	57,53,522	36,28,412	1,28,25,322	-	-	-	-	1,28,25,322	1,07,00,212
Previous year	3,69,393	1,07,00,212	3,69,393	1,07,00,212	-	-	-	-	1,07,00,212	3,69,393
Grand Total	2,08,31,55,774	17,52,55,205	5,35,48,322	2,20,48,62,657	1,10,63,78,338	13,49,78,657	3,01,95,853	1,21,11,61,142	99,37,01,515	97,67,77,436
Previous year	1,92,69,80,711	19,71,64,442	4,09,89,379	2,08,31,55,774	93,30,41,814	12,42,37,869	(4,90,98,655)	1,10,63,78,338	97,67,77,436	99,39,38,897

Notes to the Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

	As at 31st March, 2016	As at 31st March, 2015
Note 2.12 Non-current Investments (Non-Trade)		
Investments in Government Securities (Valued at Cost)		
(6 Years National Saving Certificates VIII Issue)	44,834	44,834
Liberty Foot fashion Middle East FZE		
1 (Previous Year 1) Equity Share of UAE Dhiram 10,00,000 fully paid	1,21,93,257	1,21,93,257
Total Non-current Investments	1,22,38,091	1,22,38,091
Aggregate amount of Quoted Investments	-	-
Aggregate amount of Unquoted Investments	1,22,38,091	1,22,38,091
Aggregate Market Value of Quoted Investments	-	-
2.13 Long term Loans & Advances		
(Unsecured and considered good unless stated otherwise)		
Capital Advance	13,56,938	21,32,492
Security Deposits		
to Related Parties	-	-
to Others	6,51,48,280	5,44,97,148
Share Application Money paid to Subsidiaries (Pending Allotment)	1,80,48,696	1,80,48,696
MAT Credit Entitlement	10,85,40,106	11,17,62,792
	19,30,94,020	18,64,41,128
Less: Provision for doubtful security deposits to others	37,71,805	37,71,805
Total Long term Loan & Advances	18,93,22,215	18,26,69,323
2.14 Other Non-current Assets		
(Unsecured and considered good unless stated otherwise)	-	-
Total Other Non-current Assets	-	-
2.15 Inventories (As valued and certified by the Management)		
Raw Materials	32,93,96,479	30,42,18,522
Goods in Process	15,12,18,906	17,37,91,289
Finished Goods		
Manufactured	78,80,16,862	79,95,76,335
Traded	9,57,66,255	10,35,54,455
Packing Materials	1,48,08,919	1,72,70,353
Stores & Spares	3,01,57,421	3,22,20,333
Oil & Lubricants	14,65,268	14,64,926
Total Inventories	1,41,08,30,110	1,43,20,96,213
2.16 Trade Receivables		
(Unsecured and considered good unless stated otherwise)		
Debts outstanding for a period exceeding six months from the due date		
Considered good	14,54,07,567	9,25,19,030
Considered doubtful	1,30,73,489	1,64,36,581
Other Debts		
Considered good	80,94,39,265	1,05,56,12,737
	96,79,20,321	1,16,45,68,348
Less: Provision for doubtful debts	1,30,73,489	1,64,36,581
Total Trade Receivables	95,48,46,832	1,14,81,31,767
2.17 Cash and Bank Balances		
Cash and Cash equivalents		
Balances with banks:		
In Current Accounts*	1,32,49,262	1,18,72,022
Cheques on hand	2,54,20,403	29,48,576
Cash in hand including imprest	1,36,09,747	1,19,94,879
Fixed Deposits with Banks (Margin Money deposit for LC/Bank Guarantees)**	2,30,17,166	3,65,76,060
Total Cash and Bank Balances	7,52,96,578	6,33,91,537

* Includes Unclaimed Dividend of ₹7.45 Lakh (Previous year ₹4.61 Lakh)

** Includes Fixed Deposits for ₹3.79 Lakh (Previous year ₹12.37 Lakh) having maturity of more than 12 months

Notes to the Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

	31.03.2016	31.03.2015
Note 2.18 Short-term Loans & Advances (Unsecured and considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for the value to be received	14,55,71,768	12,80,63,593
Security Deposit for less than 12 Months		
to Related Parties	60,00,000	60,00,000
to Others	2,90,82,767	3,74,82,618
Balance with Excise and other Statutory Authorities	4,56,03,510	3,36,98,427
(including service tax, VAT recoverable and taxes paid under protest)		
Prepaid Expenses	1,81,65,968	1,36,23,497
Loans and advances to employees	1,20,82,090	1,08,71,440
Total Short-term Loans & Advances	25,65,06,103	22,97,39,575
2.19 Other Operating Income		
Freight	4,15,772	46,450
Miscellaneous Income	58,22,012	48,40,809
Gain on Exchange Rate Fluctuations	87,61,200	53,10,886
Bad Debts Recovered	18,43,000	77,83,993
Total Operating Income	1,68,41,984	1,79,82,138
2.20 Other Income		
Bank and Other Interest (Tax deducted at Source ₹2.63 Lakh [Previous Year ₹3.51 Lakh])	34,20,269	48,48,266
Total Other Income	34,20,269	48,48,266
2.21 Cost of Materials consumed and Finished Goods Purchased		
a) Raw Materials (Refer to Note 2.27.21)		
Stock at the beginning of the year	30,42,18,522	27,10,18,929
Add: Purchases	1,63,82,53,773	2,10,49,65,789
	1,94,24,72,295	2,37,59,84,718
Less: Stock at the end of the year	32,93,96,479	30,42,18,522
Raw Materials Consumed	1,61,30,75,816	2,07,17,66,196
b) Finished Goods Purchased	46,32,41,067	93,16,48,646
Total Cost of Materials consumed and Finished Goods Purchased (a+b)	2,07,63,16,883	3,00,34,14,842
2.22 Change in Inventories of Finished Goods, Goods in Process and Stock-in-Trade		
a) Inventories at the end of the year		
Finished Goods/Stock-in-Trade	88,37,83,117	90,31,30,790
Goods in Process	15,12,18,906	17,37,91,290
Total	1,03,50,02,023	1,07,69,22,080
b) Inventories at the beginning of the year		
Finished Goods/Stock-in-Trade	90,31,30,790	64,43,94,489
Goods in Process	17,37,91,290	15,90,07,486
Total	1,07,69,22,080	80,34,01,975
(Increase)/Decrease in Inventories (b - a)	4,19,20,057	(27,35,20,105)
2.23 Employee Benefits Expense		
Salaries, Wages and Bonus	60,15,77,359	57,95,70,489
Contribution to Provident and Other Funds (Refer to Note 2.27.18)	3,19,62,399	3,56,46,398
Staff Welfare Expenses	1,19,85,549	1,30,27,408
Total Employee Benefits Expense	64,55,25,307	62,82,44,295
2.24 Finance Cost		
Interest Expense		
to Banks	14,79,40,693	14,51,24,958
to others (Refer to Note 2.27.7)	15,91,290	18,23,792
Bank Charges	1,43,89,472	1,37,18,965
Total Finance Cost	16,39,21,455	16,06,67,715

Notes to the Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

	31.03.2016	31.03.2015
Note 2.25 Other Expenses		
a) Manufacturing Expenses		
Freight Inwards	98,91,032	1,16,38,585
Upper Production Charges	10,00,66,608	12,28,25,017
Oil & Lubricants	1,04,68,447	1,49,05,135
Electricity Charges	8,92,31,650	8,57,08,207
Repairs to Machinery	3,63,47,885	4,05,49,427
Land Lease Rent	1,98,851	1,80,776
Franchise Fee	1,25,00,000	1,25,00,000
Total	25,87,04,473	28,83,07,147
b) Administration, Selling and Other Expenses		
Packing Materials Consumed	14,89,03,625	17,32,03,126
Printing & Stationery	71,19,218	74,48,696
Directors' Remuneration	2,02,16,000	1,92,00,000
Claims	2,27,57,615	3,92,64,678
Tour, Travelling and Conveyance	7,98,34,192	7,87,28,884
Insurance Charges	78,43,376	84,55,246
Fees and Taxes	4,47,74,119	5,06,21,421
Postage, Telegram, Telephone and Telex	1,51,49,354	1,51,24,801
Subscriptions	9,31,512	12,33,579
Advertisements	7,08,80,055	12,94,60,613
Rent	16,10,98,706	13,01,87,846
Donations	32,50,968	15,40,536
Export CIF Expenses	1,30,71,529	2,56,97,041
Freight Outward	8,77,92,029	9,06,21,836
Samples	2,25,024	3,68,846
Auditors' Remuneration:		
Statutory Audit Fee	9,05,000	10,90,000
Tax Audit Fee	80,000	80,000
Certification Fee	20,000	20,000
Miscellaneous Expenses	3,63,23,234	3,11,12,002
Royalty	16,93,00,000	17,27,23,000
Entertainment Expenses	77,22,049	80,40,187
Commission	3,83,98,855	4,08,78,912
Sales Promotion Expenses	7,80,20,915	7,85,89,520
Newspapers & Periodicals	2,15,194	2,66,017
Debts written off	27,24,435	1,11,96,347
Provision for doubtful debts (refer to Note 2.27.13)	(33,63,092)	(1,36,37,243)
Consultancy & Professional Charges	2,34,58,353	2,14,85,393
Repairs & Maintenance Expenses-Building	2,26,22,469	3,24,60,854
Repairs & Maintenance Expenses-Others	2,85,75,088	1,92,17,042
Loss on transfer of Duty Credit	-	14,15,976
Total	1,08,88,49,822	1,17,60,95,156
Total Other Expenses (a + b)	1,34,75,54,295	1,46,44,02,303
2.26 Exceptional Items:		
Profit on Sale of Fixed Assets	(3,06,501)	(4,79,683)
Loss on sale of Fixed Assets	1,20,75,126	76,14,570
Total Exceptional Items	1,17,68,625	71,34,887

Notes to the Financial Statements for the year ended 31st March, 2016

Note 2.27 NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

2.27.1 Details of Managerial Remuneration:

(Amount in ₹)

Particulars	31.03.2016	31.03.2015
Payment and provision for remuneration to: Executive Director(s)	2,03,00,000	1,92,00,000

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

(Amount in ₹)

Particulars	31.03.2016	31.03.2015
Profit before tax as per Statement of Profit & Loss	12,38,20,765	15,00,03,259
Add:		
Directors' Remuneration	2,03,00,000	1,92,00,000
(Profit)/Loss on sale of Fixed Assets (Net)	1,17,78,625	71,34,887
Directors' Sitting Fees	2,77,500	2,70,000
(Profit)/Loss on sale of Investments	--	--
Net Profit as per Section 198 of the Companies Act, 2013	15,61,76,890	17,66,08,146
Commission paid/payable to Directors	-	-

During the year under consideration, no remuneration has been paid to Non-Executive Directors except professional services fees of ₹1,80,000/- (Previous year ₹2,70,000/-) to Sh. Ashok Kumar (till the date of his becoming Director on the Board of Company) and sitting fees of ₹2,77,500/- (Previous year ₹2,70,000/-) to Independent Directors. Sh. Ashok Kumar has been appointed as an Executive Director w.e.f. 1st June, 2015.

2.27.2 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.

2.27.3 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 aggregate lease rentals payables are charged as Rent in note 2.25.

