



**Liberty Shoes Ltd.**



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**

#### **Raghubar Dayal**

Independent Director  
(DIN-00481803)

#### **Ramesh Chandra Palhan**

Independent Director  
(DIN-05241019)

#### **Lovelena Mody**

Women Independent Director  
(DIN-01279148)

#### **Aditya Khemka**

Independent Director  
(DIN-00514552)

#### **Arvind Bali Kumar**

Independent Director  
(DIN-02520675)

#### **Adesh Kumar Gupta**

CEO & Executive Director  
(DIN-00143192)

#### **Sunil Bansal**

Executive Director  
(DIN-00142121)

#### **Shammi Bansal**

Executive Director  
(DIN-00138792)

#### **Adish Kumar Gupta**

Executive Director  
(DIN-00137612)

#### **Ashok Kumar**

Executive Director  
(DIN-06883514)

### **Company Secretary & Compliance Officer**

#### **CS Munish Kakra**

Chief Financial Officer & Company Secretary

### **Audit Committee**

Raghubar Dayal  
Ramesh Chandra Palhan  
Sunil Bansal

### **Nomination and Remuneration Committee**

Raghubar Dayal  
Ramesh Chandra Palhan  
Aditya Khemka

### **Management Committee**

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

### **Stakeholders Relationship Committee**

Sunil Bansal  
Adish Kumar Gupta  
Ramesh Chandra Palhan

### **Corporate Social Responsibility Committee**

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

### **Registrar & Share Transfer Agent**

Link Intime India Private Limited  
Noble Heights, 1st Floor, C-1 Block  
Near Savitri Market, Janakpuri,  
New Delhi-110058  
Tel.: (91) - 11- 41410592 -94  
Fax: (91) - 11- 41410591  
E-mail: delhi@linktime.co.in

### **Registered Office**

Libertypuram, 13th Milestone,  
G. T. Karnal Road, Kutail, P.O. Bastara,  
Distt. Karnal - 132114, Haryana  
Tel.: (91) - 1748 - 251101 - 03  
Fax: (91) - 1748 - 251100  
E-mail: lpm@libertyshoes.com  
Website: www.libertyshoes.com

### **Corporate Office**

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

### **Bankers**

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

### **Auditors**

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

### **Secretarial Auditors**

M/s JVS & Associates  
Company Secretaries  
108, 1st Floor, Gopiram Market,  
Islampur, Sohna Road,  
Gurugram, Haryana-122001

### **Corporate Identity Number (CIN):**

L19201HR1986PLC033185

### **Email ID for Investor care/grievance**

investorcare@libertyshoes.com

### **www.libertyshoes.com**

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## FROM THE CEO'S DESK

Dear Friends,

The whole world has been going through one of the most challenging times in its history. There is much that we have lost, both individually and collectively in the battle to save lives and livelihoods.

When faced with a challenge of this dimension there are two courses available to us. Either we walk away from it or we put our best foot forward and take it on.

We obviously, chose the later one knowing fully well that each one of us would have to go the extra mile to succeed in our quest to turn things around. While all logistics disrupted, even essential supplies affected, there has been a steep decline in revenue in the current fiscal due to COVID-19. Amid pandemic, footfall at stores, our own, franchisee, MBO's, dropped drastically as customers were avoiding public places and been encouraged to maintain social distancing. We also maintained all protocols and closed our operations, offices allowing work from home wherever feasible.

The changing scenario required a focused response both from the government and from the industry. The government did its part by offering comprehensive stimulus including its own guaranteed banking assistance. An innovative approach was also required at our end to tackle the situation and exactly with the requirement of time we instantly adopted triple "S" approach of survival, sustainability and then stabilization of the Company's business. We really took hard steps to control our all outlays besides facilitating channel partners to continue their operations.

Following the trends, We have leveraged the fast- growing internet penetration and the rise in e-commerce to achieve a better understanding of consumer behaviour and drive sales. We foresee a pronounced transition to online channels and we assured that our stores are enabled for e-commerce. We have also been successful in developing a new e-commerce set up for specialized shoes sales which is going to significantly support the profitability in the coming years.

We, even in the challenging times, introduced new variants and witnessed an increase in the sales of flip flops, sandals and slip ons, as people opt to purchase comfy shoes over smart footwear. We introduced some really innovative variants in the institutional segments that helped us to prop up our sales. The prestigious order from Ministry of Defence, Govt of India was also successfully implemented overcoming all challenges surfaced due to outburst of pandemic. The growth of end-user industries and the need to prevent accidents at the workplace are driving the potential of safety shoes further and this really augurs well for our future.

Another important aspect worth sharing with shareholders is the company's unrelenting liquidity during the below par sales in pandemic times. This is indicative of our Company's financial resilience in tackling any challenges that might emerge as we make our way through these extraordinary times. Here I would like to specially mention the grit and determination of our workers who have risen to the occasion as true 'warriors' and stayed on course following in the footprints of our 'Founding Fathers'.

**Adesh Kumar Gupta**  
Chief Executive Officer



## NOTICE

Notice is hereby given that the 35th (Thirty Fifth) Annual General Meeting ("35th AGM" or "e-AGM" or "AGM") of the Members of **Liberty Shoes Ltd.** ("the Company") will be held on **Tuesday, 28th September, 2021** at **11 A.M.** through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following businesses:-

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

### ORDINARY BUSINESS:

#### Item no. 1-Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon.

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

To appoint a Director in place of Sh. Adesh Kumar Gupta (DIN-00143192), who retires by rotation and being eligible, offers himself for re-appointment.

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Sh. Adesh Kumar Gupta (DIN-00143192), who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation."

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

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

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

**"RESOLVED THAT** pursuant pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Sh. Ashok Kumar (DIN-06883514), who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation."

### SPECIAL BUSINESS

#### Item no. 4-Re-appointment of Sh. Adesh Kumar Gupta (DIN: 00143192) as CEO & Executive Director of the Company and Fixing his remuneration

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

**"RESOLVED THAT** pursuant to the provisions of Section 2 (18), 2 (94), 196, 197, 198, 200 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of Articles of Association of the Company and pursuant to the recommendations/ approvals of the Nomination and Remuneration Committee and the Board of Directors of the Company ("the Board") accorded at their respective meetings held on 12th February, 2021, consent of the Members of the Company be and is hereby accorded to the re-appointment of Sh. Adesh Kumar Gupta (DIN: 00143192), as the "CEO & Executive Director" of the Company, for a period of 3 years w.e.f. 1st April, 2021 to 31st March, 2024 on such remuneration to be payable as minimum remuneration and on such terms and conditions as enumerated in the draft Service Agreement which is to be entered into between the Company and Sh. Adesh Kumar Gupta (DIN: 00143192), 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 or committee thereof to vary, alter or widen the scope of terms including increase in remuneration within the limits prescribed under the Act or any re-enactment thereof and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as may be mutually agreed between Sh. Adesh Kumar Gupta and the Company from time to time.

**RESOLVED FURTHER THAT** the remuneration, proposed to be paid to Sh. Adesh Kumar Gupta, as minimum remuneration, shall not exceed the limits as specified under the provisions of Section 196, 197 & 203 read with the Schedule V of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall be for the period of 3 years from the date of his re-appointment.

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

#### Item no. 5-Re-appointment of Sh. Shammi Bansal (DIN: 00138792) as Executive Director of the Company and Fixing his remuneration

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

**“RESOLVED THAT** pursuant to the provisions of Section 2(18), 2 (94), 196, 197, 198, 200 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of Articles of Association of the Company and pursuant to the recommendations/ approvals of the Nomination and Remuneration Committee and the Board of Directors of the Company (“the Board”) accorded at their respective meetings held on 12th February, 2021, consent of the Members of the Company be and is hereby accorded to the re-appointment of Sh. Shammi Bansal (DIN: 00138792), as the “Executive Director” of the Company, for a period of 3 years w.e.f. 1st April, 2021 to 31st March, 2024 on such remuneration and on such terms and conditions as enumerated in the draft Service Agreement which is to be entered into between the Company and Sh. Shammi Bansal (DIN: 00138792), 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 or committee thereof to vary, alter or widen the scope of terms including increase in remuneration within the limits prescribed under the Act or any re-enactment thereof and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as may be mutually agreed between Sh. Shammi Bansal and the Company from time to time.

**RESOLVED FURTHER THAT** the remuneration, proposed to be paid to Sh. Shammi Bansal, as minimum remuneration, shall not exceed the limits as specified under the provisions of Section 196, 197 & 203 read with the Schedule V of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall be for the period of 3 years from the date of his re-appointment.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or Committee thereof and CFO & Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary in respect of aforesaid matter.”

**Item no. 6- Re-appointment of Sh. Sunil Bansal (DIN: 00142121) as Executive Director of the Company and Fixing his remuneration**

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

**“RESOLVED THAT** pursuant to the provisions of Section 2(18), 2 (94), 196, 197, 198, 200 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of Articles of Association of the Company and pursuant to the recommendations/ approvals of the Nomination and Remuneration Committee and the Board of Directors of the Company (“the Board”) accorded at their respective meetings held on 12th February, 2021, consent of the Members of the Company be and is hereby accorded to the re-appointment of Sh. Sunil Bansal (DIN: 00142121), as the “Executive Director” of the Company, for a period of 3 years from 1st April, 2021 to 31st March, 2024 on such remuneration and on such terms and conditions as enumerated in the draft Service Agreement which is to be entered into between the Company and Sh. Sunil Bansal (DIN: 00142121), 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 or committee thereof to vary, alter or widen the scope of terms including increase in remuneration within the limits prescribed under the Act or any re-enactment thereof and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as may be mutually agreed between Sh. Sunil Bansal and the Company from time to time.

**RESOLVED FURTHER THAT** the remuneration, proposed to be paid to Sh. Sunil Bansal, as minimum remuneration, shall not exceed the limits as specified under the provisions of Section 196, 197 & 203 read with the Schedule V of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall be for the period of 3 years from the date of his re-appointment.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or Committee thereof and CFO & Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary in respect of aforesaid matter.”

**Item no. 7-Re-appointment of Sh. Adish Kumar Gupta (DIN: 00137612) as Executive Director of the Company and Fixing his remuneration**

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

**“RESOLVED THAT** pursuant to the provisions of Section 2 (18), 2 (94), 196, 197, 198, 200 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of Articles of Association of the Company and pursuant to the recommendations/approvals of the Nomination and Remuneration Committee and the Board of Directors of the Company (“the Board”) accorded at their respective meetings held on 12th February, 2021, consent of the Members of the Company be and is hereby accorded to the re-appointment of Sh. Adish Kumar Gupta (DIN: 00137612), as the “Executive Director” of the Company, for a period of 3 years from 1st April, 2021 to 31st March, 2024 on such remuneration and on such terms and conditions as enumerated in the draft Service Agreement which is to be entered into between the Company and Sh. Adish Kumar Gupta (DIN: 00137612), 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 or committee thereof to vary, alter or widen the scope of terms including increase in remuneration within the limits prescribed under the Act or any re-enactment thereof and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as may be mutually agreed between Sh. Adish Kumar Gupta and the Company from time to time.

**RESOLVED FURTHER THAT** the remuneration, proposed to be paid to Sh. Adish Kumar Gupta, as minimum remuneration, shall not exceed the limits as specified under the provisions of Section 196, 197 & 203 read with the Schedule V of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall be for the period of 3 years from the date of his re-appointment.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or Committee thereof and CFO & Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary in respect of aforesaid matter.”

**Item no. 8-Re-appointment of Sh. Ashok Kumar (DIN: 06883514) as Executive Director of the Company and Fixing his remuneration**

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

**“RESOLVED THAT** pursuant to the provisions of Section 2 (18), 2 (94), 196, 197, 198, 200 and 203 read with schedule

V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of Articles of Association of the Company and pursuant to the recommendations/approvals of the Nomination and Remuneration Committee and the Board of Directors of the Company (“the Board”) accorded at their respective meetings held on 12th February, 2021, consent of the Members of the Company be and is hereby accorded to the re-appointment of Sh. Ashok Kumar (DIN: 06883514), as the “Executive Director” of the Company, for a period of 3 years from 1st April, 2021 to 31st March, 2024 on such remuneration and on such terms and conditions as enumerated in the draft Service Agreement which is to be entered into between the Company and Sh. Ashok Kumar (DIN: 06883514), 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 or committee thereof to vary, alter or widen the scope of terms including increase in remuneration within the limits prescribed under the Act or any re-enactment thereof and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as may be mutually agreed between Sh. Ashok Kumar and the Company from time to time.

**RESOLVED FURTHER THAT** the remuneration, proposed to be paid to Sh. Ashok Kumar, as minimum remuneration, shall not exceed the limits as specified under the provisions of Section 196, 197 & 203 read with the Schedule V of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall be for the period of 3 years from the date of his re-appointment.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or Committee thereof and CFO & Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary in respect of aforesaid matter.”

**Item no. 9-Appointment of Sh. Sanjay Bhatia (DIN: 0080533) as Independent Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other



applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company ("the Board") given at their respective meetings held on 11th August, 2021, Sh. Sanjay Bhatia (DIN: 0080533), who meets the criteria of independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a first term of 3 years commencing with effect from 29th September, 2021 upto 28th September, 2024.

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

**Item no. 10 - Appointment of Dr. Sujata (DIN: 09289128) as Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company ("the Board") given at their respective meetings held on 11th August, 2021, Dr. Sujata (DIN- 09289128), who meets the criteria of independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 3 years commencing with effect from 29th September, 2021 upto 28th September, 2024.

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

**Item no. 11-Appointment of Smt. Nidhi Lal (DIN: 01363845) as Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company ("the Board") accorded at their respective meetings held on 11th August, 2021, Smt. Nidhi Lal (DIN- 01363845), who meets the criteria of independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 3 years commencing with effect from 29th September, 2021 upto 28th September, 2024.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or Committee thereof and CFO & Company Secretary of the Company be and are hereby severally 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**

Place: Gurugram, Haryana

Dated: Wednesday, 11th August, 2021

CFO & Company Secretary

M. No. ACS 6262

**Registered Office**

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

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

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

E-mail: lpm@libertyshoes.com, Website: www.libertyshoes.com

CIN: L19201HR1986PLC033185

**NOTES:**

1. **e-AGM:** In view of the situation arising due to COVID-19 pandemic and resultant restrictions on the movement of persons at several places in the country, the Ministry of Corporate Affairs (the "MCA") vide its General Circulars No. 14/2020, No. 17/2020, No. 20/2020 and No. 02/2021, dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 respectively (hereinafter, collectively referred as the "MCA Circulars") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11, dated January 15, 2021, (hereinafter, collectively referred as the "SEBI Circulars") has allowed companies to conduct their Annual General Meetings through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), thereby, dispensing with the requirement of physical attendance of the members at their AGM and accordingly, the 35th Annual General Meeting (the "AGM" or the "Meeting") of Liberty Shoes Limited (the "Company") will be held through VC or OAVM in compliance with the said circulars and the relevant provisions of the Companies Act, 2013 (as amended) (the "Act") and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"). Members attending the AGM through VC or OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
2. **IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULARS, THE REQUIREMENT OF SENDING PROXY FORMS TO HOLDERS OF SECURITIES AS PER PROVISIONS OF SECTION 105 OF THE ACT READ WITH REGULATION 44(4) OF THE LISTING REGULATIONS, HAS BEEN DISPENSED WITH. THEREFORE, THE FACILITY TO APPOINT PROXY BY THE MEMBERS WILL NOT BE AVAILABLE AND CONSEQUENTLY, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE CONVENING THE 35TH AGM OF THE COMPANY (THE "NOTICE").**

However, in pursuance of Section 113 of the Act and Rules framed thereunder, the corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM, through VC or OAVM. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Power of Attorney/appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at [sukeshgupt@gmail.com](mailto:sukeshgupt@gmail.com) with a copy marked to [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com)

3. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice. **The deemed venue for the 35th AGM shall be the Registered Office of the Company.**
4. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
5. An Explanatory Statement pursuant to Section 102 of the Act and Rules framed thereunder, in respect of the Special Business under Item No. 4 to 11 is annexed hereto. The recommendation of the Board of Directors of the Company (the "Board") in terms of Regulation 17(11) of the Listing Regulations is also provided in the said Statement. Necessary information of the Directors seeking appointment/re-appointment at the AGM as required under Regulation 36(3) of the Listing Regulations and the Revised Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is also appended to the Notice. **The Statement read together with the Annexures hereto and these notes form an integral part of this Notice.**

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

Dispatch of Annual Report through E-mail in accordance with the MCA Circulars and the SEBI Circulars, the Notice alongwith the Annual Report of the Company for the financial year ended March 31, 2021, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. Link Intime India Private Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2021 shall be available on the websites of the Company viz., [www.libertyshoes.com](http://www.libertyshoes.com) and of the Stock Exchanges where Equity Shares of the Company are listed. The Notice shall also be available on the e-Voting website of the agency engaged for providing e-Voting facility, i.e., Link Intime India Private Limited, (LIPL) viz., [instavote.linkintime.co.in](http://instavote.linkintime.co.in)

## 7. PROCEDURE FOR ATTENDING THE AGM THROUGH VC OR OAVM

Members will be able to attend the AGM through VC or OAVM by using their remote e-Voting login credentials.

The instructions for attending the AGM are annexed separately and form part of this Notice.

## 8. PROCEDURE FOR REMOTE E-VOTING AND E VOTING DURING THE AGM

In accordance with the provisions of Section 108 and other applicable provisions, if any, of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto, read together with the MCA Circulars and Regulation 44 of the Listing Regulations, the Company has engaged the services of Link Intime India Private Limited to provide remote e-Voting facility and e-Voting facility during the AGM to all the eligible Members to enable them to cast their votes electronically in respect of the businesses to be transacted at the Meeting. **The instructions to cast**

**votes through remote e-Voting and through e-Voting system during the AGM are annexed separately and form part of this Notice.**

The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the **cut-off date of Tuesday, 21st September, 2021. The remote e-Voting period will commence on Saturday, 25th September, 2021 (9:00 A.M. IST) and will end on Monday, 27th September, 2021 (5:00 P.M. IST).** During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut off date, i.e., Tuesday, 21st September, 2021, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by Link Intime India Private Limited for voting thereafter.

Only those Members who are present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who would have cast their votes by remote e-Voting may attend the Meeting, but shall neither be allowed to change it subsequently nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on **Tuesday, 21st September, 2021 being the cut-off date**, are entitled to vote on the Resolutions set forth in the Notice. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date. **A person who is not a member as on the cut-off date, i.e., Tuesday, 21st September, 2021 should treat this Notice for information purpose only.**

The Board of Directors has appointed Sukesh Gupta & Co. (Firm Registration No. 036441N), Chartered Accountant,

or failing whom, such other Practicing Company Secretary or Chartered Accountant as the Board of Directors of the Company may appoint, as the Scrutinizer for scrutinizing the process of remote e-Voting and also e-Voting during the Meeting in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of the Meeting, count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-Voting in presence of atleast two witnesses not in employment of the Company and submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than 48 hours after the conclusion of the Meeting. Thereafter, the Results of e-Voting shall be declared forthwith by the Chairman or by any other director/person duly authorised in this regard. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website ([www.libertyshoes.com](http://www.libertyshoes.com)) and on the e-Voting website of Link Intime India Private Limited viz. <https://instavote.linkintime.co.in> immediately after the results are declared and shall simultaneously be communicated to the Stock Exchanges where the equity shares of the Company are listed. The results declared along with the said Report shall also be made available for atleast 3 days on the Notice Boards of the Company at its Registered Office in Libertypuram and at the Corporate Office in Gurugram, Haryana.

Subject to the receipt of requisite number of votes, the businesses mentioned in the Notice / the resolution(s) forming part of the Notice shall be deemed to be passed on the date of the AGM, i.e., Tuesday, 28th September, 2021. Members holding shares in physical mode or whose e-mail addresses are not registered, may cast their votes through e-Voting system, after registering their e-mail addresses by sending the following documents to the Company at [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com) or to the RTA at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) :

- (i) Scanned copy of a signed request letter, mentioning the name, folio number/demat account details & number of shares held and complete postal address;

- (ii) Self-attested scanned copy of PAN Card; and
- (iii) Self-attested scanned copy of any document (such as AADHAAR card/latest Electricity Bill/latest Telephone Bill/Driving License/Passport/Voter ID Card /Bank Passbook particulars) in support of the postal address of the Member as registered against their shareholding. Members, who hold shares in physical mode and already having valid e-mail addresses registered with the Company/the RTA, need not take any further action in this regard.

## 9. Procedure for inspection of documents

All documents referred to in the Notice and the Explanatory Statement/Annexure shall be made available for inspection by the Members of the Company, without payment of fees upto and including the date of AGM. Members desirous of inspecting the same may send their requests not later than Sunday, 26th September, 2021 at 11:00 A.M. at [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com) from their registered e-mail addresses mentioning their names and folio numbers/demat account numbers.

During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available for inspection upon login at <https://instameet.linkintime.co.in> or at [www.libertyshoes.com](http://www.libertyshoes.com).

## 10. Book Closure Period for the AGM

Pursuant to Section 91 of the Companies Act, 2013 read with Rules framed there under and Regulation 42 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Share Transfer Books and Register of Members of the Company will remain closed from **Wednesday, 22nd September, 2021 to Tuesday, 28th September, 2021** (both days inclusive) for the purpose of the AGM.

## 11. Nomination Facility

Members holding shares under a single name in physical mode are advised to make nomination in respect of their shareholding in the Company. The Nomination Form can be downloaded from the Company's website, i.e., [www.libertyshoes.com](http://www.libertyshoes.com) from "Investor Relations" section. Members holding shares in demat mode should file their nomination with their respective Depository Participant(s).

12. Pursuant to Regulation 40 of the Listing Regulations, the securities of listed companies can be transferred only in the dematerialized mode w.e.f. April 1, 2019, except in case of transmission or transposition of securities. In this regard, SEBI has clarified by a Press Release No. 12/2019 dated March 27, 2019, that the said amendments do not prohibit an investor from holding the shares in physical mode and the investor has the option of holding shares in physical mode even after April 1, 2019. However, any investor who is desirous of transferring shares (which are held in physical mode) after April 1, 2019 can do so only after the shares are dematerialized. However, requests for transfer of shares held in physical mode, as filed in Form SH-4, prior to April 1, 2019 and returned to the investors due to deficiency in the documents, may be resubmitted for transfer even after April 1, 2019 provided it is submitted alongwith the necessary documents including PAN details. In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HOMIRSD/DOS3/CIR/P/2018/139 dated November 6, 2018.
13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or Bank mandates immediately to the Company's Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd, Noble Heights, 1st Floor, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058.
14. Members holding shares in physical mode are requested to immediately notify any change in their address along with self attested copy of address proof i.e. Adhaar Card/Electricity Bill/Telephone Bill/Driving License/Passport/Bank Passbook particulars to the Company or its RTA and in case their shares are held in dematerialized mode, this information should be notified/submitted directly to their respective Dps.
15. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, if any. The Company or its Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd. cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to their Depository Participants by the Members.
16. Unpaid/Unclaimed Dividend:
  - i. Pursuant to erstwhile Section 205 and Section 205A of the Companies Act, 1956 read with the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 and amended provisions of Section 205A read with Section 205C of the Companies Act, 1956, all unclaimed/unpaid amount of dividends have been transferred to the General Revenue Account/Investor Education and Protection Fund (IEPF) established by the Central Government, as the case may be. It may be noted that once the unpaid/unclaimed amount of Dividend is transferred to the IEPF, the same cannot be claimed by the members there from in terms of the erstwhile provisions of Section 205B of the Companies Act, 1956.
  - ii. Further, in compliance with the provisions of Sections 124 and 125 of the Act, read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended) (the "IEPF Rules"), the Equity Shares,



in respect of which dividend not claimed or encashed by the Members for seven consecutive years or more, are liable to be transferred to the Account of the IEPF Authority. Accordingly, the Company has requested the Members vide its letter dated July 7, 2021, who have not encashed their dividend warrant for the financial year ended March 31, 2014 and March 31, 2015, to claim the amount of dividend from the Company or its Registrar and Share Transfer Agent M/s Link Intime India Pvt. Ltd. at the above mentioned addresses before the due date of transfer of respective amount of unpaid/unclaimed dividend to IEPF. The Company has subsequently through publication of Notice(s) in daily Newspapers, viz., 'Financial Express' and 'Jansatta' on July 9, 2021 advised Members to claim their unclaimed or unpaid dividend from the Company within the stipulated time period, so as to prevent the concerned shares to be transferred to the Demat Account of the IEPF Authority. The complete list of said Members is available on the website of the Company, i.e., [www.libertyshoes.com](http://www.libertyshoes.com) under the 'Investor Relations' category.

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

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

refund web page of IEPF Authority's website for claiming such dividend amount/shares has been provided on the Company's website, i.e., [www.libertyshoes.com](http://www.libertyshoes.com) under the "Investor Relations" category. Unclaimed/Unpaid amount of dividend for the financial year ended 31st March, 2014 and 31st March, 2015 will be transferred to the IEPF on 29th November, 2021 & 29th November, 2022 respectively.

17. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH 13. The said form can be downloaded from the Company's website [www.libertyshoes.com](http://www.libertyshoes.com) under section "Investor Relations". Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company by submitting duly completed Form No SH. 13 with the Company's RTA in case of shares in physical form and with their respective depository in case of shares in electronic form. In case of any cancellation or variation in Nomination in respect of their Shareholding in the Company, Members may download Form SH-14 from the website of the Company [www.libertyshoes.com](http://www.libertyshoes.com) and submit duly completed Form SH. 14 with the Company's RTA in case of shares in physical form and their respective depository in case of shares in electronic form.
18. Non-Resident Indian Members are requested to inform Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd., immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

## 19. Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

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

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

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

<p><b>Shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode &amp; e-voting service provider is LINKINTIME</b></p>	<ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>► Click on <b>"Sign Up"</b> under <b>'SHARE HOLDER'</b> tab and register with your following details:               <p>A. User ID: Shareholders/members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</p> <p>B. <b>PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.</p> <p>C. <b>DOB/DOI:</b> Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/Company-in DD/MM/YYYY format)</p> <p>D. <b>Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</p> <p>Note: Shareholders/ members holding shares in <b>physical form</b> but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</p> <p>► Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%*), at least one numeral, at least one alphabet and at least one capital letter).</p> <p>► Click "confirm" (Your password is now generated).</p> </li> </ul> </li> <li>2. Click on 'Login' under <b>'SHARE HOLDER'</b> tab.</li> <li>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on <b>'Submit'</b>.</li> <li>4. After successful login, you will be able to see the notification for e-voting. Select <b>'View'</b> icon for Liberty Shoes Limited./Event No. 210381.</li> <li>5. E-voting page will appear.</li> <li>6. Refer the Resolution description and cast your vote by selecting your desired option <b>'Favour/Against'</b> (If you wish to view the entire Resolution details, click on the <b>'View Resolution'</b> file link).</li> <li>7. After selecting the desired option i.e. Favour/Against, click on <b>'Submit'</b>. A confirmation box will be displayed. If you wish to confirm your vote, click on <b>'Yes'</b>, else to change your vote, click on 'No' and accordingly modify your vote.</li> </ol>
<p><b>Institutional shareholders</b></p>	<p>Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> and register themselves as 'Custodian/Mutual Fund/Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution/authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian/Mutual Fund/Corporate Body' login for the Scrutinizer to verify the same.</p>
<p><b>Individual Shareholders holding securities in Physical mode &amp; e-voting service Provider is LINKINTIME, have forgotten the password</b></p>	<ul style="list-style-type: none"> <li>o Click on 'Login' under <b>'SHARE HOLDER'</b> tab and further Click <b>'forgot password?'</b></li> <li>o Enter <b>User ID</b>, select <b>Mode</b> and Enter Image Verification (CAPTCHA) Code and Click on <b>'Submit'</b>.</li> <li>• In case shareholders/members is having valid email address, Password will be sent to his/her registered e-mail address</li> <li>• Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above</li> <li>• The password should contain minimum 8 characters, at least one special character (@!#\$%*), at least one numeral, at least one alphabet and at least one capital letter.</li> </ul>
<p><b>Individual Shareholders holding securities in demat mode with NSDL/CDSL have forgotten the password</b></p>	<ul style="list-style-type: none"> <li>• Shareholders/members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Pass word option available at abovementioned depository/depository participants website.</li> <li>• It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.</li> <li>• For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.</li> <li>• During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".</li> </ul>

<b>Helpdesk for Individual Shareholders holding securities in demat mode:</b>	<ul style="list-style-type: none"> <li>In case shareholders/members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/CDSL, they may contact the respective helpdesk given below:</li> </ul>	
	Login type	Helpdesk details
	Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
<b>Helpdesk for Individual Shareholders holding securities in physical mode/Institutional shareholders &amp; evoting service Provider is LINKINTIME</b>	Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.
	<ul style="list-style-type: none"> <li>In case shareholders/members holding securities in physical mode/Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a>, under Help section or send an email to <a href="mailto:enotices@linkintime.co.in">enotices@linkintime.co.in</a> or contact on: - Tel: 022 -4918 6000.</li> </ul>	

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

For a smooth experience of AGM proceedings, shareholders who are registered for the event are requested to download and install the Webex application in advance on the device that you would be using to attend the meeting by clicking on the link <https://www.webex.com/downloads.html/Shareholders> also have an option to click on the URL provided to attend the meeting. Please read the instructions carefully and participate in the meeting. For any support, shareholders may also call the RTA on the dedicated number provided in the instructions.

- Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
  - ▶ Select the "Company" and 'Event Date' and register with your following details: -
    - Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
      - Shareholders/members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
      - Shareholders/members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
      - Shareholders/members holding shares in physical form shall provide Folio Number registered with the Company.

- PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.
  - Mobile No.:** Enter your mobile number.
  - Email ID:** Enter your email id, as recorded with your DP/Company.
    - ▶ Click **"Go to Meeting"** (You are now registered for InstaMeet and your attendance is marked for the meeting).
  - Please read the instructions carefully and participate in the meeting. You may also call upon the **InstaMeet Support Desk** for any support on the dedicated number provided to you in the **instruction/InstaMEET website**.
- Members can log in and join 15 minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 minutes after the scheduled time. The Company shall provide VC/OAVM facility to Members to attend the AGM. The said facility will be available for 1000 Members on first come first served basis. This will not include large Members (i.e. Members with 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, chairpersons of the audit committee, nomination & remuneration committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM

without restriction on account of first come first served basis.

## 21 Instructions for Shareholders/Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 7 days in advance with the company by sending their request on the email id at [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com).
2. Speakers will only be allowed to express their views/ask questions on first come first served basis during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
3. Shareholders who would like to ask questions, may send the same in advance mentioning their name, demat account number/folio number, email id, mobile number at [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com), atleast 48 hours prior to the date of AGM i.e. on or before 11.00 a.m. (IST) on Sunday, 26th September, 2021. The same will be replied by the Company suitably.
4. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
5. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
6. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
7. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
8. Shareholders are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.
9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

## 22 Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/moderator during the meeting, shareholders/members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for **e-Voting "Cast your vote"**
2. Enter your **16 digit Demat Account No./Folio No. and OTP** (received on the registered mobile number/registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see **"Resolution Description"** and against the same the option **"Favour/Against"** for voting.
4. Cast your vote by selecting appropriate option i.e. **"Favour/Against"** as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under **'Favour/Against'**.
5. After selecting the appropriate option i.e. **Favour/Against** as desired and you have decided to vote, click on **"Save"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"Confirm"**, else to change your vote, click on **"Back"** and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:** Shareholders/Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the 35th Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

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

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

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

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



## Annexure to the Notice

### **(Explanatory Statement in respect of the Special Businesses to be transacted at the AGM and set out under Item No. 4 to Item No. 11 of the accompanying Notice of AGM pursuant to Section 102 (1) of the Companies Act, 2013, as amended)**

#### **Item No. 4 to 8**

Sh. Adesh Kumar Gupta, aged about 61 years, a graduate in B.SC. (Engineering), has been working as Director of the Company since 1990 and Executive Director since 2001. He has been looking after the overall affairs of the Company as a CEO since 2004. He was re-appointed as CEO & Executive Director of the Company for a period of five years w.e.f. 1st April, 2005. Subsequently after expiry of the above period he was re-appointed for a further period of five years w.e.f. 1st April, 2010 and then again re-appointed for a further period of three years w.e.f. 1st April, 2015 to 31st March, 2018. After expiry of above tenure he was then re-appointed as CEO & Executive Director for a period of three years from 1st April, 2018 to 31st March, 2021.

As a CEO, he has been instrumental in formulating Company's strategies and providing his vital contribution for the effective functioning of the Company. He has been embraced by many prestigious awards and in the past, he has been a key functionary of Confederation of Indian Industry. He is also a Chairman of Council for Footwear Leather and Accessories (CFLA) and has been instrumental since its inception to strategies the various initiatives and in formulating the policies for the sector and making representations to the Central and State Governments and other Departments for elevating the Sector. He has made tremendous contribution in respect of Institution, overseas business and overall growth of the Company since his association with the Company. He is having more than three decades of dynamic experience in footwear industry. He belongs to the promoters group of the Company.

Sh. Shammi Bansal, aged about 60 years, has been associated with the Company as a Director since 1990 and promoted as Executive Director in 1995. He was re-appointed as Executive Director of the Company for a period of five years w.e.f. 1st April, 2005 and subsequently after expiry of above period again re-appointed for further period of five years w.e.f. 1st April, 2010 and then re-appointed for further period of three years w.e.f. 1st April, 2015 to 31st March, 2018. After expiry of said

tenure he was then re-appointed for further period of 3 years w.e.f. 1st April, 2018 to 31st March, 2021. During his association with the Company, he has been accredited with various initiatives in the field of leather and footwear technology including use of E.P. Polymers, induction of E.V.A. compound in Indian footwear Industry. Sh. Shammi Bansal has currently been looking after the production designing and development of leather products at Company's plants. He belongs to the promoters group of the Company.

Sh. Sunil Bansal, aged 61 years, has been acting as Director of the Company since 1990. He has been looking after the product development operations and ensuring the manufacturing of higher qualitative products by heading the quality department of the Company. He has over three decades of rich experience in footwear industry. He is also guiding the leather shoes production team with his appreciable expertise. He was elevated to the position of Executive Director at 23rd Annual General Meeting of the Company for a period of 5 years w.e.f. 1st January, 2009. The said tenure of his appointment expired on 31st December, 2013 as per the terms of his appointment. He was then re-appointed as Executive Director of the Company for a further period of five years w.e.f. 1st January, 2014 to 31st December, 2018. After expiry of said tenure, he was then re-appointed as Executive Director for further period from 1st January, 2019 to 31st March, 2021. He belongs to the promoters group of the Company.

Sh. Adish Kumar Gupta, aged about 57 years, has been associated with the Company for last several years in different capacities and was appointed as Executive Director of the Company for a period of two years w.e.f. 1st October, 2016 and after expiry of above period again re-appointed for further period from 1st October, 2018 to 31st March, 2021. He is 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 experience. He belongs to the promoters group of the Company.

Sh. Ashok Kumar, aged about 53 years, has been working with the Company as Executive Director. He is a Law Graduate and has been advising the Company on various legal matters for last several years. Initially he was appointed as Additional Director of the Company on 23rd January, 2015 and promoted

as Executive Director of the Company for 3 years w.e.f. 1st June, 2015 to 31st May, 2018. After expiry of said tenure he was then re-appointed for further period from 1st June, 2018 to 31st March, 2021. He does not belong to the promoters group of the Company.

A brief profile detailing the expertise, qualification, experience etc. of Sh. Adesh Kumar Gupta, Sh. Shammi Bansal, Sh. Sunil Bansal, Sh. Adish Kumar Gupta and Sh. Ashok Kumar in compliance with Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 has been provided in Annexure A to the Notice of this Annual General Meeting.

In view of their valuable contribution and considering their expertise, the Board of Directors at their Meeting held on 12th February, 2021 have proposed the re-appointment of Sh. Adesh Kumar Gupta as CEO & Executive Director and Sh. Shammi Bansal, Sh. Sunil Bansal, Sh. Adish Kumar Gupta and Sh. Ashok Kumar as Executive Directors for a further period of 3 years w.e.f. 1st April, 2021 to 31st March, 2024, subject to the approval of the Members of the Company in the Annual General Meeting on the following terms and conditions and remuneration, as set out in the respective draft Service Agreement to be executed between Sh. Adesh Kumar Gupta, Sh. Shammi Bansal, Sh. Sunil Bansal, Sh. Adish Kumar Gupta and Sh. Ashok Kumar and the Company. The respective re-appointment(s) and remuneration(s) payable to Sh. Adesh Kumar Gupta, Sh. Shammi Bansal, Sh. Sunil Bansal, Sh. Adish Kumar Gupta and Sh. Ashok Kumar have been approved by the Nomination and Remuneration Committee of the Board at their Meeting held on 12th February, 2021.

As per the respective declarations received by the Company, the above Executive Directors are not disqualified under the provisions of Section 164 of the Companies Act, 2013 or otherwise barred pursuant to any order of SEBI and other Statutory Authorities to hold the office of Director. The Directorships held by above respective Executive Directors are within the limits prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended). The above Executive Directors have submitted their consents with the Company for their re-appointments as Executive Directors. The respective re-appointment(s) is/are in compliance with the Nomination and Remuneration Policy of the Company.