The future minimum lease payments under non cancellable operating leases are as follows:

(Amount in ₹)

Lease Rentals	31.03.2016	31.03.2015
Not later than one year	24,94,687	1,21,45,281
Later than one year and not later than 5 years	3,55,232	15,81,422
Later than five years	-	-
Lease Payment recognized in Statement of Profit and Loss are shown as Rent under Other Expenses in Note 2.25	16,10,98,706	13,01,87,846

2.27.4 Derivative Instruments and Unhedged Foreign Currency Exposure, which are not intended for Trading or Speculation Purpose: Forward Contract outstanding as at balance Sheet date

Particulars of Forward Contracts	Currency	March 2016	March 2015	Purpose
Purchase	USD	8,155.33	-	To hedge the Trade Payable
Sales	USD	3,32,050	64,559	To hedge the Trade Receivables
	GBP	-	30,000	

Notes to the Financial Statements for the year ended 31st March, 2016

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 2016	March 2015	March 2016	March 2015
Trade Payables	USD	4,28,987.95	2,05,380.39	284.72	128.08
	EURO	22,153.85	15,000.00	16.65	10.05
Advance for Import Purchases	USD	3,705.00	-	2.46	-
Advance from Customers	USD	64,943.45	73,662.87	39.40	42.59
	EURO	8,442.00	-	6.32	-
	GBP	5,437.99	15,143.50	5.59	14.77
Trade Receivables	USD	19,41,666.67	16,33,124.30	1,198.87	984.45
	EURO	23,644.00	48,307.00	16.29	32.20
	GBP	86,891.75	51,102.82	82.39	48.30

2.27.5 The assessment of the Company in respect of Income Tax & Wealth Tax is completed up to Assessment Year 2013-14.

2.27.6 In terms of the renewed agreements dated April 3, 2013 with Liberty Enterprises (LE) and Liberty Group Marketing Division (LGMD), the two partnership firms of the group, for further period of two years from April 1, 2013 onwards, the exclusive use of their manufacturing facilities and fixed assets, trademarks & distribution networks was available with the Company till March 31, 2015.

In furtherance to the Company's earlier communication, considering the enduring benefits of unlocking the shareholders' value through acquisition of the tangible and intangible assets including business rights of LE & LGMD, on March 31, 2015 the Company had entered into a Memorandum of Understanding (MOU) with these two Partnership firms for acquisition of their respective business of footwear. In terms of the said MOU the Company had paid a sum of ₹10 Lakh & ₹50 Lakh to LE & LGMD respectively as an advance and the related transactions were to be completed, as per the mode/structure to be recommended by the consultants, on or before March 31, 2016 but with retrospective effect from April 1, 2015.

In continuation to the said MOU, considering the fact of non-formalization of terms and conditions for such takeover by 31st March, 2016 due to certain technical reasons, parties to the above said MOU have entered into a fresh agreement for continuing the existing arrangements till further period(s) as may be mutually agreed and accordingly has extended the said arrangements initially for further period of 12 months commencing from 1st April, 2016 onwards.

Further during the year the Company has paid/provided for franchise fees of ₹115 Lakh (Previous year ₹115 Lakh)

to LE and ₹858 Lakh (Previous year ₹881.67 Lakh) to LGMD.

Also during the year, in terms of the renewed agreement dated April 3, 2013 with Liberty Footwear Co. (LFC), another partnership firm of the group and owner of trademark "LIBERTY", for granting exclusive rights of use of trademark "LIBERTY" to the Company for further period of fifteen years from April 1, 2013 onwards and in conformity with the requisite approvals of the Central Government obtained by the Company in this regard, the Company has paid/provided for trademark license fee of ₹824 Lakh (Previous year ₹855.56 Lakh) to LFC.

2.27.7 Interest to others include ₹8,67,473/- (Previous year ₹11,93,934/-) against short term loan from M/s Geofin Investments Private Ltd @ 12% p.a.

2.27.8 During the year, the Company has capitalized the borrowing cost of ₹ Nil (Previous year ₹ Nil) as part of the cost of the qualifying assets.

2.27.9 The Company has paid the excise duty amounting to ₹18,17,74,685/- (Previous year ₹22,57,15,331/-) against the sales executed during the year.

Also, the Company has made the provision of excise duty of ₹1,17,18,194/- (Previous Year ₹1,24,51,014/-) against finished goods lying in stocks as on 31st March, 2016 and the difference of two has been recognized separately in the Statement of Profit & Loss.

2.27.10 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small & Medium Enterprise Development Act, 2006) claiming their status as on 31st March, 2016 as Micro, Small or Medium Enterprise. Consequently the amount paid/payable to these parties during the year is nil.

Notes to the Financial Statements for the year ended 31st March, 2016

2.27.11 Contingent Liabilities

(Amount in ₹)

Particulars	2015-16	2014-15
I) Bank Guarantees issued on behalf of the Company submitted with various institutional customers in terms to their orders.	4,29,96,583	5,56,22,601
II) Letter of Credits	1,01,71,418	11,90,31,607
III) On account of disallowance of legitimate credit of CENVAT against Excise Duty/ Education Cess ¹ for the period from November 2004 to June 2005, May 2006 to June 2006, financial year 2002-03 and 2004-05. CESTAT while admitting Company's appeal directed to deposit ₹39 Lakh under protest and has granted stay.	3,38,75,448	3,38,75,448
IV) Value Added Tax ² for the financial year 2005-06, 2006-07, 2007-08 & 2008-09 on account of classification of goods at different rate of tax	55,69,829	55,69,829
V) Service Tax on GTA Services for the period from January 2005 to March 2007	5,28,598	5,28,598
VI) On account of compliance relating to obligations under EPCG licenses	4,42,00,783	4,42,00,783
VII) Third Party claims due to dispute relating to contracts	-	44,37,479
VIII) On account of few labour matters pertaining to earlier years in which Company has preferred an appeal before the Hon'ble High Court and has been granted stay.	2,10,00,000	-

¹Including amount deposited under protest ₹39,00,000/- (Previous year ₹39,00,000/-).

²Including amount deposited under protest ₹14,25,815/- (Previous year ₹14,25,815/-).

2.27.12 Capital commitments not provided for are estimated at ₹35 Lakh (Previous year ₹30 Lakh).

2.27.13 Provision for doubtful debts: During the year, the Company has considered debts for ₹1,23,142/- (Previous year ₹47,09,590/-) as doubtful debts/securities and also has withdrawn ₹34,86,234/- (Previous year ₹1,83,46,833/-) out

of the provisions made in the earlier years for the same and written off as bad debts ₹7,10,788/- (Previous year ₹61,77,632/-). Further the differential of the provision made and amount withdrawn during the year, detailed as under, has been charged to Statement of Profit & Loss for the year and the balance has been carried in the balance sheet:

Statement of Profit & Loss

(Amount in ₹)

Particulars	2015-16	2014-15
Provision for the year	1,23,142	47,09,590
Less: Amount withdrawn from the provision made for doubtful debts in the earlier years	34,86,234	1,83,46,833
Net debited/(credited) to Statement of Profit & Loss	(33,63,092)	(1,36,37,243)

Balance Sheet

(Amount in ₹)

Particulars	2015-16	2014-15
Opening Balance	2,02,08,386	3,38,45,629
Add: Provision for the year	1,23,142	47,09,590
Total	2,03,31,528	3,85,55,219
Less: Amount withdrawn during the year	34,86,234	1,83,46,833
Closing balance	1,68,45,294	2,02,08,386
Trade Receivables (Refer to Note No. 2.16)	1,30,73,489	1,64,36,581
Security Deposits to Others (Refer to Note No. 2.13)	37,71,805	37,71,805

2.27.14 During the year, considering the non-recoverability of some of the debts/advances, the Company has written off the debts amounting to ₹20,13,649/- (Previous year ₹45,39,071/-).

2.27.15 The Board of Directors of the Company considers and maintains "Footwear" as the only business segment of the Company.

Notes to the Financial Statements for the year ended 31st March, 2016

2.27.16 Basic and Diluted Earning per share: The Basic and diluted earning per share of the Company is as under: -

(Amount in ₹)

Description	2015-16	2014-15
Basic & Diluted		
Profit after Taxation (A)	10,20,74,377	17,06,20,137
Weighted average number of Equity Shares (B)	1,70,40,000	1,70,40,000
Nominal value per Equity Share	10.00	10.00
Basic & Diluted Earnings per share (A/B)	5.99	10.01

2.27.17 Related Party Transactions

The Company has made the following transactions with related parties as defined under the provisions of Accounting Standard 18 issued by Institute of Chartered Accountants of India.

A) Transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2016:

(Amount in ₹)

Description	Subsidiary	Entities where Key Management Personnel/Relative of Key Management Personnel has significant influence	Key Management Personnel	Relatives of Key Management Personnel	Total
Transactions					
Receiving of Services	-	89,79,877	6,22,539	1,56,312	97,58,728
	(-)	(1,82,81,774)	(21,38,672)	(1,42,104)	(2,05,62,550)
Sale of Goods	-	9,19,01,040	-	-	9,19,01,040
	(-)	(5,25,25,479)	(-)	(-)	(5,25,25,479)
Purchase of Assets	-	-	-	-	-
	(-)	(1,85,00,000)	(-)	(-)	(1,85,00,000)
License Agreements (Franchise Fee & Licensing Fee including Service Tax)	-	20,50,25,250	-	-	20,50,25,250
	(-)	(20,81,16,562)	(-)	(-)	(20,81,16,562)
Payment of Salary, Wages and other benefits to employees	-	-	2,36,00,000	96,30,000	3,32,30,000
	(-)	(-)	(2,25,00,000)	(96,30,000)	(3,21,30,000)
Loans taken	-	31,79,64,128	-	-	31,79,64,128
	(-)	(15,43,96,000)	(-)	(-)	(15,43,96,000)
Repayment of Loans	-	27,82,10,875	-	-	27,82,10,875
	(-)	(17,21,20,000)	(-)	(-)	(17,21,20,000)
Interest Paid/Payable	-	8,67,473	-	-	8,67,473
	(-)	(11,93,934)	(-)	(-)	(11,93,934)
Advance for Business Transfer	-	-	-	-	-
	(-)	(60,00,000)	(-)	(-)	(60,00,000)
Outstanding balances					
Trade Receivables	-	1,99,43,454	-	-	1,99,43,454
	(-)	(1,10,42,414)	(-)	(-)	(1,10,42,414)
Trade Payables	-	10,93,128	2,49,635	-	13,42,763
	(-)	(30,40,507)	(2,07,096)	(-)	(32,47,603)
Short Term Loans	-	4,19,55,294	-	-	4,19,55,294
	(-)	(13,34,568)	(-)	(-)	(13,34,568)
Loans & Advances	-	60,00,000	-	-	60,00,000
	(-)	(60,00,000)	(-)	(-)	(60,00,000)

Previous year figures are in brackets

Notes to the Financial Statements for the year ended 31st March, 2016

- B) Detail of Related Parties and description of relationship:
- Subsidiary Company:
Liberty Foot Fashion Middle East FZE
 - Entities where Key Management Personnel/Relative of Key Management Personnel has significant influence:
Geofin Investments Private Ltd., Liberty Group Marketing Division, Liberty Enterprises, Liberty Footwear Co., Sanjeev Bansal Charitable Trust, Liberty Innovative Outfits Ltd., Little World Constructions Pvt. Ltd.,
 - Key Management Personnel:
1) Sh. Adesh Kumar Gupta 2) Sh. Shammi Bansal

- Sh. Sunil Bansal
 - Sh. Adarsh Gupta (till 18th August, 2015)
 - Sh. Adeesh Kumar Gupta
 - Sh. Satish Kumar Goel (till 29th May, 2015)
 - Sh. Ashok Kumar (w.e.f. 1st June, 2015)
 - Sh. Munish Kakra
- iv) Relatives of Key Management Personnel:
S/Sh. Harish Kumar Gupta, Raman Bansal, Vivek Bansal, Anupam Bansal (Brothers of Directors)
Sh. Ayush Bansal, Sh. Manan Bansal, Sh. Pranav Gupta (Sons of Directors)
- Note:** Receiving the services from Key Management Personnel and their relatives includes rent and land lease charges.