The respective abstract of the terms and conditions of the re-appointment of Sh. Adesh Kumar Gupta as CEO & Executive Director and Sh. Shammi Bansal, Sh. Sunil Bansal, Sh. Adish Kumar Gupta and Sh. Ashok Kumar as Executive Directors along with Memorandum of their interest or concern is set out as below:

**(A) Abstract of the terms and conditions of the re-appointment of Sh. Adesh Kumar Gupta**

- (i) Period: For a period of 3 years w.e.f. 1st April 2021 to 31st March, 2024
- (ii) Nature of Duties: Sh. Adesh 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 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 Directors for the time being in force.

In view of the inadequate profits of the Company, the proposed remuneration payable to Sh. Adesh 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.

Further the proposed remuneration, if approved shall be paid to Sh. Adesh Kumar Gupta for a period not exceeding 3 years from the date of his re-appointment as CEO & Executive Director w.e.f. 1st April, 2021 to 31st March, 2024 in terms of the provisions of Schedule V of the Companies Act, 2013.

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. Adesh Kumar Gupta as CEO & 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. Adesh Kumar Gupta as Executive Director shall be liable to retire by rotation.
- c) No sitting fee shall be paid to Sh. Adesh Kumar Gupta for attending the Board or Committee Meeting(s)
- d) Sh. Adesh 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.

None of the Directors, Key managerial Personnel of the Company or their relatives except Sh. Adesh Kumar Gupta, CEO & Executive Director of the Company and his relatives, to the extent of their shareholding, if any in the Company, may be deemed to be concerned or interested, financially or otherwise, in the proposed resolution no. 4.

**(B) Abstract of the terms and conditions of the re-appointment of Sh. Shammi Bansal**

- (I) Period: For a period of 3 years w.e.f. 1st April 2021 to 31st March, 2024.
- (ii) Nature of Duties: Sh. Shammi Bansal 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 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 Directors for the time being in force.

In view of the inadequate profits of the Company, the proposed remuneration payable to Sh. Shammi Bansal 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.

Further the proposed remuneration, if approved shall be paid to Sh. Shammi Bansal for a period not exceeding 3 years from the date of his re-appointment as Executive Director w.e.f. 1st April, 2021 to 31st March, 2024 in terms of the provisions of Schedule V of the Companies Act, 2013.

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. Shammi Bansal 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. Shammi Bansal as Executive Director shall be liable to retire by rotation.
- c) No sitting fee shall be paid to Sh. Shammi Bansal for attending the Board or Committee Meeting(s)
- d) Sh. Shammi Bansal 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.

None of the Directors, Key managerial Personnel of the Company or their relatives except Sh. Shammi Bansal and Sh. Sunil Bansal, Executive Directors of the Company and their relatives, to the extent of their shareholding, if any in the Company, may be deemed to be concerned or interested, financially or otherwise, in the proposed resolution no. 5.

**(C) Abstract of the terms and conditions of the re-appointment of Sh. Sunil Bansal**

- (i) Period: For a period of 3 years w.e.f. 1st April 2021 to 31st March, 2024.
- (ii) Nature of Duties: Sh. Sunil Bansal 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 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 Directors for the time being in force.

In view of the inadequate profits of the Company, the proposed remuneration payable to Sh. Sunil Bansal 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.

Further the proposed remuneration, if approved shall be paid to Sh. Sunil Bansal for a period not exceeding 3 years from the date of his re-appointment as Executive Director w.e.f. 1st April, 2021 to 31st March, 2024 in terms of the provisions of Schedule V of the Companies Act, 2013.

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. Sunil Bansal 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. Sunil Bansal as Executive Director shall be liable to retire by rotation.
- c) No sitting fee shall be paid to Sh. Sunil Bansal for attending the Board or Committee Meeting(s)
- d) Sh. Sunil Bansal 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.

None of the Directors, Key managerial Personnel of the Company or their relatives except Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company and their relatives, to the extent of their shareholding, if any in the Company, may be deemed to be concerned or interested, financially or otherwise, in the proposed resolution no. 6.

**(D) Abstract of the terms and conditions of the re-appointment of Sh. Adish Kumar Gupta**

- (i) Period: For a period from 1st April, 2021 to 31st March, 2024.
- (ii) Nature of Duties: Sh. Adish 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 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 Directors for the time being in force.

In view of the inadequate profits of the Company, the proposed remuneration payable to Sh. Adish 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.

Further the proposed remuneration, if approved shall be paid to Sh. Adish Kumar Gupta for a period not exceeding 3 years from the date of his his re-appointment as Executive Director w.e.f. 1st April, 2021 to 31st March, 2024 in terms of the provisions of Schedule V of the Companies Act, 2013.

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. Adish 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. Adish Kumar Gupta as Executive Director shall be liable to retire by rotation.
- c) No sitting fee shall be paid to Sh. Ashok Kumar for attending the Board or Committee Meeting(s)
- d) Sh. Adish 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.

None of the Directors, Key managerial Personnel of the Company or their relatives except Sh. Adish Kumar Gupta, Executive Director of the Company and his relatives, to the extent of their shareholding, if any in the Company, may be deemed to be concerned or interested, financially or otherwise in the proposed resolution no. 7.

**(E) Abstract of the terms and conditions of the re-appointment of Sh. Ashok Kumar**

- (i) Period: For a period of 3 years from 1st April, 2021 to 31st March, 2024.
- (ii) Nature of Duties: Sh. Ashok Kumar 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 of the Company.
- (iii) Remuneration:
  - a) Salary: ₹2,75,000/- 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 Directors for the time being in force.

In view of the inadequate profits of the Company, the proposed remuneration payable to Sh. Ashok Kumar 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.

Further the proposed remuneration, if approved shall be paid to Sh. Ashok Kumar for a period not exceeding 3 years from the date of his re-appointment as Executive Director w.e.f. 1st April, 2021 to 31st March, 2024 in terms of the the provisions of Schedule V of the Companies Act, 2013.



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. Ashok Kumar 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. Ashok Kumar as Executive Director shall be liable to retire by rotation.
- c) No sitting fee shall be paid to Sh. Ashok Kumar for attending the Board or Committee Meeting(s)
- d) Sh. Ashok Kumar 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.

None of the Directors, Key managerial Personnel of the Company or their relatives except Sh. Ashok Kumar, Executive Director of the Company and his relatives, to the extent of their shareholding, if any in the Company, may be deemed to be concerned or interested, financially or otherwise, in the proposed resolution no.8.

In terms of the proviso under Schedule V, Part II, Section II (A) to the Act, remuneration in excess of limits provided in the Table therein, may be paid if the resolution passed by the shareholders is a special resolution. Further, for the purpose of payment of Managerial Remuneration, the Company may have inadequate profits or no profits for the current financial year 2021-22 and thereafter in any financial year, owing to the current economic conditions and market sentiments due to Covid-19 pandemic or other factors in future. It is, therefore, proposed to pay the aforesaid respective remuneration as Minimum Remuneration for a maximum of first 3 financial years to the above respective Executive Directors in terms of Sections 197 and 200 read with Schedule V to the Act. Requisite information pursuant to Section II of Part II of Schedule V to the Act are disclosed in the "Statement containing Additional Information as required under Schedule V

to the Companies Act, 2013 (as amended)" and "Other parameters under Section 200 of the Companies Act, 2013, (as amended) read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended)" as Annexure-B and C attached to this Notice.

The draft of the said respective Service Agreement(s) to be executed between Sh. Adesh Kumar Gupta, Sh. Shammi Bansal, Sh. Sunil Bansal, Sh. Adish Kumar Gupta and Sh. Ashok Kumar and the Company and other relevant documents in relation to re-appointments of above Executive Directors shall be made available for inspection by the Members of the Company, without payment of fees, electronically on a virtual platform or 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. Members desirous of inspecting the same may send their requests at [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com) from their registered e-mail addresses mentioning their names and folio numbers/demat account numbers, with a self-attested copy of their PAN Card or AADHAAR Card or Voter ID Card.

The Board considers that their association would be of immense benefit to the Company. Accordingly, the Board recommends the Resolution No. 4 to 8 as a Special Resolution, in relation to respective re-appointment(s) of above Executive Directors and remuneration payable, for the approval by the Members of the Company.

This Statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and Listing Regulations. Further, in terms of General Circular No. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs, the matter regarding re-appointment of above Directors is considered unavoidable by the Board. Accordingly, in terms of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the re-appointment of above Directors of the Company is now being proposed before the members of the Company for their approval.

**Item No.9:**

Sh. Sanjay Bhatia, aged 69 years, B.Com (Hons.) and LLB, is a renowned businessman having more than 40 years of experience in metal packaging Industry. Presently he is Managing Director of M/s Hindustan TIN Works Limited (leading manufacturers of tin containers for food, and non-food products). Throughout his career, Sh. Bhatia has been associated with leading Chambers of Commerce and has represented the industry on various committees set up by Central & State Governments from time to time, including Kelkar Task Force on Simplification of indirect taxes in India.

In view of vast experience, knowledge and amongst others, the preference of having a Board Member with an entrepreneurial flair and experience and also considering the requirement of Regulation 17 of SEBI LODR Regulations as regard to optimum combination of Executive and Non-executive Directors and minimum number of Independent Director on the Board due to completion of tenure of 3 existing Independent Directors on 28th September, 2021, the Nomination and Remuneration Committee and Board of Directors of the Company in their respective meeting(s) held on 11th August, 2021 have proposed the appointment of Sh. Sanjay Bhatia as a Non-Executive Independent Director of the Company for a first term of 3 consecutive years w.e.f. 29th September, 2021 to 28th September, 2024.

While proposing the name of Sh. Sanjay Bhatia, the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 11th August, 2021 have also considered that Sh. Sanjay Bhatia is having independent relationship with the Company, its directors, KMPs and promoters and also considering his expertise, qualification and experience it was proposed to appoint him as Independent Director of the Company for the 3 consecutive years w.e.f. 29th September, 2021 to 28th September, 2024. In view of above the Board is of the opinion that it is desirable to avail his service as Independent Director.

Sh. Sanjay Bhatia is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director of the Company. The Company has also received declaration from Sh. Bhatia that he meets the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and under Securities Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time. In the opinion of the Board, Sh. Bhatia fulfils the conditions specified in the Act and the rules made there under and Listing Regulations and he is Independent of the Management.

The Company has received intimation from Sh. Bhatia in form DIR-8 to the effect that he is not disqualified and further confirmed that he is also not debarred by the Securities and Exchange Board of India, Ministry of Corporate Affairs or such other Statutory Authority to be appointed as a Director in any Company. As required under Regulation 25(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Sh. Bhatia has confirmed that he is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In terms of Section 150 of the Act and rules made thereunder, Sh. Sanjay Bhatia will be getting himself registered with the Indian Institute of Corporate Affairs (IICA) and he has confirmed to comply with the requirements of Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended), within the prescribed timeline.

Copy of the draft letter of appointment setting out the terms and conditions etc. of appointment of Sh. Bhatia, copy of the consent letter in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Intimation in form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that Sh. Bhatia is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and declaration that Sh. Bhatia meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013, Schedule IV Part IV of the code for Independent Director and other relevant documents in relation to appointment as Independent Director of the Company shall be made available for inspection by the Members of the Company, without payment of fees, electronically on a virtual platform or 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. Members desirous of inspecting the same may send their requests at

investorcare@libertyshoes.com from their registered e-mail addresses mentioning their names and folio numbers/demat account numbers, with a self-attested copy of their PAN Card or AADHAAR Card or Voter ID Card.

Sh. Bhatia will be paid remuneration by way of sitting fee for attending the Board Meetings of the Company and Committee thereof or for any other purpose what so ever as may be decided by the Board from time to time and within the limits as specified under the provisions of Companies Act, 2013 and Listing Regulations.

Brief profile of Sh. Bhatia, nature of his expertise in specific functional areas and names of Companies in which he holds directorships/chairmanships of Board committees, shareholding and relationships between directors inter se as stipulated under Companies Act, 2013, Listing Regulations and Secretarial Standards, is provided in the Annexure-A to this Notice and also in Corporate Governance Report forming part of the Annual Report.

The Company has received a Notice in writing under Section 160 (1) of the Companies Act, 2013, from a Member proposing the candidature of Sh. Bhatia, as a Director of the Company. Further, since this appointment is recommended by the Nomination and Remuneration Committee, the requirement for deposit of Rs. 100,000/- is not applicable.

Keeping in view his vast expertise and knowledge, the Board considers that his association would be of immense benefit to the Company. Accordingly, the Board recommends the Resolution No. 9 as an Ordinary Resolution, in relation to the appointment of Sh. Sanjay Bhatia as an Independent Director, for the approval of the Members of the Company.

None of the Directors, Key managerial Personnel of the Company or their relatives except Sh. Sanjay Bhatia, proposed appointee as Independent Director and his relatives, to the extent of their shareholding, if any in the Company, may be deemed to be concerned or interested, financially or otherwise, in the proposed resolution no. 9.

This Statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and Listing Regulations. Further, in terms of General Circular No. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs, the matter regarding appointment of Sh. Bhatia is considered unavoidable by the Board. Accordingly, in terms of Section

149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Sh. Bhatia as Independent Director of the Company is now being proposed before the members of the Company for their approval.

#### Item No.10:

Dr. Sujata, aged 62 years, Ph. D (Psychology), is a renowned counselor at Karnal, Haryana. She has been working as Founder Director of a Rehabilitation Society at Karnal since 1993. In the past, she was also associated as Project Officer with UNICEF and District Red Cross Society, Karnal, Haryana. She has written Books and articles on various subjects in relation to psychology, National and Spiritual aspect. Her research outcomes were published in National Journals and presented at various conferences in India and overseas Countries. Throughout her career, she has been performing various social and welfare related activities and won various awards from Govt. of Haryana like Brand Ambassador for "Beti Bachao Beti Padhao", "Sarav Dharam Samman", "Rani Jhansi", "Empowered Woman" and "Best Social Worker".

In view of her vast experience and knowledge preferably in the area of welfare and social activities and considering the requirement of Regulation 17 of SEBI LODR Regulations as regard to optimum combination of Executive and Non-executive Directors and minimum number of Independent Director on the Board due to completion of tenure of 3 existing Independent Directors on 28th September, 2021, the Nomination and Remuneration Committee and Board of Directors of the Company in their respective meeting(s) held on 11th August, 2021 have proposed the appointment of Dr. Sujata as an Non-Executive Independent Director of the Company for a first term of 3 consecutive years w.e.f. 29th September, 2021 to 28th September, 2024

While proposing the name of Dr. Sujata, the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 11th August, 2021 have also considered that Dr. Sujata is having independent relationship with the Company, its directors, KMPs and promoters and also

considering her expertise, qualification and experience it was proposed to appoint her as Independent Director of the Company for the 3 consecutive years w.e.f. 29th September, 2021 to 28th September, 2024. In view of above, the Board is of the opinion that it is desirable to avail her service as Independent Director.

Dr. Sujata is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Director of the Company. The Company has also received declaration from Dr. Sujata that she meets the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time. In the opinion of the Board, Dr. Sujata fulfils the conditions specified in the Act and the rules made there under and Listing Regulations and she is Independent of the Management.

The Company has received intimation from Dr. Sujata in form DIR-8 to the effect that she is not disqualified and further confirmed that she is also not debarred by the Securities and Exchange Board of India, Ministry of Corporate Affairs or such other Statutory Authority to be appointed as a Director in any Company. As required under Regulation 25(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Dr. Sujata has confirmed that she is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

In terms of Section 150 of the Act and rules made thereunder, Dr. Sujata will be getting herself registered with the Indian Institute of Corporate Affairs (IICA) and she has confirmed to comply with the requirements of Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended), within the prescribed timeline.

Copy of the draft letter of appointment setting out the terms and conditions etc. of appointment of Dr. Sujata, copy of the consent letter in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Intimation in form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that

Dr. Sujata is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and declaration that Dr. Sujata meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013, Schedule IV Part IV of the code for Independent Director and other relevant documents in relation to appointment as Independent Director of the Company shall be made available for inspection by the Members of the Company, without payment of fees, electronically on a virtual platform or 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. Members desirous of inspecting the same may send their requests at [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com) from their registered e-mail addresses mentioning their names and folio numbers/demat account numbers, with a self-attested copy of their PAN Card or AADHAAR Card or Voter ID Card. Dr. Sujata will be paid remuneration by way of sitting fee for attending the Board Meetings of the Company or for any other purpose whatsoever as may be decided by the Board from time to time and within the limits as specified under the provisions of Companies Act, 2013 and Listing Regulations.

Brief profile of Dr. Sujata, nature of her expertise in specific functional areas and names of Companies in which she holds directorships/chairmanships of Board committees, shareholding and relationships between directors inter se as stipulated under Companies Act, 2013, Listing Regulations and Secretarial Standards, is provided in the Annexure-A to this Notice and also in Corporate Governance Report forming part of the Annual Report.

The Company has received a Notice in writing under Section 160 (1) of the Companies Act, 2013, from a Member proposing the candidature of Dr. Sujata, as a Director of the Company. Further, since this appointment is recommended by the Nomination and Remuneration Committee, the requirement for deposit of Rs. 100,000/- is not applicable.

Keeping in view her vast expertise and knowledge, the Board considers that her association would be of immense benefit to the Company. Accordingly, the Board recommends the Resolution No. 10 as an Ordinary Resolution, in relation to the appointment of Dr. Sujata as an Independent Director, for the approval of the Members of the Company.

None of the Directors, Key managerial Personnel of the Company or their relatives except Dr. Sujata, proposed

appointee as Independent Director and her relatives, to the extent of their shareholding, if any in the Company, may be deemed to be concerned or interested, financially or otherwise, in the proposed resolution no. 10.

This Statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and Listing Regulations. Further, in terms of General Circular No. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs, the matter regarding appointment of Dr. Sujata is considered unavoidable by the Board. Accordingly, in terms of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Dr. Sujata as Independent Director of the Company is now being proposed before the members of the Company for their approval.

#### **Item No.11:**

Smt. Nidhi Lal, aged 45 years, Bachelor in Education (B.Ed.), is having vast knowledge in the Securities and Commodities markets and is a Chairman of the Commodities Participants Association of India. She is having focused analytical, quick thinking, strong communications and ability to act upon market fundamentals. She has also set up various ventures in the overseas Countries for trading in securities and commodities markets. She is also holding Directorship in other Companies which are engaged in the business of trading of Securities & Commodities, Engineering, Real Estate and project Constructions. To promote the cause of India's MSME Sector to generate self employment opportunity, she was nominated as Board Member of MSME Development Forum to contribute with her vast experience, knowledge, managerial skills and resources.