- C) Disclosure of significant transactions with related parties:

(Amount in ₹)

Type of Relationship	Type of Transaction	Name of the Entity/ Person	Nature	Financial Year (₹)	
				2015-16	2014-15
Entities where Key Management Personnel / Relative of Key Management Personnel has significant influence	Receiving of Services	Geofin Investments Private Limited	Rent for Office Premises	49,91,994	1,52,31,190
		Little World Constructions Private Limited	Rent	5,23,633	5,01,289
		Liberty Footwear Co.	Rent for Office Premises	10,96,800	11,05,620
		Sanjeev Bansal Charitable Trust	Rent for Office Premises	4,50,000	4,50,000
			Medical facilities for employees	9,17,450	9,93,675
			CSR Expenses	10,00,000	-
		Sh. Harish Kumar Gupta	Rent	1,56,312	1,42,104
	Sale of Goods	Liberty Innovative Outfits Limited	Sale of Goods manufactured and deal in by the Company	9,19,01,040	5,25,25,479
	Purchase of Assets	Geofin Investments Private Limited	Purchase of Fixed Assets	-	1,85,00,000
	License Agreements	Liberty Enterprises	Franchise Fee (including service tax)	1,31,10,000	1,29,21,400
		Liberty Group Marketing Division	Franchise Fee (including service tax)	9,79,59,750	9,90,64,441
		Liberty Footwear Co.	License Fee (including Service Tax)	9,39,55,500	9,61,30,721
Entities where Key Management Personnel / Relative of Key Management Personnel has significant influence	Loans Taken	Geofin Investments Private Limited	Unsecured Short Term Loans	31,79,64,128	15,43,96,000
	Repayment of Loans			27,82,10,875	17,21,20,000
	Interest paid/payable			8,67,473	11,93,934
	Advance for transfer of Business	Liberty Enterprises	Advance	-	10,00,000
		Liberty Group Marketing Division	Advance	-	50,00,000

Notes to the Financial Statements for the year ended 31st March, 2016

Key Management Personnel	Payment of Salary, Wages and other benefits to employees/Receiving of Services	Sh. Adesh Kumar Gupta	Salary, Wages and other benefits	48,00,000	48,00,000
			Rent	42,539	38,672
		Sh. Sunil Bansal	Salary, Wages and other benefits	48,00,000	48,00,000
		Sh. Shammi Bansal	Salary, Wages and other benefits	48,00,000	48,00,000
		Sh. Adeesh Gupta	Salary, Wages and other benefits	48,00,000	48,00,000
		Sh. Satish Kumar Goel	Professional Services	4,00,000	21,00,000
		Sh. Ashok Kumar	Salary, Wages and other benefits	11,00,000	-
		Sh. Munish Kakra	Salary, Wages and other benefits	33,00,000	33,00,000
Relatives of Key Management Personnel	Payment of Salary, Wages and other benefits to employees	Sh. Raman Bansal	Salary, Wages and other benefits	30,00,000	30,00,000
		Sh. Vivek Bansal	Salary, Wages and other benefits	30,00,000	30,00,000
		Sh. Anupam Bansal	Salary, Wages and other benefits	30,00,000	30,00,000
		Sh. Ayush Bansal	Salary, Wages and other benefits	2,10,000	2,10,000
		Sh. Manan Bansal	Salary, Wages and other benefits	2,10,000	2,10,000
		Sh. Pranav Gupta	Salary, Wages and other benefits	2,10,000	2,10,000
Outstanding balances					
Type of Relationship	Type of Transaction	Name of the Entity/Person	Nature	Financial Year (₹)	
				2015-16	2014-15
Entities where Key Management Personnel has significant influence	Trade Receivables	Liberty Innovative Outfits Limited	Against sale of goods manufactured and deal in by the Company	1,99,43,454	1,10,42,414
	Loans & Advances	Liberty Enterprises	Advance for transfer of Business	10,00,000	10,00,000
		Liberty Group Marketing Division		50,00,000	50,00,000
	Trade Payables	Liberty Footwear Co.	License Fee (including Service Tax)	10,00,000	29,96,640
		Sanjeev Bansal Charitable Trust	Medical Facilities to employees	22,478	23,558
		Little World Constructions Private Limited	Rent	70,650	20,309
	Short Term Loans	Geofin Investments Private Limited	Unsecured Short Term Loans	4,19,55,294	13,34,568
Key Management Personnel	Expenses Payable	Sh. Adesh Kumar Gupta	Rent	2,49,635	2,07,096

Notes to the Financial Statements for the year ended 31st March, 2016

2.27.18 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 on 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 components of net benefit expense recognized in the Statement of Profit & Loss and the funded status and amounts recognized in the Balance Sheet for the respective plans:

Statement Profit and Loss

a) Net Employee Benefit Expense (recognized in Employee Cost):

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2016	31.03.2015
1.	Current Service Cost	41,78,732	74,35,460
2.	Interest Cost on benefit obligation	34,54,476	28,79,644
3.	Expected return on Plan Assets	(32,76,366)	(37,33,174)
4.	Actuarial Loss/(Gain)	(38,94,838)	19,17,396
5.	Net Benefit Expenses	4,62,004	84,99,326

Balance Sheet

b) Details of Provision for Gratuity

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2016	31.03.2015
1.	Present Value of Defined Benefit Obligation	4,58,84,402	4,56,96,011
2.	Fair value of Plan Assets	4,30,53,381	3,92,93,225
3.	Surplus/(Deficit)	(28,31,021)	(64,02,786)
4.	Net Asset/(Liability)	(28,31,021)	(64,02,786)

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2016	31.03.2015
1.	Defined Benefit Obligation at the beginning of the year	4,56,96,011	3,95,84,235
2.	Current Service Cost	41,78,732	74,35,460
3.	Interest Cost	34,54,476	28,79,644
4.	Actuarial (Gain)/Loss on obligations	(38,94,838)	19,17,396
5.	Benefits paid	(35,49,979)	(61,20,724)
6.	Defined benefit obligation at the end of the period	4,58,84,402	4,56,96,011

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2016	31.03.2015
1.	Opening Fair Value of Plan Assets	3,92,93,225	3,49,64,906
2.	Expected Return	32,76,366	37,33,174
3.	Contributions by employer	36,95,723	63,70,091
4.	Benefits paid	(32,11,933)	(57,74,946)
5.	Actuarial Gains/(Losses)	-	-
6.	Closing Fair Value of Plan Assets	4,30,53,381	3,92,93,225

Notes to the Financial Statements for the year ended 31st March, 2016

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2016	31.03.2015
1.	Discount rate	8.00%	8.00%
2.	Expected rate of return on Plan Assets	8.00%	8.00%
3.	Salary escalation rate	8.00%	8.00%
4.	Attrition rate	1% to 3% depending upon age	1% to 3% depending upon age

f) Amount for the current and previous periods are as follows:

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2016	31.03.2015
1.	Defined Benefit Obligation	(4,58,84,402)	(4,56,96,011)
2.	Plan Assets	4,30,53,381	3,92,93,225
3.	Surplus/(Deficit)	(28,31,021)	(64,02,786)
4.	Experience adjustments on plan liabilities	(38,94,838)	19,17,396
5.	Experience adjustments on plan assets	-	-

2.27.19 For the current year, Deferred Tax liability has been calculated after considering the cumulative timing differences of ₹4,42,50,356/- (Previous year ₹6,38,37,055/-) mainly on account of depreciation.

2.27.20 There are no dues payable to the Investor Education and Protection Fund as at 31st March, 2016.

2.27.21 Detail of Materials Consumed

(Amount in ₹)

Description	2015-16	2014-15
PVC Compound	11,11,61,398	16,05,43,324
Laminated Leather Fabric	21,02,35,081	22,31,53,879
PU Chemicals	21,66,14,338	23,87,08,846
Leather	12,36,42,305	18,53,64,893
PU Soles	6,19,74,025	11,21,58,916
EVA Resin	3,15,13,123	3,72,69,256
Shoe Uppers/Components	40,97,59,333	58,77,66,922
Others	47,04,17,669	56,08,93,782
Total	1,63,53,17,272	2,10,58,59,818
Less: Amount of Export Incentives	2,22,41,456	3,40,93,622
Net Consumption	1,61,30,75,816	2,07,17,66,196

Notes to the Financial Statements for the year ended 31st March, 2016

2.27.22 Consumption/Purchase of Imported and Indigenous Materials and percentage thereof

(Amount in ₹)

Description	2015-16		2014-15	
	Value	%age	Value	%age
Raw Materials Consumed				
Imported	4,55,80,893	2.83	5,95,46,545	2.87
Indigenous	1,56,74,94,923	97.17	2,01,22,19,651	97.13
Total	1,61,30,75,816	100.00	2,07,17,66,196	100.00
Finished Goods Purchased				
Imported	9,75,99,880	21.07	21,97,82,395	20.90
Indigenous	36,56,41,187	78.93	71,18,66,251	79.10
Total	46,32,41,067	100.00	93,16,48,646	100.00
Consumable Stores & Spares				
Imported	63,65,835	17.51	55,29,285	13.64
Indigenous	2,99,82,050	82.49	3,50,20,142	86.36
Total	3,63,47,885	100.00	4,05,49,427	100.00

2.27.23 Expenditure & Earnings in Foreign Currency

(Amount in ₹)

Description	2015-16	2014-15
a) CIF Value of Imports:		
Raw Materials & Others	13,22,22,924	22,92,10,350
Capital Goods	1,52,52,356	3,16,95,164
Stores & Spares	32,84,504	36,10,333
b) Expenditure in Foreign Currency		
Travelling Expenses	1,09,94,538	52,67,195
Commission	29,25,805	19,31,165
Business Promotion	25,57,499	50,60,114
Customer Claims	4,48,963	-
Rent	-	11,49,670
Technical Consultancy	2,88,401	2,47,526
c) FOB Value of Exports of		
Finished Goods	36,03,74,416	48,50,72,902

2.27.24 In accordance with provisions of Section 135 of the Companies Act, 2013, the Company has incurred expenses towards Corporate Social Responsibility (CSR) aggregating to ₹28.10 Lakh for CSR activities out of which ₹24.90 Lakh has been considered in donation as mentioned in note no. 2.25 and ₹3.20 Lakh has been incurred by way of supply of Shoes on complementary basis to needy people.

(₹ in Lakh)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
a) Gross amount required to be spent by the Company during the year	27.86	21.28
b) Amount spent during the year on the following in cash		
(i) Construction/ acquisition of any asset	NIL	NIL
(ii) On purpose other than (i) above	28.10	2.82

2.27.25 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 rupees.

Independent Auditor's Report on Consolidated Financial Statements

To
The Members of
Liberty Shoes Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Liberty Shoes Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its Subsidiary together referred as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken in to account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of

India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors referred to in other matter below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of subsidiary M/s Liberty Foot Fashion Middle East FZE, a Company registered in the United Arab Emirates, for the year ended March 31, 2016 who has not yet commenced its operations whose financial statements reflect total assets of ₹436.10 Lakh as at March 31, 2016 and net loss of ₹15.21 Lakh for the year ended on that date, as considered in the consolidated financial statements. This financial statements have been audited by other auditors whose report has been furnished to us by the Management and we are presented with these financial

statements in Indian Rupees prepared on the basis of the aforesaid audited accounts. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other Auditor and the financial statements.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report 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 of the aforesaid consolidated financial statements;
- b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor;
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, as applicable.
- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2016, and taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2016, 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the Auditors' report of Holding Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated

financial position of the Group in its consolidated financial statements as referred in Note 2.27.9 to the consolidated financial statements.

- ii. The Group didn't have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For Pardeep Tayal & Co.,
Firm Registration No. 002733N
Chartered Accountants

Pardeep Tayal
Partner
Membership No. 081643

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 9(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls 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 Holding Company") as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding 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 Holding 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 Holding 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 Holding 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 Holding 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, 2016, 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 Pardeep Tayal & Co.,
Firm Registration No. 002733N
Chartered Accountants

Pardeep Tayal
Partner
Membership No. 081643

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Consolidated Balance Sheet

as at 31st March, 2016

(Amount in ₹)

PARTICULARS	NOTE NO.		31.03.2016		31.03.2015
Equity & Liabilities					
Shareholders' Funds					
Share Capital	2.1	17,04,00,000		17,04,00,000	
Reserves & Surplus	2.2	1,38,86,41,141	1,55,90,41,141	1,28,58,02,718	1,45,62,02,718
Non-current Liabilities					
Long Term Borrowings	2.3	7,76,00,598		11,35,87,384	
Deferred Tax Liability (Net)	2.4	1,46,30,500		2,07,11,930	
Other Long Term Liabilities	2.5	5,97,60,579		5,76,20,879	
Long Term Provisions	2.6	24,34,700	15,44,26,377	28,06,330	19,47,26,523
Current Liabilities					
Short Term Borrowings	2.7	1,21,67,21,777		1,21,16,59,324	
Trade Payables	2.8	73,79,42,557		90,83,64,984	
Other Current Liabilities	2.9	19,93,79,085		22,53,83,459	
Short Term Provisions	2.10	3,85,98,787	2,19,26,42,206	5,98,83,207	2,40,52,90,973
Total			3,90,61,09,724		4,05,62,20,214
Assets					
Non-current Assets					
Fixed Assets					
Tangible Assets	2.11	97,34,18,256		95,61,85,236	
Intangible Assets	2.11	74,57,937		98,91,988	
Capital Work in Progress	2.11	1,28,25,322		1,07,00,212	
Non-current Investments	2.12	44,834		44,834	
Long term Loans & Advances	2.13	21,48,83,752		20,60,38,852	
Other Non-current Assets	2.14	-	1,20,86,30,101	-	1,18,28,61,122
Current Assets					
Inventories	2.15	1,41,08,30,110		1,43,20,96,213	
Trade Receivables	2.16	95,48,46,832		1,14,81,31,767	
Cash and Bank Balances	2.17	7,52,96,578		6,33,91,537	
Short term Loans & Advances	2.18	25,65,06,103	2,69,74,79,623	22,97,39,575	2,87,33,59,092
Total			3,90,61,09,724		4,05,62,20,213
Significant Accounting Policies	1				
Notes on Financials Statements	2 to 2.27				
The notes are an integral part of these Financial Statements					

Signed in terms of our Audit Report of even date.
For Pardeep Tayal & Co.,
Firm Regn. No. 002733N
Chartered Accountants

for and on behalf of the Board

Pardeep Tayal
Partner
Membership No. 081643

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

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

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2016

(Amount in ₹)

PARTICULARS	NOTE NO.		31.03.2016		31.03.2015
Revenue from Operations					
Sales		4,70,65,85,657		5,46,46,16,663	
Other Operating Revenues	2.19	1,68,41,984		1,79,82,138	
Less:					
Excise Duty		18,17,74,685	4,54,16,52,956	22,57,15,331	5,25,68,83,470
Other Income	2.20		34,20,269		48,48,266
Total Revenue			4,54,50,73,225		5,26,17,31,737
Expenses					
Cost of Raw Materials Consumed & Finished Goods Purchased	2.21	2,07,63,16,883		3,00,34,14,842	
Change in Inventories of Finished Goods, Goods in Process and Stock-in-Trade	2.22	4,19,20,057		(27,35,20,105)	
Employee Benefit Expenses	2.23	64,55,25,307		62,82,44,295	
Finance Cost	2.24	16,39,21,455		16,07,12,686	
Depreciation & Amortisations	2.11	13,49,78,658		12,42,37,869	
Other Expenses	2.25	1,34,90,75,345		1,46,57,50,432	
Excise Duty		(7,32,820)		(28,53,329)	
Total Expenses			4,41,10,04,885		5,10,59,86,690
Profit before exceptional and extraordinary items and tax			13,40,68,340		15,57,45,046
Exceptional Items	2.26		1,17,68,625		71,34,887
Profit before Tax			12,22,99,715		14,86,10,159
Tax Expense					
Current tax		2,59,69,861		2,85,92,830	
MAT Credit Entitlement		-		(1,27,35,496)	
Income tax for earlier years		18,57,957		(1,08,85,262)	
Deferred Tax		(60,81,430)	2,17,46,388	(2,55,88,950)	(2,06,16,878)
Profit for the year			10,05,53,327		16,92,27,037
Add/(Less):					
Minority Interest			-		-
Profit for the year			10,05,53,327		16,92,27,037
Earning Per Share of ₹10/- each					
Basic & Diluted			5.90		9.93
Basic & Diluted (Before Exceptional Items)			6.59		10.35
Significant Accounting Policies	1				
Notes on Financials Statements	2 to 2.27				
The notes are an integral part of these Financial Statements					

Signed in terms of our Audit Report of even date.
For Pardeep Tayal & Co.,
Firm Regn. No. 002733N
Chartered Accountants

for and on behalf of the Board

Pardeep Tayal
Partner
Membership No. 081643

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

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

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Consolidated Cash Flow Statement

for the year ended 31st March, 2016

(Amount in ₹)

PARTICULARS	31.03.2016	31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax, Interest and extra ordinary items	27,14,50,450	29,53,84,690
Adjustments for:		
Unrealised Foreign Exchange Difference	(71,64,549)	(35,94,624)
Depreciation	13,49,78,658	12,42,37,869
Loss/(Gain) on sale/amortisation of Fixed Assets (net)	1,17,68,625	71,34,887
Bank & Other Interest	(34,20,269)	(48,48,266)
Provision for doubtful debts	(33,63,092)	(1,36,37,243)
Operating Profit before working capital changes	40,42,49,823	40,46,77,312
Adjustments for:		
Trade & Other Receivables	19,66,48,027	2,20,90,910
Inventories	2,12,66,103	(30,80,47,034)
Loans & Advances	(59,88,912)	(4,93,47,425)
Trade & Other Payables	(19,74,57,531)	31,19,15,895
Cash generated from Operations	41,87,17,509	38,12,89,659
Direct Taxes Paid	(3,14,80,473)	(3,16,33,551)
Cash Flow before extra ordinary items	38,72,37,036	34,96,56,108
Extra Ordinary Items	-	-
Net Cash Flow from Operating Activities	38,72,37,036	34,96,56,108
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(17,16,26,793)	(19,67,95,049)
Sale of Fixed Assets	79,55,432	1,66,51,477
Bank and Other Interest	34,20,269	48,48,266
Net Cash used in Investing Activities	(16,02,51,092)	(17,52,95,306)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	2,42,68,688	5,70,32,000
Repayment of long term borrowings	(6,88,55,175)	(6,78,05,834)
Interest paid	(14,95,31,983)	(14,69,48,750)
Dividend paid	(2,55,60,000)	(2,55,60,000)
Dividend Distribution Tax	(52,33,326)	(43,43,922)
Net Cash used in Financing Activities	(22,49,11,796)	(18,76,26,506)
Net Increase/(Decrease) in Cash & Cash Equivalents	20,74,148	(1,32,65,703)
Cash & Cash Equivalents (Opening Balance)	6,33,91,537	7,14,88,203
Unrealised Foreign Exchange Difference	98,30,893	51,69,038
Cash & Cash Equivalents (Closing Balance)	7,52,96,578	6,33,91,537
Components of Cash & Cash Equivalents		
Cash in hand including imprest	1,36,09,747	1,19,94,879
Balance with Scheduled Banks		
Current Accounts	1,32,49,262	1,18,72,022
Cheques on hand	2,54,20,403	29,48,576
Fixed Deposits	2,30,17,166	3,65,76,060
Total	7,52,96,578	6,33,91,537

Notes: 1) Purchase of Fixed Assets include movements of capital work in progress between the beginning & at the end of the year 2) The Cash Flow Statement has been prepared under the indirect method as set out in AS -3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India.

Signed in terms of our Audit Report of even date.

For Pardeep Tayal & Co.,
Firm Regn. No. 002733N
Chartered Accountants

for and on behalf of the Board

Pardeep Tayal
Partner
Membership No. 081643

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

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

Place: Gurugram, Haryana
Dated: Monday, 30th May, 2016

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

Note 1: SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of Consolidated Financial Statements

In case of Parent Company:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis of accounting.

Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013 (The "Act").

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.

In case of Subsidiary Company

Financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and interpretations issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on accrual basis of accounting under the historical cost convention.

b) Principles of consolidation

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India. The consolidated financial statements have been prepared on the following basis:

Investments in subsidiary

- The financial statements of the Liberty Shoes Ltd. (The Parent Company) and its Subsidiary Company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, profit and loss after fully eliminating intra group balances.
- Goodwill on consolidation is recognized in the consolidated financial statements as cost to the Parent Company of its investments in the Subsidiary is in

excess to the Parent Company's portion of equity in the Subsidiary Company.

The financial statements of the Subsidiary used in the consolidation are drawn up to the same reporting date as that of the parent company i.e. year ended 31st March, 2016.

- The Subsidiary considered in the preparation of these consolidated financial statements is Liberty Foot Fashion Middle East FZE (LFF) in which parent company holds 100% (Previous year 100%) of Equity Shares. LFF has presented its financial statements in AED (Dirhams) which has been converted in to India rupees at a rate prevailing at the end of the financial year while consolidating the financial statements. LFF has not commenced its operations yet therefore, in this report, wherever notes related to LFF, it has been specifically referred as Subsidiary Company; otherwise the notes given are related to Parent Company only.

c) Revenue Recognition

- Sales revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer on dispatch or delivery of goods, net of sales returns, trade discount and VAT/Sales tax 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 and 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 credit availed) of stock accounting. Cost of manufactured finished goods and goods in process include cost of raw materials consumed on weighted average basis and appropriate portion of allocable overheads and Excise Duty and Taxes, wherever applicable. Scrap, if any, at the year-end does not form part of the closing inventory.

e) Fixed Assets and Capital work in progress

Fixed assets are stated at original cost (net of CENVAT

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

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

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

f) Depreciation

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

Assets	Useful Life
Factory Building	30 Years
Plant & Equipment	15 Years
Dies & Moulds	15 Years
Electric Installation & Equipments	10 Years
Furniture & Fixtures	10 Years
Office Equipment	5 Years
Computers	3 Years
Servers & Networks	6 Years
Motor Cars & Buses	8 Years
Motor Cycles	10 Years

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

g) Impairment of Assets

Usually the Parent Company reviews the carrying value of assets for any possible impairment at each balance sheet date. However, the assets that are subject to 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.

In case of Subsidiary Company, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds its recoverable amount. Impairment losses, if any, are recognized in the income statement.

h) Operating Lease

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the lease term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit & Loss on straight line basis over the lease term.

i) Valuation of Investments

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

j) Excise Duty

Excise Duty, wherever applicable, is accounted for at the time of manufacture of finished goods.

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

charged to revenue in the period in which they are incurred.

n) Foreign Exchange Transactions

In case of Parent Company

- (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.

In case of Subsidiary Company, the transactions in foreign currency entered during the year are recorded at the exchange rates prevailing on the date of transaction.

o) 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.

p) 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.

(Amount in ₹)

	As at 31st March, 2016	As at 31st March, 2015
Note 2.1 Share Capital		
Authorised Share Capital		
63500000 (Previous year 63500000 Equity Shares) of ₹10 each	63,50,00,000	63,50,00,000
Issued, Subscribed & Fully Paid Up Capital		
17040000 (Previous year 17040000) Equity Shares of ₹10 each fully paid up.	17,04,00,000	17,04,00,000
	17,04,00,000	17,04,00,000

2.1.1 Reconciliation of Number of Shares

(Amount in ₹)

	As at 31st March, 2016	As at 31st March, 2015
Equity Shares		
Balance at the beginning of the year		
17040000 (Previous year 17040000) Equity Shares of ₹10 each fully paid up.	17,04,00,000	17,04,00,000
Add: Shares issued during the year	-	-
Equity Shares at the end of the year	17,04,00,000	17,04,00,000

2.1.2 Terms/Rights attached to Equity Shares

The Company has one class of equity shares having a par value of ₹10/- each. Each shareholder is eligible for one vote per share held in the Company. The dividend proposed by the Board of Directors of the Company, if any, is subject to approval of the members in the ensuing

general meeting, except in the case of interim dividend, if declared. In the event of liquidation of the Company, equity shareholders shall be entitled to receive the remaining assets, after the distribution to preferred shareholders, if any, in proportionate of their shareholding.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

2.1.3 Detail of shares held by shareholders holding more than 5% of the aggregate shares in the Company

(Amount in ₹)

Name of Equity Shareholders	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Geofin Investments Private Limited	44,72,517	26.25	44,72,517	26.25
Satish Kumar Gupta (Karta)	8,88,584	5.21	8,88,584	5.21