In view of her vast experience and knowledge and considering the requirement of Regulation 17 of SEBI LODR Regulations as regard to optimum combination of Executive and Non-executive Directors and minimum number of Independent Director on the Board due to completion of tenure of 3 existing Independent Directors on 28th September, 2021, the Nomination and Remuneration Committee and Board of

Directors of the Company in their respective meeting(s) held on 11th August, 2021 have considered and proposed the appointment of Smt. Nidhi Lal as an Non-Executive Independent Director of the Company for a first term of 3 consecutive years w.e.f. 29th September, 2021 to 28th September, 2024.

While proposing the name of Smt. Nidhi Lal, the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 11th August, 2021 have also considered that Smt. Nidhi Lal is having independent relationship with the Company, its directors, KMPs and promoters and also considering her expertise, qualification and experience it was proposed to appoint her as Independent Director of the Company for the 3 consecutive years w.e.f. 29th September, 2021 to 28th September, 2024. In view of above the Board is of the opinion that it is desirable to avail her service as Independent Director.

Smt. Nidhi Lal is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and not debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given her consent to act as Director of the Company. The Company has also received declaration from Smt. Nidhi Lal that she meets the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time. In the opinion of the Board, Smt. Nidhi Lal fulfils the conditions specified in the Act and the rules made there under and Listing Regulations and she is Independent of the Management.

The Company has received intimation from Smt. Nidhi Lal in form DIR-8 to the effect that she is not disqualified and further confirmed that she is also not debarred by the Securities and Exchange Board of India, Ministry of Corporate Affairs or such other Statutory Authority to be appointed as a Director in any Company. As required under Regulation 25(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Smt. Nidhi Lal has confirmed that she is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.



In terms of Section 150 of the Act and rules made thereunder, Smt. Nidhi Lal will be getting herself registered with the Indian Institute of Corporate Affairs (IICA) and she has confirmed to comply with the requirements of Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended), within the prescribed timeline.

Copy of the draft letter of appointment setting out the terms and conditions etc. of appointment of Smt. Nidhi Lal, copy of the consent letter in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Intimation in form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that Smt. Nidhi Lal is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and declaration that Smt. Nidhi Lal meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013, Schedule IV Part IV of the code for Independent Director and other relevant documents in relation to appointment as Independent Director of the Company shall be made available for inspection by the Members of the Company, without payment of fees, electronically on a virtual platform or 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. Members desirous of inspecting the same may send their requests at [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com) from their registered e-mail addresses mentioning their names and folio numbers/demat account numbers, with a self-attested copy of their PAN Card or AADHAAR Card or Voter ID Card

Smt. Nidhi Lal will be paid remuneration by way of sitting fee for attending the Board Meetings of the Company or for any other purpose whatsoever as may be decided by the Board from time to time and within the limits as specified under the provisions of Companies Act, 2013 and Listing Regulations.

Brief profile of Smt. Nidhi Lal, nature of his expertise in specific functional areas and names of Companies in which she holds directorships/chairmanships of Board committees, shareholding and relationships between directors inter se as stipulated under Companies Act, 2013, Listing Regulations and Secretarial Standards, is provided in the Annexure-A to this Notice and also in Corporate Governance Report forming part of the Annual Report.

The Company has received a Notice in writing under Section 160 (1) of the Companies Act, 2013, from a Member proposing the candidature of Smt. Nidhi Lal, as a Director of

the Company. Further, since this appointment is recommended by the Nomination and Remuneration Committee, the requirement for deposit of ₹100,000/- is not applicable.

Keeping in view her vast expertise and knowledge, the Board considers that her association would be of immense benefit to the Company. Accordingly, the Board recommends the Resolution No. 11 as an Ordinary Resolution, in relation to the appointment of Smt. Nidhi Lal as an Independent Director, for the approval of the Members of the Company.

None of the Directors, Key managerial Personnel of the Company or their relatives except Smt. Nidhi Lal, proposed appointee as Independent Director and her relatives, to the extent of their shareholding, if any in the Company, may be deemed to be concerned or interested, financially or otherwise, in the proposed resolution no. 11.

This Statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and Listing Regulations. Further, in terms of General Circular No. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs, the matter regarding appointment of Smt. Nidhi Lal is considered unavoidable by the Board. Accordingly, in terms of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Smt. Nidhi Lal as Independent Director of the Company is now being proposed before the members of the Company for their approval.

The approval of members of the Company is proposed to be sought in view of above facts and circumstances.

By order of the Board  
For Liberty Shoes Ltd.

**Munish Kakra**

Place: Gurugram, Haryana

CFO & Company Secretary

Dated: Wednesday, 11th, August, 2021

M. No.ACS 6262

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

CIN: L19201HR1986PLC033185

## ANNEXURE-A

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

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

Name of the Director	Sh. Adesh Kumar Gupta	Sh. Shammi Bansal
Director Identification Number (DIN)	00143192	00138792
Category of Director	CEO & Executive Director	Executive Director
Nationality	Indian	Indian
Date of Birth/Age	27th June, 1960/61 Years	27th March, 1961/60 Years
Date of First appointment as Director	28th September, 1990	28th November, 1990
Qualification	Graduate in B.SC. (Engineering)	Graduate
Profile/Background details/Recognition or awards/Experience/Expertise in specific Functional Areas	<ul style="list-style-type: none"> <li>• He has been working as Director since 1990 and as Executive Director since 2001.</li> <li>• He has been instrumental in formulating Company's strategies and being CEO, looking after the overall affairs of the Company since 2004.</li> <li>• He is having experience of more than three decades in footwear industry.</li> <li>• He has been embraced by many prestigious awards and in the past, he has been a key functionary of confederation of Indian Industry.</li> <li>• He is also a Chairman of Council for Footwear Leather and Accessories (CFLA) and has been instrumental since its inception to strategies the various initiatives and in formulating the policies for the sector and making representations to the Central and State Governments and other Departments for elevating the Sector.</li> </ul>	<ul style="list-style-type: none"> <li>• He has been working as Director since 1990 and as Executive Director since 1995.</li> <li>• He is having experience of more than three decades in footwear Industry.</li> <li>• He has been credited with various initiatives in the field of leather and footwear technology including use of E.P. Polymers, introduction of E.V.A. compound in Indian Footwear Industry.</li> <li>• He has been looking after the production designing and development of various types of footwear at Company's plants.</li> </ul>
Terms and conditions of appointment/re-appointment	Re-appointed as Director liable to retire by rotation Please refer page no.18 for terms and conditions of re-appointment as CEO & Executive Director	Please refer page no.19 for terms and conditions of re-appointment as Executive Director
Details of remuneration to be sought/remuneration last drawn (2020-21)	His re-appointment has been proposed as Director liable to retire by rotation and CEO & Executive Director on remuneration of ₹48 Lakh P.A. He has drawn remuneration of ₹48 Lakh* P.A. (including all perquisites) during the FY 2020-21.	His re-appointment has been proposed as Executive Director on remuneration of ₹48 Lakh P.A. He has drawn remuneration of ₹48 Lakh* P.A. (including all perquisites) during the FY 2020-21.
No. of Board Meetings attended during the year	Refer Corporate Governance Report	Refer Corporate Governance Report
Relationship with other Directors and other Key Managerial Personnel (KMPs) inter se	None	Brother of Sh. Sunil Bansal, Executive Director

<b>List of directorship held in other Companies as on 31st March, 2021 (excluding foreign Companies)</b>	<ul style="list-style-type: none"> <li>Liberty Automotive Private Limited</li> <li>Sunfest Infratech &amp; Power Private Limited</li> <li>Geofin Investments Private Limited</li> <li>Council for Footwear Leather and Accessories</li> <li>Leather Sector Skill Council</li> </ul>	<ul style="list-style-type: none"> <li>Little World Constructions Pvt. Ltd.</li> <li>Haryana State Industrial and Infrastructure Development Corporation</li> </ul>
<b>List of Chairmanship/Membership in Committees of the Board of the other Companies on which he is a Director as on 31st March, 2021</b>	None	Chairman of Audit Committee and Member of Corporate Social Responsibility Committee-Haryana State Industrial and Infrastructure Development Corporation
<b>No. of shares held in the Company:</b>	95000 Equity Shares**	259640 Equity Shares
<b>(a) Own</b>	NIL	NIL
<b>(b) For other persons on a beneficial basis</b>	NIL	NIL

\*Actual Salary paid amounting to ₹39 Lakh in compliance of internal cost cutting measures to mitigate COVID impact.

\*\*Other than Equity Shares held by his HUF

<b>Name of the Director</b>	<b>Sh. Sunil Bansal</b>	<b>Sh. Adish Kumar Gupta</b>
<b>Director Identification Number (DIN)</b>	00142121	00137612
<b>Category of Director</b>	Executive Director	Executive Director
<b>Nationality</b>	Indian	Indian
<b>Date of Birth/Age</b>	2nd October, 1959/61 Years	11th January, 1964/57 Years
<b>Date of First appointment as Director</b>	28th November, 1990	12th August, 2011
<b>Qualification</b>	Graduate	Graduate
<b>Profile/Background details/Recognition or awards/Experience Expertise in specific Functional Areas</b>	<ul style="list-style-type: none"> <li>He has been working as Director since 1990 and as Executive Director since 2009.</li> <li>He is having experience of more than three decades in footwear Industry.</li> <li>He has been looking after the product development operations and ensuring the manufacturing of higher qualitative products by heading the quality department of the Company. He is also guiding the leather shoes production team with his appreciable expertise.</li> </ul>	<ul style="list-style-type: none"> <li>He has been associated with the Company in different capacity for last several year 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.</li> </ul>
<b>Terms and conditions of appointment/re-appointment</b>	Please refer page no.20 for terms and conditions of re-appointment as Executive Director	Please refer page no.20 for terms and conditions of re-appointment as Executive Director
<b>Details of remuneration to be sought/remuneration last drawn (2020-21)</b>	His re-appointment has been proposed as Executive Director on remuneration of ₹48 Lakh P.A. He has drawn remuneration of ₹48 Lakh* P.A. (including all perquisites) during the FY 2020-21.	His re-appointment has been proposed as Executive Director on remuneration of ₹48 Lakh P.A. He has drawn remuneration of ₹48 Lakh* P.A. (including all perquisites) during the FY 2020-21.
<b>No. of Board Meetings attended during the year</b>	Refer Corporate Governance Report	Refer Corporate Governance Report
<b>Relationship with other Directors and other Key Managerial Personnel (KMPs) inter se</b>	Brother of Sh. Shammi Bansal, Executive Director	None

<b>List of directorship held in other Companies as on 31st March, 2021(excluding foreign Companies)</b>	<ul style="list-style-type: none"> <li>Little World Constructions Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Geofin Investments Pvt. Ltd.</li> <li>Little World Constructions Pvt. Ltd.</li> </ul>
<b>List of Chairmanship/Membership in Committees of the Board of the other Companies on which he is a Director as on 31st March, 2021</b>	None	None
<b>No. of shares held in the Company:</b>	232640 Equity Shares	189360** Equity Shares
<b>(a) Own</b>		
<b>(b) For other persons on a beneficial basis</b>	NIL	NIL

\*Actual Salary paid amounting to ₹39 Lakh in compliance of internal cost cutting measures to mitigate COVID impact.

\*\*Other than Equity Shares held by his HUF

<b>Name of the Director</b>	<b>Sh. Ashok Kumar</b>	<b>Sh. Sanjay Bhatia</b>
<b>Director Identification Number (DIN)</b>	06883514	00080533
<b>Category of Director</b>	Executive Director	Non-executive Independent Director
<b>Nationality</b>	Indian	Indian
<b>Date of Birth/Age</b>	4th April, 1968/53 Years	10th March, 1952/69 Years
<b>Date of First appointment as Director</b>	23rd January, 2015	His name has been proposed for appointment as Independent Director w.e.f. 29th September, 2021
<b>Qualification</b>	LL.B	B.Com (Hons.)/LL.B
<b>Profile/Background details/Recognition or awards/Experience/Expertise in specific Functional Areas</b>	<ul style="list-style-type: none"> <li>He is a Law Graduate and has been advising the Company on various legal matters for last several years. He possesses a vast wealth of knowledge and has a proven record of providing indispensable legal advice to the Company and delivering of positive outcomes for the Company.</li> </ul>	<ul style="list-style-type: none"> <li>He is a renowned businessman having more than 40 years of experience in metal packaging Industry.</li> <li>Presently he is Managing Director of M/s Hindustan TIN Works Limited.</li> <li>Throughout his career, Mr. Bhatia has been associated with leading Chambers of Commerce and has represented the industry on various committees set up by Central &amp; State Governments from time to time, including Kelkar Task Force on Simplification of indirect taxes in India.</li> </ul>
<b>Terms and conditions of appointment/re-appointment</b>	Please refer page no.21 for terms & conditions of re-appointment as Executive Director	Appointment as Independent Director not liable to retire by rotation
<b>Details of remuneration to be sought/remuneration last drawn (2020-21)</b>	His re-appointment has been proposed as Director liable to retire by rotation and Executive Director on remuneration of ₹33 Lakh P.A. He has drawn remuneration of ₹16.56 Lakh* P.A. (including all perquisites) during the FY 2020-21.	No remuneration has been paid during the FY 2020-21 or to be sought for Appointment as Independent Director. However sitting fee for attending the Board Meetings of the Company will be paid.

<b>No. of Board Meetings attended during the year</b>	Refer Corporate Governance Report	NIL (His appointment has been proposed as Independent Director in the forthcoming AGM)
<b>Relationship with other Directors and other Key Managerial Personnel (KMPs) inter se</b>	None	None
<b>List of directorship held in other Companies as on 31st March, 2021 (excluding foreign Companies)</b>	None	<ul style="list-style-type: none"> <li>Hindustan TIN Works Limited</li> <li>Innopac Containers Private Limited</li> <li>Innopac AB Packaging Private Limited</li> </ul>
<b>List of Chairmanship/ Membership in Committees of the Board of the other Companies on which he is a Director as on 31st March, 2021</b>	None	<ul style="list-style-type: none"> <li>CSR Committee-Member</li> <li>Stakeholder's and Relationship Committee-Member</li> <li>Share Transfer Committee-Member</li> <li>Management Committee-Member</li> </ul>
<b>No. of shares held in the Company:</b>		
(a) Own	NIL	NIL
(b) For other persons on a beneficial basis	NIL	NIL

\* Actual Salary paid amounting to ₹12.53 Lakh in compliance of internal cost cutting measures to mitigate COVID impact.

<b>Name of the Director</b>	<b>Dr. Sujata</b>	<b>Smt. Nidhi Lal</b>
<b>Director Identification Number (DIN)</b>	09289128	01363845
<b>Category of Director</b>	Non-executive Independent Director	Non-executive Independent Director
<b>Nationality</b>	Indian	Indian
<b>Date of Birth/Age</b>	15.06.1959/ 62 Years	16.07.1976/45 Years
<b>Date of First appointment as Director</b>	Her name has been proposed for appointment as Independent Director w.e.f. 29th September, 2021	Her name has been proposed for appointment as Independent Director w.e.f. 29th September, 2021
<b>Qualification</b>	Ph. D (Psychology)	Bachelor in Education (B.Ed.)
<b>Profile/Background details/Recognition or awards/Experience/Expertise in specific Functional Areas</b>	<ul style="list-style-type: none"> <li>She is a renowned counselor at Karnal, Haryana.</li> <li>She has been working as Founder Director of a Rehabilitation Society at Karnal since 1993.</li> <li>In the past, she was also associated as Project Officer with UNICEF and District Red Cross Society, Karnal, Haryana.</li> <li>She has written Books and articles on various subjects in relation to psychology, National and Spiritual aspect. Her research outcomes were published in National Journals and presented at various conferences in India and overseas Countries.</li> <li>Throughout her career, she has been performing various social and welfare related activities and won various awards from Govt. of Haryana like Brand Ambassador for "Beti Bachao Beti Padhao", "Sarav Dharam Samman", "Rani Jhansi", "Empowered Woman" and "Best Social Worker".</li> </ul>	<ul style="list-style-type: none"> <li>She is having vast knowledge in the Securities and Commodities markets and is a Chairman of the Commodities Participants Association of India.</li> <li>She is having focused analytical, quick thinking, strong communications and ability to act upon market fundamentals.</li> <li>She has also set up various ventures in the overseas Countries for trading in securities and commodities markets.</li> <li>She is also holding Directorship in other Companies which are engaged in the business of trading of Securities &amp; Commodities, Engineering, Real Estate and project Constructions. To promote the cause of India's MSME Sector to generate self employment opportunity, she was nominated as Board Member of MSME Development Forum to contribute with her vast experience, knowledge, managerial skills and resources.</li> </ul>



<b>Terms and conditions of appointment/re-appointment</b>	Appointment as Independent Director not liable to retire by rotation	Appointment as Independent Director not liable to retire by rotation
<b>Details of remuneration to be sought/remuneration last drawn (2020-21)</b>	No remuneration has been paid during the FY 2020-21 or to be sought for Appointment as Independent Director. However sitting fee for attending the Board Meetings of the Company will be paid.	No remuneration has been paid during the FY 2020-21 or to be sought for Appointment as Independent Director. However sitting fee for attending the Board Meetings of the Company will be paid.
<b>No. of Board Meetings attended during the year</b>	NIL (Her appointment has been proposed as Independent Director in the forthcoming AGM)	NIL (Her appointment has been proposed as Independent Director in the forthcoming AGM)
<b>Relationship with other Directors and other Key Managerial Personnel (KMPs) inter se</b>	None	None
<b>List of directorship held in other Companies as on 31st March, 2021(excluding foreign Companies)</b>	None	<ul style="list-style-type: none"> <li>• MBL and Company Ltd.</li> <li>• ML Commodities Pvt. Ltd.</li> <li>• Magpro Securities Pvt. Ltd.</li> <li>• MBPL Securities Pvt. Ltd.</li> <li>• Kristam Engineers Pvt. Ltd.</li> <li>• Parkview Meadows Pvt. Ltd.</li> <li>• Rudratmkay Buildcon Pvt. Ltd.</li> <li>• Idhieet Retail Pvt. Ltd.</li> </ul>
<b>List of Chairmanship/Membership in Committees of the Board of the other Companies on which he is a Director as on 31st March, 2021</b>	None	None
<b>No. of shares held in the Company:</b> <b>(a) Own</b> <b>(b) For other persons on a beneficial basis</b>	NIL  NIL	NIL  NIL

## ANNEXURE-B

THE STATEMENT AS REQUIRED UNDER SECTION-II, PART-II OF THE SCHEDULE V OF THE COMPANIES ACT, 2013 WITH REFERENCES TO THE ITEM NO(S) 4 TO 8 ARE AS UNDER:

## I. General Information:

## a) Nature of Industry:

The Company is engaged in the business of manufacturing and trading of footwear, accessories and lifestyle products through its retail, e-commerce and wholesale network.