	As at 31st March, 2016	As at 31st March, 2015
Note 2.2 Reserves & Surplus		
2.2.1 Capital Reserve	3,99,500	3,99,500
2.2.2 Securities Premium Account		
Balance at the beginning of the year	11,27,20,644	11,27,20,644
Add: Additions/(Utilisations) during the year	-	-
Balance at the end of the year	11,27,20,644	11,27,20,644
2.2.3 General Reserve		
Balance at the beginning of the year	1,04,70,09,364	98,70,09,364
Add: Transfer from surplus in the Statement of Profit & Loss	6,00,00,000	6,00,00,000
Balance at the end of the year	1,10,70,09,364	1,04,70,09,364
2.2.4 Foreign Currency Translation Reserve on Consolidation		
Balance at the beginning of the year	1,28,51,258	1,12,76,845
Add: Additions/(Utilisations) during the year	26,66,344	15,74,413
Balance at the end of the year	1,55,17,602	1,28,51,258
2.2.5 Surplus in the Statement of Profit & Loss		
Balance at the beginning of the year	11,28,21,952	10,04,94,737
Add: Profit for the year	10,05,53,327	16,92,27,037
	21,33,75,279	26,97,21,774
Less: Appropriations/Adjustments		
Transfer to General Reserve	6,00,00,000	6,00,00,000
Proposed Dividend on Equity Shares		
(Dividend per share NIL (Previous year ₹1.50/-))	-	2,55,60,000
Provision for Dividend Distribution Tax	-	52,33,326
Adjustments on account of Foreign Currency Translation Reserve	3,81,248	1,74,219
Adjustments on account of Depreciation as per Schedule II of Companies Act, 2013	-	6,59,32,277
Balance at the end of the year	15,29,94,031	11,28,21,952
Total Reserves & Surplus	1,38,86,41,141	1,28,58,02,718

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

Note 2.3 Long Term Borrowings

(Amount in ₹)

Term Loans	As at 31st March, 2016		As at 31st March, 2015	
	Non Current	Current Maturities	Non Current	Current Maturities
2.3.1 Secured				
(i) from Banks: Rupee Term Loans	7,45,61,830	5,21,62,281	11,12,95,487	6,11,02,715
(ii) from Others: Rupee Term Loans	30,38,768	24,82,151	22,91,897	21,41,418
	7,76,00,598	5,46,44,432	11,35,87,384	6,32,44,133
Less: Amount disclosed under other Current Liabilities (Refer Note 2.9.1)	-	5,46,44,432	-	6,32,44,133
Net Long Term Borrowings	7,76,00,598	-	11,35,87,384	-

Particulars of Loan	Details of Security	Outstanding Balance as at 31 st March, 2016	Repayment term
(i) from Banks			
Term Loan from HDFC Bank	Exclusive charge on the assets financed under Term Loan and Equitable mortgage of land & building including hypothecation of plant & machinery situated at Village Bhagwanpur, Roorkee, Uttarakhand and Equitable Mortgage of Land at Distt-Sirmaur, Pontasahib and Langha Road, Sahaspur, Dehradun and 2nd Charge on Current Assets of the Company.	9,26,93,722	8 Quarterly installments of ₹27.78 Lacs each 12 Quarterly installments of ₹30.70 Lacs each 14 Quarterly installments of ₹16.25 Lacs each 14 Quarterly installments of ₹7.77 Lacs each
Vehicle Loans from HDFC Bank	Hypothecation of Vehicles	2,28,30,373	52% in Monthly Installment in 2016-17 39% in Monthly Installment in 2017-18 8% in Monthly Installment in 2018-19 1% in Monthly Installment in 2019-20"
Vehicle Loans from ICICI Bank	Hypothecation of Vehicles	1,12,00,016	65% in Monthly Installment in 2016-17 29% in Monthly Installment in 2017-18 6% in Monthly Installment in 2018-19
Total		12,67,24,111	
(ii) from Others			
Vehicle Loans from BMW Financial Services	Hypothecation of Vehicles	4,29,382	100% in Monthly Installment in 2016-17
Vehicle Loans from Tata Capital Ltd.	Hypothecation of Vehicle	6,30,543	50% in Monthly Installment in 2016-17 50% in Monthly Installment in 2017-18
Vehicle Loans from Daimler Financial Services	Hypothecation of Vehicle	32,25,342	46% in Monthly Installment in 2016-17 50% in Monthly Installment in 2017-18 4% in Monthly Installment in 2018-19
Vehicle loan from Toyota Financial Services India Ltd.	Hypothecation of Vehicle	12,35,652	22% in Monthly Installment in 2015-16 34% in Monthly Installment in 2016-17 35% in Monthly Installment in 2017-18
Total		55,20,919	

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

	As at 31st March, 2016	As at 31st March, 2015
Note 2.4 Deferred Tax Liability (Net)		
Balance at the beginning of the year	2,07,11,930	4,63,00,880
Add: for the year	(60,81,430)	(2,55,88,950)
Balance at the end of the year	1,46,30,500	2,07,11,930
2.5 Other Long Term Liabilities		
Security Deposits	5,97,60,579	5,76,20,879
Total Other Long Term Liabilities	5,97,60,579	5,76,20,879
2.6 Long Term Provisions		
Provision for Gratuity	24,34,700	28,06,330
Total Other Long Term Provisions	24,34,700	28,06,330
2.7 Short Term Borrowings		
2.7.1 Secured		
Loans repayable on demand		
from Banks:	1,17,47,66,483	1,21,03,24,756
(Secured against hypothecation of Company's entire stock of raw materials, stock in process, finished goods, consumables, stores and spares, finished goods in stores, in transit and with shippers at port awaiting shipment for exports, receivables, cheques, bank drafts and all other current assets and 2nd paripassu charge on Plant & Machinery.)		
Total Secured Loans	1,17,47,66,483	1,21,03,24,756
2.7.2 Unsecured		
Loans and Advances from Related Parties		
Short Term Loans	4,19,55,294	13,34,568
from Others	-	-
Total Unsecured Loans	4,19,55,294	13,34,568
Total Short Term Borrowings	1,21,67,21,777	1,21,16,59,324
2.8 Trade Payables		
Trade Payables for goods & services	73,79,42,557	90,83,64,984
(Includes Sundry Creditors)		
Total Trade Payables	73,79,42,557	90,83,64,984
2.9 Other Current Liabilities		
2.9.1 Current Maturities of Long Term Debts (refer Note 2.3.1)		
from Banks	5,21,62,281	6,11,02,715
from Others	24,82,151	21,41,418
Total	5,46,44,432	6,32,44,133
2.9.2 Other Payables		
Advances from Customers	3,42,16,058	2,50,40,061
Expenses Payable	7,25,71,861	9,39,48,043
Other Liabilities	3,79,46,734	4,31,51,222
Total	14,47,34,653	16,21,39,326
Total Other Current Liabilities	19,93,79,085	22,53,83,459
2.10 Short Term Provisions		
Provision for taxation (Net of MAT Credit Entitlement)	2,59,69,861	1,58,57,334
Provision for Gratuity	9,10,732	7,81,533
Provision for Excise Duty	1,17,18,194	1,24,51,014
Proposed Dividend	-	2,55,60,000
Provision for Dividend Distribution Tax	-	52,33,326
Total Short Term Provisions	3,85,98,787	5,98,83,207

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

Note 2.11 FIXED ASSETS										
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Total as on 01.04.2015	Additions during the period	Sales/Adj. during the period	Total as on 31.03.2016	Total as on 01.04.2015	for the period	Sales/Adj. during the period	Total as on 31.03.2016	As on 31.03.2016	As on 31.03.2015
Tangible Assets (Not under Lease)										
Land	12,68,74,906	-	4,19,766	12,64,55,140	-	-	-	-	12,64,55,140	12,68,74,906
Building*	23,73,82,922	37,36,606	-	24,11,19,528	8,23,79,429	79,13,568	-	9,02,92,997	15,08,26,531	15,50,03,493
Plant & Equipments	79,82,92,743	1,58,64,760	3,47,722	81,38,09,781	49,49,56,405	5,07,47,654	2,50,286	54,54,53,773	26,83,56,008	30,33,36,338
Furniture & Fixture	32,31,31,046	6,79,17,830	2,95,57,275	36,14,91,601	14,90,35,417	3,30,42,482	1,95,83,952	16,24,93,947	19,89,97,654	17,40,95,629
Vehicles	16,77,07,705	3,15,75,606	1,55,97,683	18,36,85,628	6,62,76,361	2,12,31,145	93,17,896	7,81,89,610	10,54,96,018	10,14,31,344
Office Equipments	12,66,38,120	2,32,82,816	12,75,911	14,86,45,025	9,39,96,069	1,35,17,850	10,11,066	10,65,02,853	4,21,42,172	3,26,42,051
Moulds	27,41,60,098	2,65,71,228	27,21,553	29,80,09,773	21,13,58,623	55,39,070	32,653	21,68,65,040	8,11,44,733	6,28,01,475
Total Tangible Assets	2,05,41,87,540	16,89,48,846	4,99,19,910	2,17,32,16,476	1,09,80,02,304	13,19,91,769	3,01,95,853	1,19,97,98,220	97,34,18,256	95,61,85,236
Previous Year	1,91,22,39,032	18,25,68,494	4,06,19,986	2,05,41,87,540	92,74,28,817	12,14,74,832	(4,90,98,655)	1,09,80,02,304	95,61,85,236	98,48,10,215
Intangible Assets										
Patents	15,500	-	-	15,500	3,838	-	-	3,838	11,662	11,662
Softwares	1,82,52,522	5,52,837	-	1,88,05,359	83,72,196	29,86,888	-	1,13,59,084	74,46,275	98,80,326
Total Intangible Assets	1,82,68,022	5,52,837	-	1,88,20,859	83,76,034	29,86,888	-	1,13,62,922	74,57,937	98,91,988
Previous Year	1,43,72,286	38,95,736	-	1,82,68,022	56,12,997	27,63,037	-	83,76,034	98,91,988	87,59,289
Capital work in progress:										
a) Building under construction	82,55,633	39,64,669	11,83,833	1,10,36,469	-	-	-	-	1,10,36,469	82,55,633
b) Assets under installation	24,44,579	17,88,853	24,44,579	17,88,853	-	-	-	-	17,88,853	24,44,579
Total Capital work in progress	1,07,00,212	57,53,522	36,28,412	1,28,25,322	-	-	-	-	1,28,25,322	1,07,00,212
Previous year	3,69,393	1,07,00,212	3,69,393	1,07,00,212	-	-	-	-	1,07,00,212	3,69,393
Grand Total	2,08,31,55,774	17,52,55,205	5,35,48,322	2,20,48,62,657	1,10,63,78,338	13,49,78,657	3,01,95,853	1,21,11,61,142	99,37,01,515	97,67,77,436
Previous year	1,92,69,80,711	19,71,64,442	4,09,89,379	2,08,31,55,774	93,30,41,814	12,42,37,869	(4,90,98,655)	1,10,63,78,338	97,67,77,436	99,39,38,897

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

	As at 31st March, 2016	As at 31st March, 2015
Note 2.12 Non-current Investments (Non-Trade)		
Investments in Government Securities (Valued at Cost) (6 Years National Saving Certificates VIII Issue)	44,834	44,834
Total Non-current Investments	44,834	44,834
Aggregate amount of Quoted Investments	-	-
Aggregate amount of Unquoted Investments	44,834	44,834
Aggregate Market Value of Quoted Investments	-	-
2.13 Long term Loans & Advances		
(Unsecured and considered good unless stated otherwise)		
Capital Advance	4,49,67,171	4,35,50,717
Security Deposits		
to Related Parties	-	-
to Others	6,51,48,280	5,44,97,148
Share Application Money paid to Subsidiaries (Pending Allotment)		
MAT Credit Entitlement	10,85,40,106	11,17,62,792
	21,86,55,557	20,98,10,657
Less: Provision for doubtful security deposits to others	37,71,805	37,71,805
Total Long term Loan & Advances	21,48,83,752	20,60,38,852
2.14 Other Non-current Assets		
(Unsecured and considered good unless stated otherwise)	-	-
Total Other Non-current Assets	-	-
2.15 Inventories (As valued and certified by the Management)		
Raw Materials	32,93,96,479	30,42,18,522
Goods in Process	15,12,18,906	17,37,91,289
Finished Goods		
Manufactured	78,80,16,862	79,95,76,335
Traded	9,57,66,255	10,35,54,455
Packing Materials	1,48,08,919	1,72,70,353
Stores & Spares	3,01,57,421	3,22,20,333
Oil & Lubricants	14,65,268	14,64,926
Total Inventories	1,41,08,30,110	1,43,20,96,213
2.16 Trade Receivables		
(Unsecured and considered good unless stated otherwise)		
Debts outstanding for a period exceeding six months from the due date		
Considered good	14,54,07,567	9,25,19,030
Considered doubtful	1,30,73,489	1,64,36,581
Other Debts		
Considered good	80,94,39,265	1,05,56,12,737
	96,79,20,321	1,16,45,68,348
Less: Provision for doubtful debts	1,30,73,489	1,64,36,581
Total Trade Receivables	95,48,46,832	1,14,81,31,767
2.17 Cash and Bank Balances		
Cash and Cash equivalents		
Balances with banks:		
In Current Accounts*	1,32,49,262	1,18,72,022
Cheques on hand	2,54,20,403	29,48,576
Cash in hand including imprest	1,36,09,747	1,19,94,879
Fixed Deposits with Banks (Margin Money deposit for LC/Bank Guarantees)**	2,30,17,166	3,65,76,060
Total Cash and Bank Balances	7,52,96,578	6,33,91,537

* Includes Unclaimed Dividend of ₹7.45 Lakh (Previous year ₹4.61 Lakh)

** Includes Fixed Deposits for ₹3.79 Lakh (Previous year ₹12.37 Lakh) having maturity of more than 12 months

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

	31.03.2016	31.03.2015
Note 2.18 Short-term Loans & Advances (Unsecured and considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for the value to be received	14,55,71,768	12,80,63,593
Security Deposit for less than 12 Months		
to Related Parties	60,00,000	60,00,000
to Others	2,90,82,767	3,74,82,618
Balance with Excise and other Statutory Authorities (including service tax, VAT recoverable and taxes paid under protest)	4,56,03,510	3,36,98,427
Prepaid Expenses	1,81,65,968	1,36,23,497
Loans and advances to employees	1,20,82,090	1,08,71,440
Total Short-term Loans & Advances	25,65,06,103	22,97,39,575
2.19 Other Operating Income		
Freight	4,15,772	46,450
Miscellaneous Income	58,22,012	48,40,809
Gain on Exchange Rate Fluctuations	87,61,200	53,10,886
Bad Debts Recovered	18,43,000	77,83,993
Total Operating Income	1,68,41,984	1,79,82,138
2.20 Other Income		
Bank and Other Interest (Tax deducted at Source ₹2.63 Lacs [Previous Year ₹3.51 Lacs])	34,20,269	48,48,266
Total Other Income	34,20,269	48,48,266
2.21 Cost of Materials consumed and Finished Goods Purchased		
a) Raw Materials		
Stock at the beginning of the year	30,42,18,522	27,10,18,929
Add: Purchases	1,63,82,53,773	2,10,49,65,789
	1,94,24,72,295	2,37,59,84,718
Less: Stock at the end of the year	32,93,96,479	30,42,18,522
Raw Materials Consumed	1,61,30,75,816	2,07,17,66,196
b) Finished Goods Purchased	46,32,41,067	93,16,48,646
Total Cost of Materials consumed and Finished Goods Purchased (a + b)	2,07,63,16,883	3,00,34,14,842
2.22 Change in Inventories of Finished Goods, Goods in Process and Stock-in-Trade		
a) Inventories at the end of the year		
Finished Goods/Stock-in-Trade	88,37,83,117	90,31,30,790
Goods in Process	15,12,18,906	17,37,91,290
Total	1,03,50,02,023	1,07,69,22,080
b) Inventories at the beginning of the year		
Finished Goods/Stock-in-Trade	90,31,30,790	64,43,94,489
Goods in Process	17,37,91,290	15,90,07,486
Total	1,07,69,22,080	80,34,01,975
(Increase)/Decrease in Inventories (b - a)	4,19,20,057	(27,35,20,105)
2.23 Employee Benefits Expense		
Salaries, Wages and Bonus	60,15,77,359	57,95,70,489
Contribution to Provident and Other Funds (Refer to Note 2.27.16)	3,19,62,399	3,56,46,398
Staff Welfare Expenses	1,19,85,549	1,30,27,408
Total Employee Benefits Expense	64,55,25,307	62,82,44,295
2.24 Finance Cost		
Interest Expense		
to Banks	14,79,40,693	14,51,24,958
to others (Refer to Note 2.27.6)	15,91,290	18,23,792
Bank Charges	1,43,89,472	1,37,63,936
Total Finance Cost	16,39,21,455	16,07,12,686

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

	31.03.2016	31.03.2015
Note 2.25 Other Expenses		
(a) Manufacturing Expenses		
Freight Inwards	98,91,032	1,16,38,585
Upper Production Charges	10,00,66,608	12,28,25,017
Oil & Lubricants	1,04,68,447	1,68,20,982
Electricity Charges	8,92,31,650	9,16,88,472
Repairs to Machinery	3,63,47,885	4,05,49,427
Land Lease Rent	1,98,851	1,80,776
Franchise Fee	1,25,00,000	1,25,00,000
Total	25,87,04,473	29,62,03,259
b) Administration, Selling and Other Expenses		
Packing Materials Consumed	14,89,03,625	17,32,03,126
Printing & Stationery	71,19,218	74,48,696
Directors' Remuneration	2,02,16,000	1,92,00,000
Claims	2,27,57,615	3,92,64,678
Tour, Travelling and Conveyance	7,98,34,192	7,87,28,884
Insurance Charges	78,43,376	84,55,246
Fees and Taxes	4,47,74,119	5,06,21,421
Postage, Telegram, Telephone and Telex	1,51,49,354	1,51,24,801
Subscriptions	9,31,512	12,33,579
Advertisements	7,08,80,055	12,94,60,613
Rent	16,10,98,706	13,01,87,846
Donations	32,50,968	15,40,536
Export CIF Expenses	1,30,71,529	2,56,97,041
Freight Outward	8,77,92,029	9,06,21,836
Samples	2,25,024	3,68,846
Auditors' Remuneration:		
Statutory Audit Fee	9,77,080	11,57,880
Tax Audit Fee	80,000	80,000
Certification Fee	20,000	20,000
Miscellaneous Expenses	3,64,81,893	2,32,38,484
Royalty	16,93,00,000	17,27,23,000
Entertainment Expenses	77,22,049	80,40,187
Commission	3,83,98,855	4,08,78,912
Sales Promotion Expenses	7,80,20,915	7,85,89,520
Newspapers & Periodicals	2,15,194	2,66,017
Debts written off	27,24,435	1,11,96,347
Provision for doubtful debts (refer to Note 2.27.11)	(33,63,092)	(1,36,37,243)
Consultancy & Professional Charges	2,34,58,353	2,14,85,393
Repairs & Maintenance Expenses-Building	2,39,12,780	3,37,18,509
Repairs & Maintenance Expenses-Others	2,85,75,088	1,92,17,042
Loss on transfer of Duty Credit	-	14,15,976
Total	1,09,03,70,872	1,16,95,47,173
Total Other Expenses (a + b)	1,34,90,75,345	1,46,57,50,432
2.26 Exceptional Items:		
Profit on Sale of Fixed Assets	(3,06,501)	(4,79,683)
Loss on sale of Fixed Assets	1,20,75,126	76,14,570
Total Exceptional Items	1,17,68,625	71,34,887

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

Note 2.27 NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

2.27.1 In the opinion of the Board and to the best of its knowledge, in case of the Parent Company & Subsidiary, 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.

2.27.2 The Parent 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 aggregate lease rentals payables are charged as Rent in note 2.25.

The future minimum lease payments under non cancellable operating leases are as follows:

(Amount in ₹)

Lease Rentals	31.03.2016	31.03.2015
Not later than one year	24,94,687	1,21,45,281
Later than one year and not later than 5 years	3,55,232	15,81,422
Later than five years	-	-
Lease Payment recognized in Statement of Profit and Loss are shown as Rent under Other Expenses in Note 2.25	16,10,98,706	13,01,87,846

2.27.3 In case of Parent Company Derivative Instruments and Unhedged Foreign Currency Exposure, which are not intended for Trading or Speculation Purpose:

Forward Contract outstanding as at balance Sheet date

Particulars of Forward Contracts	Currency	March 2016	March 2015	Purpose
Purchase	USD	8,155.33	-	To hedge the Trade Payable
Sales	USD	3,32,050	64,559	To hedge the Trade Receivables
	GBP	-	30,000	

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 2016	March 2015	March 2016	March 2015
Trade Payables	USD	4,28,987.95	2,05,380.39	284.72	128.08
	EURO	22,153.85	15,000.00	16.65	10.05
Advance for Import Purchases	USD	3,705.00	-	2.46	-
Advance from Customers	USD	64,943.45	73,662.87	39.40	42.59
	EURO	8,442.00	-	6.32	-
	GBP	5,437.99	15,143.50	5.59	14.77
Trade Receivables	USD	19,41,666.67	16,33,124.30	1,198.87	984.45
	EURO	23,644.00	48,307.00	16.29	32.20
	GBP	86,891.75	51,102.82	82.39	48.30

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

2.27.4 The assessment of the Parent Company in respect of Income Tax & Wealth Tax is completed up to Assessment Year 2013-14.

2.27.5 During the year, the Parent Company, in terms of the renewed agreements dated April 3, 2013 with Liberty Enterprises (LE) and Liberty Group Marketing Division (LGMD), the two partnership firms of the group, for further period of two years from April 1, 2013 onwards, the exclusive use of their manufacturing facilities and fixed assets, trademarks & distribution networks was available with the Company till March 31, 2015.

In furtherance to the Company's earlier communication, considering the enduring benefits of unlocking the shareholders' value through acquisition of the tangible and intangible assets including business rights of LE & LGMD, on March 31, 2015 the Company had entered into a Memorandum of Understanding (MOU) with these two Partnership firms for acquisition of their respective business of footwear. In terms of the said MOU the Company had paid a sum of ₹10 Lakhs & ₹50 Lakhs to LE & LGMD respectively as an advance and the related transactions were to be completed, as per the mode/structure to be recommended by the consultants, on or before March 31, 2016 but with retrospective effect from April 1, 2015.

In continuation to the said MOU, considering the fact of non-formalization of terms and conditions for such takeover by 31st March, 2016 due to certain technical reasons, parties to the above said MOU have entered into a fresh agreement for continuing the existing arrangements till further period(s) as may be mutually agreed and accordingly has extended the said arrangements initially for further

period of 12 months commencing from 1st April, 2016 onwards.

Further, during the year, the Company has paid/provided for franchise fees of ₹115 Lakh (Previous year ₹115 Lakh) to LE and ₹858 Lakh (Previous year ₹881.67 Lakh) to LGMD.

Also during the year, in terms of the renewed agreement dated April 3, 2013 with Liberty Footwear Co. (LFC), another partnership firm of the group and owner of trademark "LIBERTY", for granting exclusive rights of use of trademark "LIBERTY" to the Company for further period of fifteen years from April 1, 2013 onwards and in conformity with the requisite approvals of the Central Government obtained by the Company in this regard, the Company has paid/provided for trademark license fee of ₹824 Lakh (Previous year ₹855.56 Lakh) to LFC.

2.27.6 In case of Parent Company interest to others include ₹8,67,473/- (Previous year ₹11,93,934/-) against short term loan from M/s Geofin Investments Private Ltd @ 12% p.a.

2.27.7 During the year the Parent Company has capitalized the borrowing cost of ₹ Nil (Previous year ₹ Nil) as part of the cost of the qualifying assets.

2.27.8 The Parent Company has paid the excise duty amounting to ₹18,17,74,685/- (Previous year ₹22,57,15,331/-) against the sales executed during the year.

Also, the Parent Company has made the provision of excise duty of ₹1,17,18,194/- (Previous Year ₹1,24,51,014/-) against finished goods lying in stocks as on 31st March, 2016 and the difference of two has been recognized separately in the Statement of Profit & Loss.