## b) Date or expected date of commencement of commercial production:

The commercial production of the Company was commenced 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:-

(₹ In Lakh)

Particulars	2020-21	2019-20	2018-19
Revenue from Operations	458.06	652.05	602.35
Profit/(Loss) before exceptional items and tax	2.90	12.84	13.6
Tax Expense	2.12	6.68	6.62
Profit after tax	0.25	10.59	6.85
Earnings/(Losses) per Share (Face Value ₹10/- each)	0.15	6.45	4.02

## e) Foreign Investments and Collaboration as on 31st March 2021:

The Company has no foreign collaboration but had done foreign investment in its wholly owned overseas subsidiary namely Liberty Foot Fashion Middle East, FZE and invested total sum of ₹302.42 Lakh by way of its Equity and Share

Application Money. However, the Company has discontinued the said WOS during the FY 2017-18 after taking approval of the Shareholders of the Company.

## II. Information about the Appointee/Directors

Particulars	Sh. Adesh Kumar Gupta	Sh. Shammi Bansal
Background Details and expertise and experience in specific functional areas	Please refer page no. 28	Please refer page no. 28
Past Remuneration	He was re-appointed as CEO & Executive Director w.e.f. 1st April, 2010 at a remuneration of ₹12 Lakh p.a. The Board of Directors, considering the manifold responsibilities assigned to Sh. Adesh 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	He was re-appointed as Executive Director w.e.f. 1st April, 2010 at a remuneration of ₹12 Lakh p.a. The Board of Directors, considering the manifold responsibilities assigned to Sh. Shammi Bansal, 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

	remuneration of Sh. Adesh 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 as minimum remuneration in view of inadequate profit in terms of provisions of Schedule XIII to the Companies Act, 1956. Since then he is drawing above Remuneration till date.	Sh. Shammi Bansal 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 as minimum remuneration in view of inadequate profit in terms of provisions of Schedule XIII to the Companies Act, 1956. Since then he is drawing above Remuneration till date.
Job Profile and his suitability/Recognition or awards	Please refer page no. 28	Please refer page no. 28
Remuneration proposed	The remuneration proposed to be paid to Sh. Adesh Kumar Gupta for the position of CEO & 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.	The remuneration proposed to be paid to Sh. Shammi Bansal 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.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The proposed remuneration is commensurate with the size and nature of business of the Company and the functions and responsibility of the appointee. The proposed Remuneration is comparable with the remuneration drawn by the peers and is necessitated due to presence of business across the nation.	The proposed remuneration is commensurate with the size and nature of business of the Company and the functions and responsibility of the appointee. The proposed Remuneration is comparable with the remuneration drawn by the peers and is necessitated due to presence of business across the nation.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel	Sh. Adesh Kumar Gupta, CEO & Executive Director is representing the promoters group of the Company. He is drawing remuneration of ₹48,00,000/- p.a. for the position of CEO & Executive Director. 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. Adesh Kumar Gupta is holding 95,000 Equity Shares (other than his HUF) 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.	Sh. Shammi Bansal, 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. 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. Shammi Bansal is holding 2,59,640 Equity Shares in the Company. He belongs to the Promoter group of the Company and he is immediate relative of Sh. Sunil Bansal, Executive Director of the Company.

Particulars	Sh. Sunil Bansal	Sh. Adish Kumar Gupta
Background Details and expertise and experience in specific functional areas	Please refer page no. 29	Please refer page no. 29
Past Remuneration	He was appointed as Executive Director w.e.f. 1st January, 2009 at a remuneration of ₹12 Lakh p.a. The Board of Directors, considering the manifold responsibilities assigned to Sh. Sunil Bansal, 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. Sunil Bansal 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 as minimum remuneration in view of inadequate profit in terms of provisions of Schedule XIII to the Companies Act, 1956. Since then he is drawing above Remuneration till date.	He was appointed as Executive Director w.e.f. 1st October, 2011 at a remuneration of ₹12 Lakh p.a. The Board of Directors, considering the manifold responsibilities assigned to Sh. Adish 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. Adish 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 as minimum remuneration in view of inadequate profit in terms of provisions of Schedule XIII to the Companies Act, 1956. Since then he is drawing above Remuneration till date.
Job Profile and his suitability/Recognition or awards	Please refer page no. 29	Please refer page no. 29
Remuneration proposed	The remuneration proposed to be paid to Sh. Sunil Bansal 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.	The remuneration proposed to be paid to Sh. Adish 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.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	<p>The proposed remuneration is commensurate with the size and nature of business of the Company and the functions and responsibility of the appointee.</p> <p>The proposed Remuneration is comparable with the remuneration drawn by the peers and is necessitated due to presence of business across the nation.</p>	<p>The proposed remuneration is commensurate with the size and nature of business of the Company and the functions and responsibility of the appointee.</p> <p>The proposed Remuneration is comparable with the remuneration drawn by the peers and is necessitated due to presence of business across the nation.</p>
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel	Sh. Sunil Bansal, 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. 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. Sunil Bansal is holding 2,32,640 Equity Shares in the Company. He belongs to the Promoter group of the Company and he is immediate relative of Sh. Shammi Bansal, Executive Director of the Company.	Sh. Adish 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. 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. Adish Kumar Gupta is holding 1,89,360 Equity Shares (other than his HUF) in the Company. He belongs to the Promoter group of the Company and he is not relative of any Key Managerial Personnel of the Company in terms of the provisions of Companies Act, 2013 and SEBI Listing Regulations.

Particulars	Sh. Ashok Kumar
Background Details and expertise and experience in specific functional areas	Please refer page no. 30
Past Remuneration	He was appointed as Executive Director w.e.f. 1st June, 2015 at a remuneration of ₹13.20 Lakh p.a. The Board of Directors, considering 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. Ashok Kumar from ₹13.20 Lakh to ₹16.56 Lakh P.A. w.e.f. 1st July, 2019, inclusive of all the perquisites as per the Policy of the Company for the time being applicable or in force.
Job Profile and his suitability /Recognition or awards	Please refer page no. 30
Remuneration proposed	The remuneration proposed to be paid to Sh. Ashok Kumar for the position of Executive Director is ₹33,00,000/- 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.
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The proposed remuneration is commensurate with the size and nature of business of the Company and the functions and responsibility of the appointee.  The proposed Remuneration is comparable with the remuneration drawn by the peers and is necessitated due to presence of business across the nation.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel	Sh. Ashok Kumar, Executive Director is drawing remuneration of ₹ 33,00,000/- p.a. for the position of Executive Director. Sh. Ashok Kumar is not holding Equity Shares in the Company. He does not belong to the Promoter group of the Company and he is not relative of any Key Managerial Personnel of the Company in terms of Companies Act, 2013 and SEBI Listing Regulations.

### III. Other Information:

#### A. Reasons of loss or inadequate profits:

- Nation-wide lock down to contain the spreading of COVID-19 impacted the front end sales and its consequential impact on back end by reduced production without corresponding decrease in fixed cost. This has resulted in to continued operational losses due to sales below the break even point in most of the months.
- Retail and Distribution Network did not pick up due to loss of school season, festive seasons and wedding seasons during the previous year.
- Minimum operating costs on account of Human Resources, fixed rental cost and Plant running cost had to be incurred without corresponding sales to cover these compulsory overheads resulting in to continued losses on month to month basis.
- Due to adverse situation and sudden lock down, many small businesses were shut down and even few of our customers got impacted due to which the Company had to record sharp increase in bad debts with provisions which impacted the profitability of the Company.



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

- Leveraging of fixed cost, taking cost optimization measures, rental re-negotiation, closure of unviable stores, robust inventory and supply chain management and focus on efficiency improvements will give benefits in long run and years to come.
- Launching of new brands owned by Company, increasing the product basket, strengthening the distributions, expanding the reach in untapped areas/cities for increasing the sales will help the Company in catering the demand and aspiration of the new consumers.
- Expanding customer base by making the products available through E-commerce platforms of the Company and E-Com Partner and more focus on digitalization for sales, collection and inventory to improve efficiency at minimum overhead costs.
- Exploring new export market and with focused approach on qualitative and innovative products.
- Focus on optimum utilization of Working Capital Loan and further reduction over the period to minimize the interest cost.

## **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. The Company has taken various measures to maintain its operational and financial performance. It has been pursuing and implementing its strategies to improve financial performance. The Company is hopeful that with the improvement of customer sentiments, the business would start growing back.

## **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.

Please refer to the Statement above, given pursuant to the provisions of Section 102 of the Companies Act, 2013 for the details of proposed remuneration.

Remuneration to Directors is paid within the limits as prescribed under the Act/the limits as approved by the Members of the Company, from time to time.

The Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

Payment of remuneration to each of the Directors proposed herein has been approved by the Board of Directors of the Company and by the Nomination and Remuneration Committee.

## ANNEXURE-C

### OTHER PARAMETERS UNDER SECTION 200 OF THE COMPANIES ACT, 2013 (AS AMENDED) READ WITH RULE 6 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 (AS AMENDED)

**1) Financial and operating performance of the Company during the three preceding financial years-**

Details provided in Para I. d. of Annexure B above.

**2) Remuneration or commission drawn by individual concerned in any other capacity-**

The Directors proposed to be re-appointed have not drawn any remuneration or commission in any other capacity from the Company except remuneration of Rs. 4 Lakh p.m. in the capacity of Executive Director of the Company as approved by the Nomination and Remuneration Committee/ Board of Directors and Shareholders of the Company.

**3) Remuneration or Commission drawn from any other Company-**

The Directors proposed to be re-appointed have not drawn remuneration from any other Company, except remuneration in the capacity of Executive Director as given in the Statement above, given pursuant to the provisions of Section 102 of the Companies Act, 2013.

**4) Professional qualification and experience-**

Please refer to Annexure A above

**5) Relationship between remuneration and performance**

- i. The relationship of remuneration to performance meets appropriate performance benchmarks reflecting short and long term performance objectives appropriate to the working of the Company and its set targets and objectives. Evaluation of the performance of the Executive Directors is based on the parameters such as accomplishment of assigned tasks, targets, goals and their professional contributions towards overall performance of the Company. On the basis of the evaluation, the remuneration of the Executive Directors is determined.

- ii. Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board is required to monitor and review the performance of the Individual Director. In line with the Corporate Governance Guidelines, the Annual Performance Evaluation is conducted for all Directors with respect to their individual performance and achievements corresponding to their goals set during the year. This evaluation is with specific focus on the performance and effective functioning of the Directors on the basis of the criteria such as core competencies, personal characteristics, accomplishment of specific responsibilities and expertise. 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.

**6) The principle of proportionality of remuneration within the Company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receive remuneration and employees or executives of the Company-**

The Company has a strong performance management system. The relationship of remuneration to performance meets appropriate performance benchmarks reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The Company follows a compensation mix of fixed pay,

benefits, allowances, perquisites and retirement benefits for its Executive Directors, KMPs, SMPs and other employees. Every employee undergoes evaluation of his or her performance against the goals and objectives for the year and increase in compensation and reward by way of annual bonus or incentive is linked to the evaluation of individual's performance.

**7) Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference-**

The remuneration paid to the managerial personnel is in accordance with the Nomination and Remuneration Policy of the Company, which is applicable for the Directors, KMP and SMP of the Company and is based on the recommendations of the Nomination and Remuneration Committee and as approved by the Board and Shareholders, as the case may be. The remuneration of other employees not covered under Directors, KMP and SMP are paid and determined as per policy of the Company which are generally in line with the criteria and performance evaluation as applicable for Directors, KMP and SMP unless other required changes from time to time.

**8) Securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year-**

(i) For Securities held by the Directors proposed to be re-appointed: Please refer Annexure-A.

Further, the Company has not offered and allotted any options to the Directors and Employees of the Company since inception.

(ii) The Directors proposed to be re-appointed have not pledged their shares as at the end of the preceding financial year.

**9) Reasons and justification for payment of remuneration-**

The financial year 2020-21 was an unprecedented year. The Covid-19 pandemic led to a downturn and impacted

businesses across sectors. This led to sharp decline in revenue and profitability of the Company. The Company has managed to take quick actions in the cost structure to soften the impact of the steep decline in sales and profitability.

Keeping in view the long experience and expertise of the Managerial personnel, it is proposed to pay the remuneration to the managerial personnel with such merit and increase as determined by the Nomination and Remuneration Committee of the Board of Directors of the Company.

By order of the Board  
For Liberty Shoes Ltd.

**Munish Kakra**

Place: Gurugram, Haryana

CFO & Company Secretary

Dated: Wednesday, 11th, August, 2021

M. No.ACS 6262

**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

## DIRECTORS' REPORT

### Dear Shareholders,

Your Directors are presenting the 35th Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2021.

### Financial Highlights:

The financial results under consideration have to be seen in the context of outburst of pandemic and its severe aftermath prevailed almost throughout the year under consideration. The highlights of the financial statements are as under:-

(₹ In Lakh)

Particulars	2020-21	2019-20
Gross Sales	45,596.75	64,954.16
Add: Other Income	252.80	296.28
<b>Revenue from Operations and Other Income</b>	<b>45,849.55</b>	<b>65,250.44</b>
<b>Profit before Tax Expense (PBT)</b>	<b>236.19</b>	<b>1,726.84</b>
Less: Tax Expenses	211.06	667.93
<b>Net Profit for the year (NP)</b>	<b>25.13</b>	<b>1,058.90</b>
Other Comprehensive Income/(Loss)	(1.42)	40.83
<b>Total Comprehensive Income</b>	<b>23.71</b>	<b>1,099.73</b>

### Review of the operations of the Company:

Your Company has prepared the Financial Statements for the financial year ended March 31, 2021 under Sections 129, 133 and Schedule III of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

During the financial year ended 31st March 2021, Liberty has recorded a turnover of ₹45,596.75 Lakhs as against turnover of previous year's ₹64,954.16 Lakh, a constrained decline of 30% over corresponding previous year 2020 mainly because of inevitable disruption arisen due to outbreak of COVID-19 in early part of the financial year 2020-21 and its impact continued throughout the year under consideration. The PBDIT stood at ₹5,172.27 Lakh during the year 2020-21 as compared to ₹6,064.56 Lakhs during the corresponding previous year 2019-20. The Profit before Tax expenses stood at ₹236.19 Lakh including exceptional expenses of ₹53.31 Lakh as compared to ₹1726.84 Lakhs including Exceptional Income of ₹442.91 Lakh during the corresponding previous year 2019-20. The Profit after Tax of your Company along with other Comprehensive Income (net of taxes), for the year under consideration, has remained at meager ₹23.71 Lakhs as against ₹1,099.73 Lakhs during the corresponding previous year.

During the year under consideration, because of catastrophe, major part of the year was under lock down including

educational institutions, shopping malls, high streets and other retail markets etc which has disordered not only Company's business but the entire global economies. The retail and distribution segments, the two main strengths, of the Company were stagnated during these period and your company lost the advantage of its peak customers demand normally engendered during school season, festive season and wedding season as footwear, being non essential items, was slipped further low in consumers preferences. Because of this uncalled-for situation, the operations of Company's business including its channel partners got adversely disrupted resulting to pungent relations even to the extent of instances of bankruptcy, closure, legal disputes. Your Company, besides loser of the perspective business, obligated to the statutory guidelines including its policy with regard to provisioning and writing off the bad debts, has written off debts of ₹1225 Lakh (Previous year ₹466.04 Lakh) in addition to making provisions for bad and doubtful debts for ₹200.89 Lakh (Previous year ₹106.16 Lakh). Your Company is contemplating to reinforce its retail channel with suitable changes in its sales policies including stringent financial screening of the channel partners. Your Company's institutional and on lines sales segments have registered exceptional performance and made significant contribution to the overall operations of the company during the year under consideration.

Your Directors apprehensive of the situation more particularly because of 2nd wave of Covid-19 has drawn conservative business plan focusing on cost curtailment and further improving of its efficiencies on all fronts. Your Company would continue to expand its reach by focusing on digitalization, Online availability of its footwear through its own website and also through major E-Com Partner like Amazon, Flipkart, Myntra etc.

#### **Credit Rating:**

During the year under review, CARE Ratings Limited, a leading rating agency, has re-affirmed its Ratings CARE "A" (-); (single A Minus) in respect of Long Term banking facilities (comprising Term Loan and Working Capital fund based facilities) and CARE "A2" (+) ("A" Two Plus) in respect of Short Term banking facilities (comprising non fund based facilities) sanctioned by the Banks to the Company. The outlook on the Long Term rating, during the lock down period, has been assigned negative due to Company's liquidity position to remain stretched amid loss of income and cash flows due to lockdown.

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

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

The Company has discontinued its Wholly Owned Subsidiary (WOS) at Middle East and its assets are pending for liquidation due to which no financial statements have been prepared of this WOS. Therefore, the same has not been attached and a statement containing salient features of the financial statements of the Company's wholly owned subsidiary has not been provided as required under Section 129 of the Companies Act, 2013.

#### **Appropriations:**

##### **Dividend**

Your Directors, considering the financial requirement to the Company, have not recommended any dividend for the financial year ended 31st March 2021.

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

Your Directors proposed to transfer Rs. NIL (Previous Year ₹300.00 Lakh) to the General Reserves out of the profits available with the Company for appropriations. Accordingly, an amount of 23.71 Lakh (Previous Year ₹799.73 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, 2021, your Company has not floated any scheme in relation to Employees Stock Option(s) and no such further plans have been initiated at present in this regard.

#### **Nomination and Remuneration Policy**

Your Board of Directors, on the recommendation of the Nomination and Remuneration Committee, framed and adopted a policy for identifying and recommending the selection and appointment of Directors and KMPs of the Company and remuneration to Directors, KMPs and other employees. The contents of the Policy and evaluation criteria have been stated in the Corporate Governance Report. The revised Nomination and Remuneration Policy is set out in Annexure-I of this Report. The Policy is also available on the website of the Company i.e. [www.libertyshoes.com](http://www.libertyshoes.com).

#### **Policy on Prevention of Insider Trading**

Your Company has adopted a code of Conduct for Prevention of Insider Trading with a view to regulate trading in Equity Shares of the Company by the Promoters, Directors, Employees, designated persons and other connected persons. The said Code of Conduct is available on the website of the Company at [www.libertyshoes.com](http://www.libertyshoes.com). The Code requires pre-clearance for dealing in Company's shares and prohibits purchase or sale of shares in your Company by the Promoters, Directors, Employees, designated persons and other connected persons while they are in possession of unpublished price sensitive information and also during the period when the Trading Window remains closed.

#### **Familiarization Program**

In order to encourage active participation of Independent Directors and in order to understand the business environment, your Company has been familiarizing the Independent Directors on its Board with detailed presentations by its business functional heads on the Company operations, strategic business plans, new products and technologies including significant aspects of the Industry and its future outlook. Once appointed, the Non Executive & independent Directors undergo the familiarization program of the Company. The Non executive & independent Directors are also provided with financial results, internal audit findings and other specific documents as sought by them from time to time. They are also made aware of the various policies and code of conduct and business ethics adopted by the Board. Details of familiarization programs



extended to the Non Executive & Independent Directors during the year under consideration are disclosed on the Company website at [www.libertyshoes.com](http://www.libertyshoes.com).

### **Risk Management Policy & Risk Management**

The Management of the Company has always been consciously reviewing its business operations in accordance with set rules and procedure and if any deviation or risk is found, remedial and effective steps are being taken to minimize the deviation and risk. In line with the provisions of Section 134 (3) (n) of the Companies Act, 2013, the Company has developed a Risk Management Policy to build and establish the process and procedure for Identifying, assessing, quantifying, minimizing, mitigating and managing the associated risk at early stage. Policy is aimed to develop an approach to make assessment and management of the risks in financial, operational and project based areas in timely manner. The main objectives of the Risk Management Policy is inter-alia, to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed, to protect the brand value through strategic control and operational policies and to enable compliance with appropriate regulations wherever applicable, through the adoption of best practices. The Board of Directors of the Company assesses several type of risks which include Business Environment Risks, Strategic Business Risks and Operational Risks etc. The Board of Directors periodically reviews and evaluates the risk management system of the Company so that the management controls the risks through properly defined networks. Head of the Departments are responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee. No risks threatening the existence of the organization have been identified. However there are other risks against which adequate mitigation plans are prepared.

The Risk Management policy is available on the Company's website of the Company at [http://investor.libertyshoes.com/doc/Risk\\_Management\\_Policy](http://investor.libertyshoes.com/doc/Risk_Management_Policy).

### **Whistle Blower Policy (Vigil Mechanism)**

As per the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Regulation 22 of Listing Regulations, your Company has an effective mechanism of reporting illegal or unethical behavior. The Company has a Whistle Blower Policy (vigil mechanism) wherein the directors,

employees, consultants and contractors are free to report violations of laws, rules and regulations or unethical conducts, actual or suspected fraud or violation of the Company's code of conduct or ethics policy to the nodal officer. The mechanism followed is appropriately communicated within the Company across all levels and has been posted on the Notice Board of the Company. The confidentiality of those reporting violations etc. is maintained and they are not subjected to any discriminatory practice. The concern can be reported by sending an e-mail message at the dedicated address viz. [ethicscounsellors@libertyshoes.com](mailto:ethicscounsellors@libertyshoes.com). Individuals can also raise their concerns directly to the CEO or the Chairman of the Audit Committee of the Company. Any allegation falling within the scope of the concerns are identified, investigated and dealt with appropriately. The Audit Committee periodically reviews the functioning of this mechanism. The Vigil mechanism established in the Company provides adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism. During the year, no personnel of the Company was denied access to the Audit Committee. The details of establishment of Vigil mechanism/ Whistle Blower Policy of the Company are available at the website of the Company viz. [www.libertyshoes.com](http://www.libertyshoes.com).

### **Non-applicability of Maintenance of Cost Records:**

The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and Rules made there under with respect to the Company's nature of business.

### **Buy Back of Equity Shares:**

Your Company has not undertaken any exercise to buy back its Equity Shares from the shareholders during the year under review.

### **Public Deposit(s):**

The Company has not accepted/renewed any public deposits and as such, no amount on account of principal or interest on deposits from public was outstanding as on date of the balance sheet.

### **Board of Directors and Key Managerial Personnel:**

#### ***Retirement by rotation of the Directors***

Sh. Adesh Kumar Gupta & Sh. Ashok Kumar, Directors of the Company will be retiring by rotation at the 35th 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 35th Annual General Meeting.

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

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

- (I) The members at the 34th Annual General Meeting held on 30th September, 2020 have:
  - (a) Appointed Sh. Arvind Bali Kumar as Independent Director of the Company for a first term of five consecutive years commencing from 12th November, 2019 to 11th November, 2024.
- (II) On the basis of recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 12th February, 2021 have re-appointed Sh. Adesh Kumar Gupta as CEO & Executive Director and Sh. Shammi Bansal, Sh. Sunil Bansal, Sh. Adish Kumar Gupta and Sh. Ashok Kumar as Executive Directors for a further period of 3 years w.e.f. 1st April, 2021 subject to the approval of members of the Company at the ensuing Annual General Meeting. Further, on the basis of recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on 11th August, 2021 have proposed the appointment of Sh. Sanjay Bhatia, Dr. Sujata and Smt. Nidhi Lal as Independent Directors of the Company for a first term of 3 years w.e.f. 29th September, 2021 to 28th September, 2024. Accordingly, their candidature(s) are being proposed in ensuing Annual General Meeting for appointment as Independent Directors of the Company as above.

Brief profile of above Directors, nature of their expertise in specific functional areas and names of Companies in which they hold directorships/chairmanships of Board committees, shareholding and relationships between directors inter se as stipulated under Companies Act, 2013, Listing Regulations and Secretarial Standards, is provided in the Annexure A to the Notice.

#### Cessation of office of Director:

The second tenure of Sh. Raghubar Dayal, Sh. Ramesh Chandra Palhan and Smt. Lovelena Mody, would be completed on 28th September, 2021 and in terms of the provisions of Section 149 and Listing Regulations, their tenure cannot be exceeded after 28th September, 2021. The Board and Management of the Company in its meeting held on 11th August, 2021 has placed

on record appreciation for the contribution made by the above Directors during their respective tenure(s).

### Key Managerial Personnel

The following persons are the Key Managerial Personnel (KMPs) of the Company as per the provisions of the Companies Act, 2013 -

Sh. Adesh Kumar Gupta	-	CEO & Executive Director
Sh. Shammi Bansal	-	Executive Director
Sh. Sunil Bansal	-	Executive Director
Sh. Adish Kumar Gupta	-	Executive Director
Sh. Ashok Kumar	-	Executive Director
Sh. Munish Kakra	-	CFO & Company Secretary

### Committees of the Board

The Company's Board has constituted the following Committees:

1. Audit Committee
2. Management Committee
3. Stakeholders Relationship Committee
4. Nomination and Remuneration Committee
5. Corporate Social Responsibility Committee

The detail of terms of reference of the Committees, Committee composition, meetings held during the year and attendance at the meetings of the Committees are provided in the Corporate Governance Report.

### Number of meetings of the board

Five meetings of the board were held during the year. The detail of the composition, board meetings held during the year and attendance at the meetings are provided in Corporate Governance Report. Considering the severity of the situation, the Ministry of Corporate Affairs vide its General Circular No. 11/2020, dated March 24, 2020 and SEBI, vide circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/38 dated March 19, 2020 and Vide Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/110 dated June 26, 2020, had relaxed the requirement of the maximum stipulated time gap of 120 days between two meetings of the Board and Audit Committees of listed entities, as is required under Section 173 of the Companies Act, 2013 and Regulation 17(2) and 18(2)(a) of SEBI LODR Regulations, 2015.

### Annual Evaluation of Directors and Board as a whole

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board is required to monitor and review the Board evaluation framework. In line with the Corporate Governance Guidelines, the Annual Performance Evaluation is conducted for all members as well as the working of the Board and its Committees. This evaluation is with specific focus on the performance and effective functioning of the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The evaluation process also considers the time spent by each of the Board Members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise. In addition, the Chairman is also evaluated on the key aspects of his role. The Board evaluation is conducted through questionnaire having qualitative parameters and feedback based on ratings. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The outcome of the Board evaluation for the financial year under consideration was discussed by the Nomination and Remuneration Committee and Board at their respective meetings held on 12th February, 2021, excluding the director being evaluated.

During the year under review, the Company has complied with all the criteria of Evaluation as envisaged in the SEBI Circular on "Guidance Note on Board Evaluation". Based on the Performance Evaluation process and on the recommendation of the Nomination and Remuneration Committee, your Board of Directors have considered and approved the re-appointment of Sh. Adesh Kumar Gupta as CEO & Executive Director and Sh. Shammi Bansal, Sh. Sunil Bansal, Sh. Adish Kumar Gupta and Sh. Ashok Kumar as Executive Directors subject to the approval of Shareholders by way of Special Resolution respectively.

In lines with the provisions of the Companies Act, 2013 and Listing Regulations, separate meeting of the Independent Directors of the Company was held on 12th February, 2021 in the absence of non-independent directors and members of management inter alia to evaluate the performance of the non-Independent Directors, Board as a whole of the Company, its committees, Chairman and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

### Attributes, Qualifications & Independence of Directors and their appointment

The criteria for determining qualifications, positive attributes and independence of Directors in terms of the Act and the Rules there under, both in respect of Independent Directors and other Directors as applicable, has earlier been approved by the Nomination and Remuneration Committee during the financial year 2015-16 (amended from time to time). The Policy of the Company also provides that Non-Executive Independent Directors be drawn from amongst eminent professionals with experience in business/finance/law/public administration & enterprises. The Board Diversity Policy of the Company requires the Board to have balance of skills, experience and diversity of perspectives appropriate to the Company. Directors are appointed/re-appointed with the approval of the Members for a shorter period say, two to five years only. All Directors, other than Independent Directors, are liable to retire by rotation and are eligible for re-election in terms of the provisions of Articles of Association. The Independent Directors of your Company have confirmed that they meet the criteria of independence as prescribed under section 149 of the Companies, Act, 2013 and Regulation 16 of Listing Regulations.

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

### Material changes and commitments affecting financial position between end of the financial year and date of report

As per the provisions of Section 134(3) (1) of the Companies Act, 2013, no material changes or commitments affecting the financial position have occurred between the end of financial year of the Company to which the financial statements relates to the date of the report.

### Change in the nature of Business, if any

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

### 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 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.

### **Declaration by Independent Directors**

The Company has received necessary declarations from each independent director under Section 149(7) of the Companies Act, 2013, that she/he meets the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 25(8) of the Listing Regulations and there is no change in the status of their independence and have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair their ability to discharge their duties. The Board of Directors of the Company also confirms that the Independent Directors also meet the criteria of expertise, experience, integrity and proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended) and on the basis of declarations submitted by the Independent Directors with the Company the Board of Directors is having positive outlook towards the integrity and expertise of the Independent Directors.

The Independent Directors of the Company had undertaken requisite steps towards the inclusion of their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs (IICA) in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and have registered themselves with the Independent Director's databank as required under the above provisions. Furthermore, they have also renewed their registration with IICA for applicable tenures. The Independent Directors (other than Independent Directors who have been granted exemption under the said Rules) are yet to appear for the online proficiency self-assessment test and hence, the opinion on the aforesaid would be provided in the next year's annual report.

### **Directors' Responsibility statement**

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, your Directors, based on the representations received from the management, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2020-21.

### **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, 2021 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**

M/s U. Shanker & Associates, Chartered Accountants, New Delhi (Firm registration No. 014497N) were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 24th August, 2017, for a term of 5 (five) consecutive years.

#### **Auditors' Report:**

Your Company's Directors have examined the Statutory Auditors' Report issued by M/s U. Shanker & Associates, Chartered Accountants on the Annual Accounts of the Company for the financial year ended 31st March, 2021. There is no reservation, qualification or adverse remark made by the Statutory Auditors in their Report and their clarifications, wherever necessary, have been included in the Notes to the Accounts section as mentioned elsewhere in this Annual Report. During the period under consideration, no incident of frauds was reported by the Statutory Auditors pursuant to Section 143 (12) of the Companies Act, 2013.

### **Secretarial Auditors and their Report**

Your Directors have appointed M/s JVS & 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 2020-21 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, 2021 has

been submitted by M/s JVS & Associates and taken on record by the Board of Directors of the Company. The Report of the Secretarial Auditors in Form MR-3 for the financial Year ended 31st March, 2021 is enclosed to this Report. The Board members have examined the above said report and observed that there is no reservation, qualification and adverse remark made by the Secretarial Auditors and while issuing the said report, the Secretarial Auditors have given their comments on the compliance which were duly complied with by the Company.

### **Internal Auditors and their Report**

Your Directors in their meeting held on 25th May, 2017 have appointed Sh. Rajesh Gupta, Chartered Accountant as internal Auditor of the Company, in accordance with terms of the provisions of Section 138 read with Section 179 of the Companies Act, 2013 and rule 8 of the Companies (Meetings of Board and its Powers), Rules, 2014 and rule 13 of the Companies (Accounts) Rules, 2014 for the financial year 2017-18 onwards for conducting the Internal Audit of the books of accounts and reviewing and ensuring the Internal Control system of the Company and to issue their report.

The Internal Audit Report in respect of books of accounts and Internal Control system of the Company for the Financial Year ended March 31, 2021 has been submitted by Sh. Rajesh Gupta, which has been duly considered and requisite actions were taken by Audit Committee and reports thereon were also taken on record by the Board of Directors of the Company. The Board members have examined the above said report and observed that there is no reservation, qualification and adverse remark made by the Internal Auditors.

### **Particulars of Loans, Advances, Guarantees and Investments**

The Company has not granted any loan, guarantee or made any investments during the year ended 31st March, 2021 under Section 186 of the Companies Act, 2013 and Rules made there under. Pursuant to Section 186 (4) read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), disclosure on particulars relating to



Loans, advances and investments are provided as part of the financial statements.

### **Significant and material litigation/orders**

During the year under consideration, there are no significant and material orders passed by the regulators or courts or tribunals and no litigation was outstanding as on 31st March, 2021, which would impact the going concern status and Company's operations in future. During the year under review, no Corporate Insolvency Resolution application was made or proceeding was initiated, by/against Liberty Shoes Limited under the provisions of the Insolvency and Bankruptcy Code, 2016 (as amended), except two applications filed against the Company by its two vendors and the same is to be adjudicated at National Company Law Tribunal (NCLT), Chandigarh. The said application(s) are not yet been admitted by NCLT. The Company, in consultation to its legal advisor, has decided to oppose the admission of the above applications before NCLT.

### **Transactions with Related Parties**

During the year 2020-21, all transactions entered by the Company with related parties as defined under the Companies Act, 2013, Rules made there under, were in the Ordinary Course of Business and at Arm's Length basis. The Audit Committee granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors on quarterly basis. Your Company does not have a material unlisted subsidiary as defined under Regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Directors shall formulate a Policy to determine Material Unlisted Subsidiary as and when the relevant provisions for the same are applicable on it in future.

There were no materially significant transactions with related parties during the financial year 2020-21 which were in conflict with interest of the Company. Since all the related party transactions entered in to by your Company were in the ordinary course of business and also on an arm's length basis, therefore details required to be provided in the prescribed Form AOC-2 is not applicable to the Company. However, the Company has been undertaking transactions for last so many years in respect of payment of Royalty/ Franchise fees to few of the related

parties after obtaining due prior approval of the concerned regulatory authorities and shareholders under the provisions of Companies Act and SEBI Guidelines. All the related party transactions have been disclosed in the Notes to financial statements as required under IND AS-24 of the Accounting Standard.

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

### **Particulars of Directors and Employees**

The information required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subsequent amendments thereto, is given in Annexure II and the same forms part of this report.

A statement containing the Information of top ten employees in terms of remuneration drawn as provided under Section 197 (12) of the Companies Act, 2013 read with rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subsequent amendments thereto, is given in Annexure III and the same forms part of this report. During the financial year 2020-21, no employee, whether employed for whole or part of the year, was drawing remuneration exceeding the limits mentioned under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subsequent amendments thereto.

### **Extract of Annual Return**

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. The Annual return for the financial year ended 31st March, 2021 is available on the website of the Company [www.libertyshoes.com](http://www.libertyshoes.com).

### **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. Promotion of Quality education in the Schools**

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

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

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

#### **3. Setting up of Water Check Dam and Tree Plantation**

Liberty has set up Check Dam in villages of Rajasthan which is supposed to provide benefits to approx. 10000 villagers and 20000 Animals within the vicinity of the villages. Liberty is also ensuring environmental sustainability through tree plantation, conservation of natural resources and maintaining of quality of soil, air and water in the places around its Plants/Offices.

#### **4. COVID-19 Initiatives**

Considering the severity of COVID-19 pandemic, Liberty has

taken initiatives and distributed Food Kits, Hygiene and Sanitation goods amongst the poor, needy and COVID-19 impacted people.

#### **5. Contribution for disaster management activities**

Liberty has contributed for providing the food and groceries items to the families affected due to disaster in Chamoli District at Uttarakhand.

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

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

#### **7. Other CSR activities and initiatives:**

Liberty has contributed for the promotion of religious activities by contributing to temples/Pooja/various registered Kalyankari Sabhas and societies.

During the year under consideration the Company has complied with the provisions of Companies Act, 2013 by making the required contribution on the activities as stated in Schedule VII of the Act. The Annual Report on Corporate Social Responsibility activities as required under Sections 134 and Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) and Rule 9 of the Companies (Accounts) Rules, 2014 is provided in Annexure V of this report. In order to align the CSR Policy with the amendments in law relating to CSR, based on the recommendation of the CSR Committee, the Board of Directors at its meeting held on August 11, 2021, has revised the CSR Policy and the same was made applicable immediately from the date of Board Meeting i.e. 11th August, 2021. The revised policy is available on the website of the Company at [www.libertyshoes.com](http://www.libertyshoes.com).

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

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Liberty's premises through various interventions and practices.

The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

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

During the year ended 31st March, 2021 the Committee did not receive any complaint pertaining to sexual harassment.

### **Corporate Governance and Ethics**

Your Company believes in adopting best practices of corporate governance. Corporate Governance principles are enshrined in the spirit of Liberty, which form the core values of Liberty. These guiding principles are also articulated through the Company's Code of Conduct, Corporate Governance guidelines, Charter of various Sub-Committees and disclosure policy.

As per regulation 34 of the Listing Regulations, a separate section on corporate governance practices followed by your Company, together with a certificate from Statutory Auditors M/s U. Shanker & Associates, Chartered Accountants, on compliance with corporate governance norms under the Listing Regulations, is given at page no. 100 to page no. 101 of this Annual report.

### **Management Discussion and Analysis Report**

In terms of Regulation 34 of the Listing Regulations, the Management Discussion and Analysis report on your Company's performance, industry trends and other material changes with respect to your Company, wherever applicable, are presented at page no. 104 to page no. 108 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.

### **Compliance with Secretarial Standards:**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

### **Outstanding Share Capital and its Listing:**

Your Company has outstanding Share Capital of ₹17,04,00,000/- (Previous Year ₹17,04,00,000/-) consisting of ₹1,70,40,000 (Previous Year ₹1,70,40,000) Equity Shares of ₹10/- each and these Equity Shares are presently listed and available for trading at National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE).

### **Acknowledgments and Appreciation:**

Your Directors take this opportunity to place on record their sincere gratitude for the consistent cooperation and support received from the shareholders, Bankers, Channel Partners, Council for Footwear Leather & Accessories (CFLA) and the Government Authorities.

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

Your Directors and Management would also like to place on record their deepest appreciation for real life warriors who selflessly give themselves to others during the pandemic of COVID-19.