2.27.9 Contingent Liabilities

In case of Parent Company:

(Amount in ₹)

Particulars	2015-16	2014-15
I) Bank Guarantees issued on behalf of the Company submitted with various institutional customers in terms to their orders.	4,29,96,583	5,56,22,601
II) Letter of Credits	1,01,71,418	11,90,31,607
III) On account of disallowance of legitimate credit of CENVAT against Excise Duty/ Education Cess ¹ for the period from November 2004 to June 2005, May 2006 to June 2006, financial year 2002-03 and 2004-05. CESTAT while admitting Company's appeal directed to deposit ₹39 Lakh under protest and has granted stay.	3,38,75,448	3,38,75,448
IV) Value Added Tax ² for the financial year 2005-06, 2006-07, 2007-08 & 2008-09 on account of classification of goods at different rate of tax	55,69,829	55,69,829
V) Service Tax on GTA Services for the period from January 2005 to March 2007	5,28,598	5,28,598
VI) On account of compliance relating to EPCG licences.	4,42,00,783	4,42,00,783
VII) Third Party claims due to dispute relating to contracts	-	44,37,479
VIII) On account of few labour matters pertaining to earlier years in which Company has preferred an appeal before the Hon'ble High Court and has been granted stay.	2,10,00,000	-

¹ Including amount deposited under protest ₹39,00,000/- (Previous year ₹39,00,000/-)

² Including amount deposited under protest ₹14,25,815/- (Previous year ₹14,25,815/-).

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

2.27.10 In case of Parent Company, Capital commitments not provided for are estimated at ₹35 Lacs (Previous year ₹30 Lacs).

2.27.11 Provision for doubtful debts: During the year, the Parent Company has considered debts for ₹1,23,142/- (Previous year ₹47,09,590/-) as doubtful debts/securities and also has withdrawn ₹34,86,234/- (Previous year ₹1,83,46,833/-) out of the provisions

made in the earlier years for the same and written off as bad debts ₹7,10,788/- (Previous year ₹61,77,632/-). Further the differential of the provision made and amount withdrawn during the year, detailed as under, has been charged to Statement of Profit & Loss for the year and the balance has been carried in the balance sheet:

Statement of Profit & Loss

(Amount in ₹)

Particulars	2015-16	2014-15
Provision for the year	1,23,142	47,09,590
Less: Amount withdrawn from the provision made for doubtful debts in the earlier years	34,86,234	1,83,46,833
Net debited/(credited) to Statement of Profit & Loss	(33,63,092)	(1,36,37,243)

Balance Sheet

(Amount in ₹)

Particulars	2015-16	2014-15
Opening Balance	2,02,08,386	3,38,45,629
Add: Provision for the year	1,23,142	47,09,590
Total	2,03,31,528	3,85,55,219
Less: Amount withdrawn during the year	34,86,234	1,83,46,833
Closing balance	1,68,45,294	2,02,08,386
Trade Receivables (Refer to Note No. 2.16)	1,30,73,489	1,64,36,581
Security Deposits to Others (Refer to Note No. 2.13)	37,71,805	37,71,805

2.27.12 During the year, considering the non-recoverability of some of the debts, the Parent Company has written off the debts amounting to ₹20,13,647/- (Previous year ₹45,39,071/-)

2.27.13 The Board of Directors of the Parent Company

considers and maintains "Footwear" as the only business segment of the Company.

2.27.14 **Basic and Diluted Earning per share:** The Basic and diluted earning per share of the Company is as under: -

(Amount in ₹)

Description	2015-16	2014-15
Basic & Diluted		
Profit after Taxation (A)	10,05,53,327	16,92,27,037
Weighted average number of Equity Shares (B)	1,70,40,000	1,70,40,000
Nominal value per Equity Share	10.00	10.00
Basic & Diluted Earnings per share (A/B)	5.90	9.93

2.27.15 Related Party Transactions

The Parent and the Subsidiary Company has made the following transactions with related parties as defined under the provisions of Accounting Standard 18 issued

by Institute of Chartered Accountants of India.

A) Transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2016:

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

(Amount in ₹)

Description	Entities where Key Management Personnel/ Relative of Key Management Personnel has significant influence	Key Management Personnel	Relatives of Key Management Personnel	Total
Receiving of Services	89,79,377 (1,82,81,774)	6,22,539 (21,38,672)	1,56,312 (1,42,104)	97,58,728 (2,05,62,550)
Sale of Goods	9,19,01,040 (5,25,25,479)	- (-)	- (-)	9,19,01,040 (5,25,25,479)
Purchase of Assets	- (1,85,00,000)	- (-)	- (-)	- (1,85,00,000)
License Agreements (Franchise Fee & Licensing Fee including Service Tax)	20,50,25,250 (20,81,16,562)	- (-)	- (-)	20,50,25,250 (20,81,16,562)
Payment of Salary, Wages and other benefits to employees	- (-)	2,36,00,000 (2,25,00,000)	96,30,000 (96,30,000)	3,32,30,000 (3,21,30,000)
Loans taken	31,79,64,128 (15,43,96,000)	- (-)	- (-)	31,79,64,128 (15,43,96,000)
Repayment of Loans	27,82,10,875 (17,21,20,000)	- (-)	- (-)	27,82,10,875 (17,21,20,000)
Interest Paid/Payable	8,67,473 (11,93,934)	- (-)	- (-)	8,67,473 (11,93,934)
Advance for Business Transfer	- (60,00,000)	- (-)	- (-)	- (60,00,000)
Outstanding Balances				
Trade Receivables	1,99,43,454 (1,10,42,414)	- (-)	- (-)	1,99,43,454 (1,10,42,414)
Loans & Advances	60,00,000 (60,00,000)	- (-)	- (-)	60,00,000 (60,00,000)
Trade Payables	10,93,128 (30,40,507)	2,49,635 (2,07,096)	- (-)	13,42,763 (32,47,603)
Short Term Loans	4,19,55,294 (13,34,568)	- (-)	- (-)	4,19,55,294 (13,34,568)

Previous year figures are in brackets.

B) Detail of Related Parties and description of relationship:

- i) Entities where Key Management Personnel/Relative of Key Management Personnel has significant influence:

Geofin Investments Private Ltd., Liberty Group Marketing Division, Liberty Enterprises, Liberty Footwear Co., Sanjeev Bansal Charitable Trust, Liberty Innovative Outfits Ltd., Little World Constructions Pvt. Ltd.,

- ii) Key Management Personnel:

1) Sh. Adesh Kumar Gupta 2) Sh. Shammi Bansal
3) Sh. Sunil Bansal 4) Sh. Adarsh Gupta (till 18th August, 2015) 5) Sh. Adeesh Kumar Gupta 6) Sh. Satish Kumar

Goel (till 29th May, 2015) 7) Sh. Ashok Kumar (w.e.f. 1st June, 2015) 8) Sh. Munish Kakra

- iii) Relatives of Key Management Personnel:

S/Sh. Harish Kumar Gupta, Raman Bansal, Vivek Bansal, Anupam Bansal (Brothers of Directors)

Sh. Ayush Bansal, Sh. Manan Bansal, Sh. Pranav Gupta (Sons of Directors)

Note: Receiving the services from Key Management Personnel and their relatives includes rent and land lease charges.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

C) Disclosure of significant transactions with related parties:

(Amount in ₹)

Type of Relationship	Type of Transaction	Name of the Entity/ Person	Nature	Financial Year (₹)	
				2015-16	2014-15
Entities where Key Management Personnel / Relative of Key Management Personnel has significant influence	Receiving of Services	Geofin Investments Private Limited	Rent for Office Premises	49,91,994	1,52,31,190
		Little World Constructions Private Limited	Rent	5,23,633	5,01,289
		Liberty Footwear Co.	Rent for Office Premises	10,96,800	11,05,620
		Sanjeev Bansal Charitable Trust	Rent for Office Premises	4,50,000	4,50,000
			Medical facilities for employees	9,17,450	9,93,675
			CSR Expenses	10,00,000	-
		Sh. Harish Kumar Gupta	Rent	1,56,312	1,42,104
	Sale of Goods	Liberty Innovative Outfits Limited	Sale of Goods manufactured and deal in by the Company	9,19,01,040	5,25,25,479
	Purchase of Assets	Geofin Investments Private Limited	Purchase of Fixed Assets	-	1,85,00,000
	License Agreements	Liberty Enterprises	Franchise Fee (including service tax)	1,31,10,000	1,29,21,400
		Liberty Group Marketing Division	Franchise Fee (including service tax)	9,79,59,750	9,90,64,441
		Liberty Footwear Co.	License Fee (including Service Tax)	9,39,55,500	9,61,30,721
	Loans Taken	Geofin Investments Private Limited	Unsecured Short Term Loans	31,79,64,128	15,43,96,000
	Repayment of Loans			27,82,10,875	17,21,20,000
	Interest paid/payable			8,67,473	11,93,934
	Advance for transfer of Business	Liberty Enterprises	Advance	-	10,00,000
		Liberty Group Marketing Division	Advance	-	50,00,000
Key Management Personnel	Payment of Salary, Wages and other benefits to employees/Receiving of Services	Sh. Adesh Kumar Gupta	Salary, Wages and other benefits	48,00,000	48,00,000
			Rent	42,539	38,672
		Sh. Sunil Bansal	Salary, Wages and other benefits	48,00,000	48,00,000
		Sh. Shammi Bansal	Salary, Wages and other benefits	48,00,000	48,00,000
		Sh. Adeesh Gupta	Salary, Wages and other benefits	48,00,000	48,00,000
		Sh. Satish Kumar Goel	Professional Services	4,00,000	21,00,000
		Sh. Ashok Kumar	Salary, Wages and other benefits	11,00,000	-
		Sh. Munish Kakra	Salary, Wages and other benefits	33,00,000	33,00,000

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

Relatives of Key Management Personnel	Payment of Salary, Wages and other benefits to employees	Sh. Raman Bansal	Salary, Wages and other benefits	30,00,000	30,00,000
		Sh. Vivek Bansal	Salary, Wages and other benefits	30,00,000	30,00,000
		Sh. Anupam Bansal	Salary, Wages and other benefits	30,00,000	30,00,000
		Sh. Ayush Bansal	Salary, Wages and other benefits	2,10,000	2,10,000
		Sh. Manan Bansal	Salary, Wages and other benefits	2,10,000	2,10,000
		Sh. Pranav Gupta	Salary, Wages and other benefits	2,10,000	2,10,000
Outstanding balances					
Entities where Key Management Personnel/ Relative of Key Management Personnel has significant influence	Trade Receivables	Liberty Innovative Outfits Limited	Against sale of goods manufactured and deal in by the Company	1,99,43,454	1,10,42,414
	Loans & Advances	Liberty Enterprises	Advance for transfer of Business	10,00,000	10,00,000
		Liberty Group Marketing Division		50,00,000	50,00,000
	Trade Payables	Liberty Footwear Co.	License Fee (including Service Tax)	10,00,000	29,96,640
		Sanjeev Bansal Charitable Trust	Medical Facilities to employees	22,478	23,558
		Little World Constructions Private Limited	Rent	70,650	20,309
	Short Term Loans	Geofin Investments Private Limited	Short Term Loans	4,19,55,294	13,34,568
Key Management Personnel	Expenses Payable	Sh. Adesh Kumar Gupta	Rent	2,49,635	2,07,096

2.27.16 Detail of Employee Benefits - Gratuity

The Parent Company has a defined gratuity plan (Defined Benefit). In case of Parent Company every employee, on completion of continuous service of five years or more with the Company, is entitled to get the gratuity on 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 components of net benefit expense recognized in the Statement of Profit & Loss and the funded status and amounts recognized in the Balance Sheet for the respective plans:

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

Statement of Profit and Loss

a) Net Employee Benefit Expense (recognized in Employee Cost):

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2016	31.03.2015
1.	Current Service Cost	41,78,732	74,35,460
2.	Interest Cost on benefit obligation	34,54,476	28,79,644
3.	Expected return on Plan Assets	(32,76,366)	(37,33,174)
4.	Actuarial Loss/(Gain)	(38,94,838)	19,17,396
5.	Net Benefit Expenses	4,62,004	84,99,326

Balance Sheet

b) Details of Provision for Gratuity

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2016	31.03.2015
1.	Present Value of Defined Benefit Obligation	4,58,84,402	4,56,96,011
2.	Fair value of Plan Assets	4,30,53,381	3,92,93,225
3.	Surplus/(Deficit)	(28,31,021)	(64,02,786)
4.	Net Asset/(Liability)	(28,31,021)	(64,02,786)

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2016	31.03.2015
1.	Defined Benefit Obligation at the beginning of the year	4,56,96,011	3,95,84,235
2.	Current Service Cost	41,78,732	74,35,460
3.	Interest Cost	34,54,476	28,79,644
4.	Actuarial (Gain)/Loss on obligations	(38,94,838)	19,17,396
5.	Benefits paid	(35,49,979)	(61,20,724)
6.	Defined benefit obligation at the end of the period	4,58,84,402	4,56,96,011

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2016	31.03.2015
1.	Opening Fair Value of Plan Assets	3,92,93,225	3,49,64,906
2.	Expected Return	32,76,366	37,33,174
3.	Contributions by employer	36,95,723	63,70,091
4.	Benefits paid	(32,11,933)	(57,74,946)
5.	Actuarial Gains/(Losses)	-	-
6.	Closing Fair Value of Plan Assets	4,30,53,381	3,92,93,225

Notes to the Consolidated Financial Statements for the year ended 31st March, 2016

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2016	31.03.2015
1.	Discount rate	8.00%	8.00%
2.	Expected rate of return on Plan Assets	8.00%	8.00%
3.	Salary escalation rate	8.00%	8.00%
4.	Attrition rate	1% to 3% depending upon age	1% to 3% depending upon age

f) Amount for the current and previous periods are as follows:

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2016	31.03.2015
1.	Defined Benefit Obligation	(4,58,84,402)	(4,56,96,011)
2.	Plan Assets	4,30,53,381	3,92,93,225
3.	Surplus/(Deficit)	(28,31,021)	(64,02,786)
4.	Experience adjustments on plan liabilities	(38,94,838)	19,17,396
5.	Experience adjustments on plan assets	-	-

2.27.17 In case of the Parent Company, for the current year Deferred Tax liability has been calculated after considering the cumulative timing differences of ₹4,42,50,356/- (Previous year ₹6,38,37,055/-) mainly on account of depreciation.