For and on behalf of the  
Board of Directors

**Adesh Kumar Gupta**  
Chairman of the Meeting  
DIN: 00143192

Place: Gurugram, Haryana  
Dated: Wednesday, 11th, August, 2021

# ANNEXURE-I 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, wherever applicable, involves a balance between fixed and incentive pay and also reflects the short and long term performance objectives appropriate to the working of the Company and its goals.
- ❖ The Company has a compensation mix of fixed pay, benefits, allowances, perquisites, performance linked incentives, wherever applicable, and retirement benefits for its Executive Directors, KMP, SMP and other Employees.
- ❖ The remuneration and payment of advances/loans to the employees other than Directors/KMPs/SMPs.

### THE NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178 of the Companies Act, 2013 and rules made there under, a listed Company is required to constitute a Nomination & Remuneration Committee which is responsible for formulating a policy related to the remuneration for the director, key managerial personnel and other employees and recommend the same to the Board for their approval and making the necessary amendments to the above policy from time to time.

### DEFINITIONS

- ❖ "Board" means Board of Directors of the Company.
- ❖ "Company" means "Liberty Shoes Limited."
- ❖ "Employees' Stock Option" means the option given to the directors, officers or employees of a Company or of its holding Company or subsidiary Company or Companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.
- ❖ "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- ❖ "Key Managerial Personnel" (KMP) means
  - (i) Chief Executive Officer or the Managing Director or the Manager,

- (ii) Company Secretary,
- (iii) Whole-time Director,
- (iv) Chief Financial Officer; and
- (v) Such other officer as may be prescribed.

- "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- "Policy or This Policy" means, "Nomination and Remuneration Policy."
- "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- "Senior Management Personnel" (SMP) means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.
- "Other Employees" means Employee of the Company other than Directors/KMP/SMP.

### INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

### ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of Independent Directors and the Board.
- c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of every Director's/KMP's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel, Senior

Management Personnel and other Employees of the Company.

- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) To devise a policy on Board diversity.
- i) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.
- k) To define the Policy and criteria for payment of advances/loans to Directors/KMPs/SMPs/other employees.

#### **MEMBERSHIP**

- a. The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least 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:

- ❖ Corporate Finance and Accounting;
- ❖ Corporate laws and Legal;
- ❖ Engineering and Information Technology
- ❖ Business Strategy and Administration;
- ❖ And any other background/discipline as deemed necessary by the Committee.

#### **APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

##### **• Appointment criteria and qualifications:**

- 1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior



- Management level and recommend to the Board his/her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
  3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole time Director/ Manager who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years
- Term/Tenure:
    1. Managing Director/Whole-time Director/Manager (Managerial Person):
      - ❖ The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
    2. Independent Director:
      - ❖ An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company for another term and disclosure of such appointment shall be made in the Board's report.
      - ❖ No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
      - ❖ At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director

and three listed companies as an Independent Director in case such person is serving as a Whole time Director of a listed Company.

- Evaluation:
 

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

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.
- ii. Retirement:
 

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### **PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT**

- iii. General:
  1. The remuneration/compensation/commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required.
  2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under and SEBI LODR Regulations, amended from time to time.
  3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Unless otherwise decided by the Board of Directors & Committee thereof, Shareholders and other respective approving authority of the Company, the

increments will be effective from the date of 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.

**iv. Remuneration to Managerial Person, KMP and Senior Management:**

1. Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under and SEBI LODR Regulations, amended from time to time. 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, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013.

3. Provisions for excess remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior approval of the shareholders, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

The Company shall not waive recovery of such sum refundable to it unless approved by the shareholders.

**v. Remuneration to Non-Executive/Independent Director:**

1. Remuneration/Commission:

The remuneration/commission shall be in accordance with the statutory provisions of the Companies

Act, 2013, and the rules made there under and SEBI LODR Regulations, as amended from time to time.

2. Sitting Fees:

The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee.

3. Limit of Remuneration/Commission:

The Non- Executive/Independent Director may receive remuneration by way of commission or otherwise. Provided that the amount of such remuneration or commission, as the case may be, shall not exceed the maximum amount as may be provided in the Companies Act, 2013 and SEBI LODR Regulations, amended from time to time.

4. Stock Options:

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

**vi. REMUNERATION TO OTHER EMPLOYEES**

The Remuneration including loans and advances to other employees will be decided as per the discretion and approval by the respective HODs/Directors of the Company.

**MINUTES OF COMMITTEE MEETING**

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

**DEVIATIONS FROM THIS POLICY**

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

For and on behalf of the  
Board of Directors

**Adesh Kumar Gupta**

Chairman of the Meeting

DIN: 00143192

Place: Gurugram, Haryana

Dated: Wednesday, 11th, August, 2021

## ANNEXURE-II TO DIRECTORS' REPORT

### Particulars of employees

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

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

Executive Directors	Ratio to median Remuneration
Sh. Adesh Kumar Gupta	34.00
Sh. Shammi Bansal	34.00
Sh. Sunil Bansal	34.00
Sh. Adish Kumar Gupta	34.00
Sh. Ashok Kumar	11.00

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

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

- c) **The percentage increase in the median remuneration of employees in the financial year: 2.29%**
- d) **The number of permanent employees on the rolls of the Company: 1849**
- e) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there any exceptional circumstances for increase in the managerial remuneration:**

Average Percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was NIL, whereas the increase in the managerial remuneration was NIL. The average increase of remuneration every year is an outcome of Company's market competitiveness as against similar Companies.

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

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

For and on behalf of the Board of Directors

## ANNEXURE-III TO DIRECTORS' REPORT

**Information of top 10 Employees in terms of remuneration drawn as per Section 197 (12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014**

S. No.	Name	Designation	Remuneration (P.A.) (₹ in Lakh)	Nature of Employment, Whether Contractual or otherwise	Qualification	Experience (In Years)	Date of Appointment	Age	Last employment Designation	Employee is a relative of any director or manager of the Company and if so, name of such director or manager
1.	Sh. Adesh Kumar Gupta	CEO & Executive Director	39.00	Permanent	BSC Engg. (Mechanical) with Hons.	36	28th September, 1990	61	NA	NA
2.	Sh. Adish Kumar Gupta	Executive Director	39.00	Permanent	Graduate	29	12th August, 2011	57	NA	NA
3.	Sh. Shammi Bansal	Executive Director	39.00	Permanent	Graduate	34	28th September, 1990	60	NA	Brother of Sh. Sunil Bansal, Executive Director of the Company
4.	Sh. Sunil Bansal	Executive Director	39.00	Permanent	Graduate	34	28th November, 1990	61	NA	Brother of Sh. Shammi Bansal, Executive Director of the Company
5.	Sh. Ramesh Kumar Sadhu	CEO - Retail	41.00	Permanent	Graduate, CA Inter	41	1st April, 2004	66	Super House- Sr. Vice President	NA
6.	Sh. Munish Kakra	CFO & Company Secretary	33.55	Permanent	M com, CS, LLB	36	28th September, 2001	57	NA	NA
7.	Sh. Raman Bansal	Chief Operating Officer	24.37	Permanent	Graduate	32	1st April, 2005	59	Head Sales & Distribution of Liberty Shoes Limited	Brother of Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company
8.	Sh. Vivek Bansal	Head Production PVC & non Leather Division	24.37	Permanent	Graduate	29	1st April, 2005	56	Partner, Liberty Group Marketing Division and Liberty Enterprises Karnal	Brother of Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company
9.	Sh. Anupam Bansal	Head Retail	24.37	Permanent	Graduate & Diploma in Shoes Designing from Italy	24	1st April, 2013	49	M.D., Liberty Retail Revolutions Ltd., New Delhi	Brother of Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company
10.	Dr. Namita Anand	National Head-Institutional Sales	25.04	Permanent	Ph. D. in Hindi Literature	25	25th November, 2002	55	NA	NA

For and on behalf of the  
Board of Directors

Place: Gurugram, Haryana  
Dated: Wednesday, 11th, August, 2021

**Adesh Kumar Gupta**  
Chairman of the Meeting  
DIN: 00143192

## ANNEXURE-IV TO DIRECTORS' REPORT

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2021**  
**[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.	<b>CIN:</b>	L19201HR1986PLC033185
ii.	<b>Registration Date:</b>	September 3, 1986
iii.	<b>Name of the Company:</b>	Liberty Shoes Limited
iv.	<b>Category/Sub Category of the Company:</b>	Company Limited by shares/Indian Non-Government Company
v.	<b>Address of the Registered office and contact details:</b>	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.	<b>Whether listed Company:</b>	Yes
vii.	<b>Name, Address and contact details of Registrar and Transfer Agent, if any</b>	Link Intime India Pvt. Ltd. Noble Heights, 1st Floor, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 Tel.: (91)-11-41410592-94 Fax: (91)-11-41410591 E-mail: delhi@linktime.co.in 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 Fashion Accessories	1520	100.00

### 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	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable



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

I.	Category-wise Share Holding	No. of Shares held at the beginning of the year i.e. 01.04.2020				No. of Shares held at the end of the year i.e. 31.03.2021				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
a.	Individuals/Hindu Undivided Family	5548778	83360	5632138	33.05	5548778	83360	5632138	33.05	-
b.	Central Government	-	-	-	-	-	-	-	-	-
c.	State Government(s)	-	-	-	-	-	-	-	-	-
d.	Bodies Corporate	4472517	-	4472517	26.25	4472517	-	4472517	26.25	-
e.	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
f.	Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>		<b>10021295</b>	<b>83360</b>	<b>10104655</b>	<b>59.30</b>	<b>10021295</b>	<b>83360</b>	<b>10104655</b>	<b>59.30</b>	<b>-</b>
<b>2</b>	<b>Foreign</b>									
a.	Non-Resident Individuals	-	-	-	-	-	-	-	-	-
b.	Other Individuals	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	-	-	-	-	-	-	-	-	-
d.	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
e.	Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter and Promoter Group (A)</b>		<b>10021295</b>	<b>83360</b>	<b>10104655</b>	<b>59.30</b>	<b>10021295</b>	<b>83360</b>	<b>10104655</b>	<b>59.30</b>	<b>-</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
a.	Mutual Funds	-	-	-	-	-	-	-	-	-
b.	Financial Institutions/Banks	22154	700	22854	0.13	130	700	830	-	(0.13)
c.	Central Government	-	-	-	-	-	-	-	-	-
d.	State Government(s)	-	-	-	-	-	-	-	-	-
e.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f.	Insurance Companies	-	-	-	-	-	-	-	-	-
g.	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h.	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i.	Any Other (specify) Alternate Investment Fund	131745	-	131745	0.77	-	-	-	-	(0.77)
<b>Sub-Total (B) (1)</b>		<b>153899</b>	<b>700</b>	<b>154599</b>	<b>0.91</b>	<b>130</b>	<b>700</b>	<b>830</b>	<b>0.00</b>	<b>(0.90)</b>
<b>2</b>	<b>Non-Institutions</b>									
a.	Bodies Corporate	446713	2700	449413	2.64	290502	2702	293204	1.72	(0.92)
b.	Individuals									
i	Individual Shareholders holding nominal share capital upto ₹1 Lakh	3807283	170858	3978141	23.35	4297124	169156	4466280	26.21	2.86
ii	Individual Shareholders holding nominal share capital in excess of ₹1 Lakh	1061939	-	1061939	6.23	1067583	-	1067583	6.27	0.03
c.	Any Other (specify)									
i.	Trusts	300	-	300	-	300	-	300	-	-
ii.	Foreign Companies	-	-	-	-	-	-	-	-	-
iii.	Clearing Members/Clearing Houses	100264	-	100264	0.59	69920	-	69920	0.41	(0.18)
iv.	Hindu Undivided Families	926888	-	926888	5.44	886641	-	886641	5.20	(0.24)
v.	Non-Resident Indians (Non Repat)	90284	200	90484	0.53	49885	200	50085	0.29	(0.24)
vi.	Non-Resident Indians(Repatriated)	172917	-	172917	1.01	100102	-	100102	0.59	(0.42)
vii.	Directors and their relatives	200	-	200	-	200	-	200	-	-
viii.	NBFCs registered with RBI	200	-	200	-	200	-	200	-	-
<b>Sub-Total (B) (2)</b>		<b>6606988</b>	<b>173758</b>	<b>6780746</b>	<b>39.79</b>	<b>6762457</b>	<b>172058</b>	<b>6934515</b>	<b>40.70</b>	<b>0.90</b>
<b>Total Public Shareholding (B)=(B)(1) + (B) (2)</b>		<b>6760887</b>	<b>174458</b>	<b>6935345</b>	<b>40.70</b>	<b>6762587</b>	<b>172758</b>	<b>6935345</b>	<b>40.70</b>	<b>-</b>
<b>Total (A) + (B)</b>		<b>16782182</b>	<b>257818</b>	<b>17040000</b>	<b>100.00</b>	<b>16783882</b>	<b>256118</b>	<b>17040000</b>	<b>100.00</b>	<b>-</b>
<b>C.</b>	<b>Shares held by Custodians &amp; against which Depository Receipts have been issued</b>									
		-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A) + (B) + (c)</b>		<b>16782182</b>	<b>257818</b>	<b>17040000</b>	<b>100.00</b>	<b>16783882</b>	<b>256118</b>	<b>17040000</b>	<b>100.00</b>	<b>-</b>

ii. Shareholding of Promoters								
Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2020			Shareholding at the end of the year 31.03.2021			% change in the shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Adesh Kumar Gupta (Karta)	680000	3.99	-	680000	3.99	-	-
2	Adeesh Kumar Gupta Karta)	660000	3.87	-	660000	3.87	-	-
3	Arpan Gupta Karta of Dinesh Kumar Gupta (HUF)	366012	2.15	-	366012	2.15	-	-
4	Sh. Arpan Gupta	509250	2.99	-	509250	2.99	-	-
5	Sh. Anupam Bansal	478640	2.81	-	478640	2.81	-	-
6	Sh. Ayush Bansal	300000	1.76	-	300000	1.76	-	-
7	Sh. Pulkit Bansal	300000	1.76	-	300000	1.76	-	-
8	Smt. Ruchir Bansal	300000	1.76	-	300000	1.76	-	-
9	Sh. Shammi Bansal	259640	1.52	-	259640	1.52	-	-
10	Sh. Pranav Gupta	139564	0.82	-	139564	0.82	-	-
11	Sh. Akshat Gupta	241660	1.42	-	241660	1.42	-	-
12	Sh. Vivek Bansal	233640	1.37	-	233640	1.37	-	-
13	Sh. Raman Bansal	232640	1.37	-	232640	1.37	-	-
14	Sh. Sunil Bansal	232640	1.37	-	232640	1.37	-	-
15	Sh. Adish Kumar Gupta	189360	1.11	-	189360	1.11	-	-
16	Sh. Manan Bansal	150000	0.88	-	150000	0.88	-	-
17	Sh. Vaibhav Bansal	150000	0.88	-	150000	0.88	-	-
18	Sh. Adesh Kumar Gupta	95000	0.56	-	95000	0.56	-	-
19	Smt. Rehti Devi	83360	0.49	-	83360	0.49	-	-
20	Smt. Kamlawati	13600	0.08	-	13600	0.08	-	-
21	Sh. Adarsh Gupta	11000	0.06	-	11000	0.06	-	-
22	Sh. Anmol Gupta	6132	0.04	-	6132	0.04	-	-
23	M/s Geofin Investments Private Limited	4472517	26.25	-	4472517	26.25	-	-
	<b>Total</b>	<b>10104655</b>	<b>59.30</b>	<b>-</b>	<b>10104655</b>	<b>59.30</b>	<b>-</b>	<b>-</b>

iii.	<b>Change in Promoters' Shareholding (please specify, if there is no change)</b>				
Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2020		Cumulative Shareholding during the year 31.03.2021	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
There is no change in Promoters' shareholding between 01.04.2020 to 31.03.2021					

iv.	<b>Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):</b>				
Sr. No	For Each of the top ten Shareholders	Shareholding at the beginning of the year 01.04.2020		Shareholding at the end of the year 31.03.2021	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>HARISH KUMAR GUPTA</b>				
	<b>At the beginning of the year</b>	<b>688816</b>	<b>4.042</b>		
	Date wise increase( + )/decrease(-) with reasons, during the year:				
	Date	Reason			
	<b>At the end of the year</b>			<b>688816</b>	<b>4.042</b>
2	<b>SACHIN GUPTA</b>				
	<b>At the beginning of the year</b>	<b>250000</b>	<b>1.467</b>		
	Date wise increase( + )/decrease(-) with reasons, during the year:				
	Date	Reason			
	<b>At the end of the year</b>			<b>250000</b>	<b>1.467</b>
3	<b>T Nine Logistics Private Limited</b>				
	<b>At the beginning of the year</b>	<b>75700</b>	<b>0.444</b>		
	Date wise increase( + )/decrease(-) with reasons, during the year:				
	Date	Reason			
	14 Aug 2020	Buy	7000	82700	0.485
	21 Aug 2020	Buy	3520	86220	0.506
	28 Aug 2020	Buy	700	86920	0.510
	04 Sep 2020	Buy	300	87220	0.512
	11 Sep 2020	Buy	7250	94470	0.554
	18 Sep 2020	Buy	6030	100500	0.590
	25 Sep 2020	Buy	28703	129203	0.758
	30 Sep 2020	Buy	17613	146816	0.862
	02 Oct 2020	Buy	3184	150000	0.880
	09 Oct 2020	Buy	32000	182000	1.068
	16 Oct 2020	Buy	18196	200196	1.175
	23 Oct 2020	Buy	12996	213192	1.251
	30 Oct 2020	Buy	11808	225000	1.320
	13 Nov 2020	Buy	18188	243188	1.427
	20 Nov 2020	Buy	2000	245188	1.439
	27 Nov 2020	Sell	(23220)	221968	1.303