2.27.18 In case of the Parent Company, there are no dues payable to the Investor Education and Protection Fund as at 31st March, 2016.

2.27.19 In accordance with provisions of Section 135 of the Companies Act, 2013, the Parent Company has incurred expenses towards Corporate Social Responsibility (CSR) aggregating to ₹28.10 Lakh for CSR activities out of which ₹24.90 Lakh has been considered in donation as mentioned in note no. 2.25 and ₹3.20 Lakh has been incurred by way of supply of Shoes on complementary basis to needy people.

(₹ in Lakh)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
a) Gross amount required to be spent by the Company during the year	27.86	21.28
b) Amount spent during the year on the following in cash		
(i) Construction/ acquisition of any asset	NIL	NIL
(ii) On purpose other than (i) above	28.10	2.82

2.27.20 The previous year figures in the Consolidated Financial Statement have been regrouped/reclassified in accordance with the requirements applicable in the

current year. The current year and previous year figures have been rounded off to the nearest rupees.



Liberty Shoes Ltd.

Regd. Office : Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, P.O. Bastara, Distt. Karnal-132 114 (Haryana).

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

CIN: L19201HR1986PLC033185

E-mail: investorcare@libertyshoes.com www.libertyshoes.com

ATTENDANCE SLIP

Registered Folio No./DP ID No./Client ID No.

Name and Registered Address of the Member(s)

Joint Holder 1

Joint Holder 2

Number of Shares held:

I certify that I am a Member/Proxy for the Member(s) of the Company.

I hereby record my presence at the 30th Annual General Meeting of the Company on Monday, the 19th September, 2016 at 11:00 A.M. at Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, P.O. Bastara, Distt. Karnal - 132 114, Haryana.

Name of the Member/Proxy

Signature of Member/Proxy

Notes:

1. A Member or his duly appointed Proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the REGISTRATION COUNTER at the time of entry.
2. Name of the Proxy in Block letters..... (in case of the Proxy attends the Meeting).
3. Electronic copy of the Annual Report 2015-16 and Notice of the Annual general Meeting (AGM) along with Attendance Slip and Proxy Form has been sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same.
4. Physical copy of the Annual Report 2015-16 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form has been sent in the permitted mode(s) to all the members whose email are not registered or have requested for a hard copy.



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FORM NO. MGT -11

PROXY FORM

30th Annual General Meeting Monday, 19th September, 2016 at 11.00 a.m.

(Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

1. Name of Member(s) :
2. Registered Address :
3. E-Mail ID :
4. Folio No. #/ DP ID No. & Client ID No. :

I/We being the Member(s) holding..... equity shares of ₹10/- each of Liberty Shoes Ltd., hereby appoint:

1. Name :
- Address :
- E-mail ID : Signature

Or failing him/her

2. Name :
- Address :
- E-mail ID : Signature

Or failing him/her

3. Name :
- Address :
- E-mail ID : Signature

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th (thirtieth) Annual General Meeting of the Company, to be held on Monday, 19th September, 2016 at the registered office of the Company and at any adjournment (s) thereof in respect of the businesses as set out in the Notice dated 30th May, 2016 and indicated overleaf:

Sl. No.	Description of the businesses as set out in the Notice dated 30 th May, 2016
ORDINARY BUSINESS	
1	To receive, consider and adopt: (a) The Audited Financial Statement of the Company for the Financial year ended March 31, 2016 together with the Reports of the Board of Directors and the Auditors thereon. (b) The Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2016 together with the Reports of the Auditors thereon.
2	(a) To appoint a Director in place of Sh. Adeesh Kumar Gupta (DIN - 00137612), who retires by rotation and being eligible offers himself for re-appointment. (b) To appoint a Director in place of Sh. Ashok Kumar (DIN- 06883514), who retires by rotation and being eligible offers himself for re-appointment.
3	To ratify the appointment of auditors of the Company, and to fix their remuneration
SPECIAL BUSINESS	
4	Re-appointment of Sh. Adeesh Kumar Gupta (00137612) as an Executive Director for a further period of 2 years w.e.f. 1 st October, 2016

Signed this day of, 2016

Signature of the Member(s)

Signature of the Proxy Holder(s)

Place: _____

Date: _____

E-mail Address: _____

To be provided by the Member(s) holding equity shares in physical form.

Affix
Revenue
Stamp

Note:

- (a) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- (b) **A Member/shareholder may vote either "for" or "against" each business as set out in the Notice dated 30th May, 2016.**



Liberty Shoes Ltd.

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CIN: L19201HR1986PLC033185

E-mail: investorcare@libertyshoes.com www.libertyshoes.com

BALLOT FORM

(To be returned to the Scrutinizer appointed by the Company)

1. Name of Member(s)
2. Registered Address
3. Folio No. #/ DP ID No. & Client ID No.
4. Number of Equity Shares held
5. I/ We hereby exercise my/our vote in respect of the following resolutions to be passed at 30th Annual General Meeting of the Company, to be held on Monday, 19th September, 2016 at 13th Milestone, G.T. Karnal Road, P.O. Bastara, Distt. Karnal- 132 114, Haryana (India) in respect of the businesses as set out in the Notice dated 30th May, 2016 by conveying my/our assent or dissent to the said resolution(s) by placing the tick (✓) mark at the box against the respective matters:

Sl. No.	Description of the business as set out in the Notice dated 30th May, 2016	No. of Shares	Type of Resolution	I/ We assent to the Resolution (FOR)	I/ We dissent to the Resolution (AGAINST)
ORDINARY BUSINESS					
1.	To receive, consider and adopt: a) the Audited Financial Statement of the Company for the Financial year ended March 31, 2016 together with the Reports of the Board of Directors and the Auditors thereon. b) the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2016 together with the Reports of the Auditors thereon.				
2	(a) To appoint a Director in place of Sh. Adeesh Kumar Gupta (DIN - 00137612), who retires by rotation and being eligible offers himself for re-appointment. (b) To appoint a Director in place of Sh. Ashok Kumar (DIN- 06883514), who retires by rotation and being eligible offers himself for re-appointment.				
3	To ratify the appointment of Auditors of the Company, and to fix their remuneration				
SPECIAL BUSINESS					
4	Re-appointment of Sh. Adeesh Kumar Gupta (00137612) as an Executive Director for a further period of 2 years w.e.f. 1st October, 2016				

Place: _____

Date: _____

E-mail Address: _____

(Signature of the Shareholder/Beneficial Owner)

To be provided by the Member(s) holding equity shares in physical form.

EVS (E-Voting Sequence Number)
160823011

Note: Kindly read the instructions printed overleaf before filling the form and in the Notice dated 30th May, 2016 carefully before exercise your vote.

INSTRUCTIONS

1. This Ballot Form provided for the benefit of members who do not have access to remote e-voting facility, to enable them to send their assent or dissent by post.
2. Shareholder desiring to exercise vote by postal ballot form may complete and sign the ballot form printed overleaf and send it to Mr. Sukesh Gupta, Chartered Accountants, The Scrutinizer, Liberty Shoes Limited, 4/42, Punjabi Bagh, New Delhi-110026 in the attached sealed self-addressed pre-paid envelope. Postage will be borne by the Company. However envelopes containing postal ballot, if sent by any other mode at the expense of the registered shareholder will also be accepted. The Postal Ballot(s) may also be deposited personally.
3. Voting Rights: Shareholders holding equity shares shall have one vote per share as shown against their holding and the shareholders can vote for their entire voting rights as per their discretion.
4. The self addressed pre-paid envelope contains the address of the scrutinizer appointed by the Board of Directors for the above Annual General Meeting.
5. This form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder.
6. Unsigned Ballot Form or incomplete Ballot Form will be rejected.
7. Duly signed Ballot Form should reach the Scrutinizer not later than the close of working hours of Saturday, 17th September, 2016 at 5.00 p.m. All Ballot Forms received after this date will be strictly treated as if reply from such shareholder has not been received.
8. A shareholder may request for a duplicate Ballot Form, if so required. However, the duly filled in duplicate Ballot Form should reach the Scrutinizer not later than the date specified at item 7 above.
9. Voting rights shall be reckoned on the paid up value of the shares registered. In the name of the shareholder as on the cut-off date i.e. Monday, 12th September, 2016.
10. In case of shares held by Companies, Trusts, Societies etc. the duly filled in Ballot Form should be accompanied by a certified true copy of the appropriate Resolution.
11. In case of the Ballot Form is signed by the holder of power of attorney reference to the power of attorney registration with the Company should be mentioned in the Ballot Form. In case a Ballot Form has been signed by an authorized representative of a body corporate, a certified copy of the relevant authorization to vote on the Resolutions as mentioned in the Notice to the 30th Annual General Meeting through Ballot Form facility should accompany the Ballot Form. Where the Ballot Form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the Ballot Form.
12. Shareholders are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
13. **In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other applicable provisions, if any, the Company also offers Remote e-voting to all the members. For this purpose, the Company has signed an agreement with CDSL for facilitating Remote e-voting and is pleased to offer Remote e-voting facility for the members to enable them to cast their votes electronically. Members have option to vote either through Remote e-voting or through Ballot Form printed overleaf. If a member has opted for Remote e-voting, then he/she should not vote by Ballot Form also and vice-a-versa. However, in the event member casts his votes through both the processes i.e. Remote e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.**
14. The detailed instructions and process for Remote e-voting has been given in the notes to the Notice dated 30th May, 2016.
15. Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiative of MCA have been sent Ballot Form by e mail and the members who have not registered their e-mail ids with RTA/Depository Participants or requested for Physical copy of Annual Report have been sent Ballot Form in printed mode. Members who wish to vote through Ballot Form can also obtain the Ballot Form from Registrar and Share Transfer Agent (RTA), M/s. Link Intime India Private Limited, 44, Community Centre, Naraina Industrial Area Phase-I, New Delhi-110028 or from the Company at its Registered Office and fill in the details and send the same to the Scrutinizer by Post at the address given at above.
16. The Resolutions, if assented by requisite majority, shall be considered as passed on the date of 30th Annual General Meeting, schedule to be held on Monday, 19th day of September, 2016.



Liberty Shoes Ltd.

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CIN: L19201HR1986PLC033185

E-mail: investorcare@libertyshoes.com www.libertyshoes.com

E-COMMUNICATION REGISTRATION FORM

30TH ANNUAL GENERAL MEETING - MONDAY, 19TH SEPTEMBER, 2016 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,
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Tel : (91) - 11- 41410592 -94
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