Sr. No	For Each of the top ten Shareholders		Shareholding at the beginning of the year 01.04.2020		Shareholding at the end of the year 31.03.2021	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	04 Dec 2020	Sell	(8478)	(0.050)	213490	1.253
	11 Dec 2020	Sell	(13488)	(0.079)	200002	1.174
	18 Dec 2020	Sell	(5000)	(0.029)	195002	1.144
	22 Jan 2021	Buy	3800	0.022	198802	1.167
	29 Jan 2021	Buy	1198	0.007	200000	1.174
	19 Feb 2021	Sell	(2000)	(0.012)	198000	1.162
	<b>At the end of the year</b>				<b>198000</b>	<b>1.162</b>
4	<b>KANISHK GUPTA</b>					
	<b>At the beginning of the year</b>		<b>114000</b>	<b>0.669</b>		
	Date wise increase(+ )/decrease(-) with reasons, during the year:					
	Date	Reason				
	05 Jun 2020	Buy	56000	0.329	170000	0.998
	<b>At the end of the year</b>				<b>170000</b>	<b>0.998</b>
5	<b>SATISH KUMAR GUPTA</b>					
	<b>At the beginning of the year</b>		<b>110358</b>	<b>0.648</b>		
	Date wise increase(+ )/decrease(-) with reasons, during the year:					
	Date	Reason				
	08 May 2020	Sell	(83)	(0.000)	110275	0.647
	17 Jul 2020	Sell	(1600)	(0.009)	108675	0.638
	30 Sep 2020	Sell	(400)	(0.002)	108275	0.635
	<b>At the end of the year</b>				<b>108275</b>	<b>0.635</b>
6	<b>DHEERAJ GUPTA</b>					
	<b>At the beginning of the year</b>		<b>95240</b>	<b>0.559</b>		
	Date wise increase(+ )/decrease(-) with reasons, during the year:					
	Date	Reason				
	03 Apr 2020	Sell	(10000)	(0.06)	85240	0.500
	10 Apr 2020	Buy	5000	0.03	90240	0.530
	17 Apr 2020	Sell	(5000)	(0.03)	85240	0.500
	<b>At the end of the year</b>				<b>85240</b>	<b>0.500</b>
7	<b>BODEPUDI JEEVAN KISHORE</b>					
	<b>At the beginning of the year</b>		<b>62033</b>	<b>0.364</b>		
	Date wise increase(+ )/decrease(-) with reasons, during the year:					
	Date	Reason				
	05 Mar 2021	Buy	5	0.000	62038	0.364
8	<b>SRIKANTH DHULIPALA</b>					
	<b>At the beginning of the year</b>		<b>106542</b>	<b>0.625</b>		
	Date wise increase(+ )/decrease(-) with reasons, during the year:					
	Date	Reason				
	24 Apr 2020	Sell	(6542)	(0.038)	100000	0.587
	21 Aug 2020	Sell	(20000)	(0.117)	80000	0.469
	28 Aug 2020	Sell	(30000)	(0.176)	50000	0.293
	<b>At the end of the year</b>				<b>50000</b>	<b>0.293</b>

Sr. No	For Each of the top ten Shareholders		Shareholding at the beginning of the year 01.04.2020		Shareholding at the end of the year 31.03.2021	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	<b>SUSHILA POKHARNA</b>					
	<b>At the beginning of the year</b>		<b>36100</b>	<b>0.212</b>		
	Date wise increase (+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	03 Jul 2020	Sell	(5000)	(0.029)	31100	0.183
	10 Jul 2020	Buy	5000	0.029	36100	0.212
	28 Aug 2020	Sell	(5000)	(0.029)	31100	0.183
	09 Oct 2020	Buy	2000	0.012	33100	0.194
	<b>At the end of the year</b>				<b>33100</b>	<b>0.194</b>
10	<b>SHRI PARASRAM HOLDINGS PRIVATE LIMITED</b>					
	<b>At the beginning of the year</b>		106937	0.628		
	Date wise increase (+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	03 Apr 2020	Buy	10190	0.060	117127	0.687
	10 Apr 2020	Sell	(14221)	(0.083)	102906	0.604
	17 Apr 2020	Sell	(672)	(0.004)	102234	0.600
	24 Apr 2020	Buy	1653	0.010	103887	0.610
	01 May 2020	Sell	(516)	(0.003)	103371	0.607
	08 May 2020	Buy	5669	0.033	109040	0.640
	15 May 2020	Sell	(4457)	(0.026)	104583	0.614
	22 May 2020	Sell	(2751)	(0.016)	101832	0.598
	29 May 2020	Buy	1425	0.008	103257	0.606
	05 Jun 2020	Sell	(91691)	(0.538)	11566	0.068
	12 Jun 2020	Sell	(3054)	(0.018)	8512	0.050
	19 Jun 2020	Buy	3776	0.022	12288	0.072
	26 Jun 2020	Buy	1874	0.011	14162	0.083
	30 Jun 2020	Buy	2661	0.016	16823	0.099
	03 Jul 2020	Buy	435	0.003	17258	0.101
	10 Jul 2020	Sell	(6415)	(0.038)	10843	0.064
	17 Jul 2020	Sell	(789)	(0.005)	10054	0.059
	24 Jul 2020	Buy	8188	0.048	18242	0.107
	31 Jul 2020	Sell	(1617)	(0.009)	16625	0.098
	07 Aug 2020	Sell	(1744)	(0.010)	14881	0.087
	14 Aug 2020	Sell	(5365)	(0.031)	9516	0.056
	21 Aug 2020	Buy	2650	0.016	12166	0.071
	28 Aug 2020	Sell	(2180)	(0.013)	9986	0.059
	04 Sep 2020	Sell	(9633)	(0.057)	353	0.002
	11 Sep 2020	Buy	747	0.004	1100	0.006
	18 Sep 2020	Buy	2225	0.013	3325	0.020
	25 Sep 2020	Sell	(2975)	(0.017)	350	0.002
	30 Sep 2020	Buy	1746	0.010	2096	0.012
	02 Oct 2020	Sell	(889)	(0.005)	1207	0.007
	09 Oct 2020	Sell	(705)	(0.004)	502	0.003



Sr. No	For Each of the top ten Shareholders		Shareholding at the beginning of the year 01.04.2020		Shareholding at the end of the year 31.03.2021	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	16 Oct 2020	Sell	(202)	(0.001)	300	0.002
	23 Oct 2020	Sell	(200)	(0.001)	100	0.001
	30 Oct 2020	Buy	1138	0.007	1238	0.007
	06 Nov 2020	Buy	630	0.004	1868	0.011
	13 Nov 2020	Sell	(1118)	(0.007)	750	0.004
	20 Nov 2020	Sell	10367	0.061	11117	0.065
	27 Nov 2020	Sell	(8548)	(0.050)	2569	0.015
	04 Dec 2020	Sell	(2045)	(0.012)	524	0.003
	11 Dec 2020	Buy	869	0.005	1393	0.008
	18 Dec 2020	Sell	(1292)	(0.008)	101	0.001
	31 Dec 2020	Buy	235	0.001	336	0.002
	01 Jan 2021	Buy	44	0.000	380	0.002
	08 Jan 2021	Buy	2458	0.014	2838	0.017
	15 Jan 2021	Sell	(1738)	(0.010)	1100	0.006
	22 Jan 2021	Sell	(330)	(0.002)	770	0.005
	29 Jan 2021	Buy	330	0.002	1100	0.006
	05 Feb 2021	Sell	(415)	(0.002)	685	0.004
	12 Feb 2021	Sell	(585)	(0.003)	100	0.001
	19 Feb 2021	Buy	1225	0.007	1325	0.008
	26 Feb 2021	Sell	(1125)	(0.007)	200	0.001
	05 Mar 2021	Buy	1149	0.007	1349	0.008
	12 Mar 2021	Sell	(1249)	(0.007)	100	0.001
	19 Mar 2021	Buy	540	0.003	640	0.004
	26 Mar 2021	Sell	(538)	(0.003)	102	0.001
	31 Mar 2021	Sell	(2)	(0.000)	100	0.001
	<b>AT THE END OF THE YEAR</b>				<b>100</b>	<b>0.001</b>

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 01.04.2020		Cumulative Shareholding during the year 31.03.2021	
					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	01.04.2020	At the beginning of the year	95,000	0.56	95,000	0.56
			31.03.2021	At the end of the year			95,000	0.56
2	IN30154918000382	Sh. Shammii Bansal Executive Director	01.04.2020	At the beginning of the year	2,59,640	1.52	2,59,640	1.52
			31.03.2021	At the end of the year			2,59,640	1.52
3	IN30115128197297	Sh. Sunil Bansal Executive Director	01.04.2020	At the beginning of the year	2,32,640	1.37	2,32,640	1.37
			31.03.2021	At the end of the year			2,32,640	1.37
4	IN30115127865552	Sh. Adish Kumar Gupta Executive Director	01.04.2020	At the beginning of the year	1,89,360	1.11	1,89,360	1.11
			31.03.2021	At the end of the year			1,89,360	1.11
5	IN30131320186971	Sh. Ramesh Chandra Palhan* Independent Director	01.04.2020	At the beginning of the year	200	0.00	200	0.00
			31.03.2021	At the end of the year			200	0.00

\*Jointly with his wife

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

(₹ in Lakh)

		<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year					
i	Principal Amount	12,417.31	-	-	12,417.31
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>		<b>12,417.31</b>	<b>-</b>	<b>-</b>	<b>12,417.31</b>
Change in indebtedness during the financial year					
i	Addition	1,302.87	-	-	1,302.87
ii	Reduction	(3,997.61)	-	-	(3,997.61)
<b>Net Change</b>		<b>(2,694.74)</b>	<b>-</b>	<b>-</b>	<b>(2,694.74)</b>
Indebtedness at the end of the financial year					
i	Principal Amount	9,722.57	-	-	9,722.57
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>		<b>9,722.57</b>	<b>-</b>	<b>-</b>	<b>9,722.57</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

<b>A.</b>	<b>Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>						
<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Name of MD/WTD/Manager</b>					<b>(₹ in Lakh)</b>
		<b>Sh. Adesh Kumar Gupta</b>	<b>Sh. Shammi Bansal</b>	<b>Sh. Sunil Bansal</b>	<b>Sh. Adish Kumar Gupta</b>	<b>Sh. Ashok Kumar</b>	<b>Total Amount</b>
1	Gross Salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	39.00	39.00	39.00	39.00	12.53	168.53
	(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	-	-	-	-	-	-
	<b>Total (A)</b>	<b>39.00</b>	<b>39.00</b>	<b>39.00</b>	<b>39.00</b>	<b>12.53</b>	<b>168.53</b>
	Ceiling as per the Act (@10% of profits calculated under Section 198 of the Companies Act, 2013)						46.29

(₹ in Lakh)

<b>B. Remuneration to other Directors</b>					
<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Fee for attending board/committee meetings</b>	<b>Commission</b>	<b>Others, please specify</b>	<b>Total Amount</b>
<b>1</b>	<b>Independent Directors</b>				
	Sh. Raghubar Dayal	2.25	-	-	2.25
	Sh. Ramesh Chandra Palhan	2.25	-	-	2.25
	Sh. Arvind Bali Kumar	1.00	-	-	1.00
	Sh. Aditya Khemka	1.00	-	-	1.00
	Smt. Lovelena Mody	1.00	-	-	1.00
	<b>Total (1)</b>	<b>7.50</b>	<b>-</b>	<b>-</b>	<b>7.50</b>
<b>2</b>	<b>Other Non-Executive Directors</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B) = (1 + 2)</b>	<b>7.50</b>	<b>-</b>	<b>-</b>	<b>7.50</b>
	<b>Total Managerial Remuneration (B)</b>	<b>7.50</b>	<b>-</b>	<b>-</b>	<b>7.50</b>
	Ceiling as per the Act (@1% of profits calculated under Section 198 of the Companies Act, 2013)				4.62

<b>C. Remuneration to Key Managerial Personnel (KMP) other than MD/Manager/WTD</b>				(₹ in Lakh)
<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Name of KMP</b>	<b>Total Amount</b>	
		<b>Sh. Munish Kakra, CFO &amp; Company Secretary</b>		
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	33.55	33.55	
	(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	-	-	
	<b>Total</b>	<b>33.55</b>	<b>33.55</b>	

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENSES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2021

For and on behalf of the  
Board of Directors**Adesh Kumar Gupta**  
Chairman of the Meeting  
DIN: 00143192Place: Gurugram, Haryana  
Dated: Wednesday, 11th, August, 2021

## 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. In Liberty, CSR initiatives are being undertaken long before the implementation of new provisions of Section 135 of the Companies Act, 2013. Liberty is committed to further strengthen its effort and activities by demonstrating care for the community through its focus on education and development of skills, health and wellness including treatment for poor, needy & underprivileged people, making efforts for environment sustainability including promotion of green initiatives and Improvement of the living conditions of inhabitants and supporting to disaster relief efforts etc.

The CSR Committee constituted under the Act provides oversight of CSR policy execution to ensure that the CSR objective of the Company are met and it reviews and looks after the activities of CSR including identifying the areas of CSR as per the provisions of the Act. The projects to be undertaken

are within the broad framework of schedule VII of the Companies Act, 2013.

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

#### 2. Composition of CSR Committee:

The Board of Directors of your Company has constituted a CSR Committee of Directors in terms of the requirement of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 to identify, approve and monitor proper execution and implementation of the CSR projects and CSR activities undertaken by the Company.

Sr. No	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sh. Shammi Bansal	Chairman	1	-
2	Sh. Adish Kumar Gupta	Member	1	1
3	Sh. Raghubar Dayal	Member	1	1
4	Sh. Ramesh Chandra Palhan	Member	1	1
5	Smt. Lovelena Mody	Member	1	1

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

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

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

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

Not Applicable

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

Not Applicable

**6. Average net profit of the Company as per section 135 (5) of the Companies Act, 2013: ₹1462 Lakh****7. CSR obligation for the Financial Year (2020-21):**

(₹ in Lakh)

(a)	Two percent of average net profit of the Company as per Section 135 (5) of the Companies Act, 2013	29.25
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
(c)	Amount required to be set off for the financial year, if any	NIL
(d)	Total CSR obligation for the Financial Year (2020-21) (7a + 7b - 7c)	29.25

**8. (a) CSR amount spent or unspent for the financial year(2020-21):**

Total amount spent for the Financial Year (Amount in ₹ Lakh)	Amount Unspent (in ₹. Lakh)				
₹ 30.10	Total Amount transferred to Unspent CSR Account as per Section 135 (6) of the Companies Act, 2013		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5) of the Companies Act, 2013		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	Not Applicable				

**(b) Details of CSR amount spent against ongoing projects for the financial year(2020-21):**

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



## © Details of CSR amount spent against other than ongoing projects for the financial year (2020-21):

(₹ in Lakh)

Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in for the project (in ₹ Lakh)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation- Through Implementing Agency	
				State	City/District			Name	CSR Registration No.
1	Promotion of Quality education in the Schools- (a) Girl Child Counseling, Education and career development (b) Skill enhancement and other training to Women for earning their livelihood (c) Providing Free of cost Books, Bags and Uniforms to Unprivileged children (d) Support with nutritious meals	Promoting Education, gender equality, Women empowerment	Both	Uttarakhand and Delhi	Dehradun and New Delhi	6.45	Both	Aasraa Trust	CSR000000096
2	Setting up- Water Check Dam and Tree Plantation	Conservation of natural resources and maintaining quality of soil, air and water	Both	Rajasthan and Haryana	Alwar and Karnal	7.98	Yes	-	-
3	Donation- restoration & reconstruction of building of National heritage.	Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art	No	Uttar Pradesh	Ayodhya	3.02	Yes	-	-

4	Distribution of Food kits, Hygiene and sanitation goods	-COVID-19 initiative -Disaster Relief	Yes	Haryana and Uttarakhand	Karnal and Chamoli	11.19	Both	Himalayan Institute Hospital Trust	CSR00007381
5	Promotion of Fitness & Sports amongst the Youth from the Community	Promoting Sports	Yes	Haryana	Karnal	1.46	Yes	-	-
<b>Total</b>						<b>₹ 30.10</b>			

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (2020-21) (8b+8c+8d+8e): ₹ 30.10 Lakh

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

Sr. No	Particulars	Amount in ₹ Lakh
1.	Two Percent of average net profit of the Company as per Section 135 (5) of the Companies Act, 2013	29.25
2	Total Amount spent for the Financial Year	30.10
3	Excess amount spent for the Financial Year [(2)-(1)]	0.85
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(3)-(4)]	0.85

**9 (a) Details of Unspent CSR Amount for the preceding three financial years (2020-21):**

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

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

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

<b>10</b>	<b>In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (2020-21) (asset wise details):</b>	
(a)	Date of creation or acquisition of the capital asset(s)	Nil
(b)	Amount of CSR spent for creation or acquisition of capital asset(s)	Nil
(c)	Detail of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Nil
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Nil

**11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) of Companies Act, 2013-Not Applicable**

For and on behalf of the Board of Directors

**Adesh Kumar Gupta**  
CEO & Executive Director  
DIN: 00143192

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

Place: Gurugram, Haryana  
Dated: Wednesday, 11th, August, 2021

## ANNEXURE VI TO DIRECTORS' REPORT

### Annexure 'A'

Disclosure of particulars under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the financial year ended 31st March, 2021, are given as under:

#### A) CONSERVATION OF ENERGY:

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

Conservation of energy, by default, has been the prime focus area of Liberty. Few of the energy conservation initiatives taken during the financial year ended 31st March, 2021 are given below:

- i. Improvement of operational efficiency of automated machine further for rationalizing power consumption.
- ii. Strict discipline at Retail Stores for switching off AC, Fans & Lights during off time or when no customers at stores.
- iii. Installation of automatic light sensors at few of its production facilities/offices.

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

The Company has already installed solar power plant at its Libertypuram manufacturing facilities to provide energy savings leading to reduction of energy cost.

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

The Company for the year under consideration has not made any major capital investment on energy conservation equipments.

#### B) TECHNOLOGY ABSORPTION:

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

Liberty's team has focused and made efforts for process development, product innovation, waste utilization and enhancing of safe work environment keeping in view optimum utilization of technology at minimal costs.

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

1. Innovative Ideas implementation for new brands with technological touch in the Product.
2. Launch of new products with indigenous materials.

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

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

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

The Company has not incurred any major capital expenditure towards its research and development activities, however, has spent ₹15.70 Lakh as recurring expenditures towards its development activities.

This expenditure constitutes 0.03% of the turnover of the Company for the year under consideration.

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

During the year, the Company has earned foreign exchange of ₹2,486.18 Lakh (previous year ₹2917.79 Lakh) and used foreign exchange of ₹1786.59 Lakh (previous year ₹3053.50 Lakh).

For and on behalf of the  
Board of Directors

**Adesh Kumar Gupta**  
Chairman of the Meeting  
DIN: 00143192

Place: Gurugram, Haryana  
Dated: Wednesday, 11th, August, 2021

## FORM NO. MR-3

# SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members**

**Liberty Shoes Limited**

**(CIN: L19201HR1986PLC033185)**

**Liberty Puram, 13 Milestone,**

**GT Karnal Road, Kutail,**

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Liberty Shoes Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

## We report that

- a) Maintenance of secretarial records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion;
- c) We have not verified the correctness and appropriateness of the financial statements of the Company;
- d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.;
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis;
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- g) Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ("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:
- h) We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:
  - (i) The Companies Act, 2013 (the "Act") and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (wherever applicable);
  - (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI Insider Trading Regulations");



- (c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & 2018;
- (d) \*The Securities and Exchange Board of India (Share based Employee Benefits) 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 regarding the Companies Act and dealing with client;
- (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015 ("SEBI LODR Regulations").

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

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, with which the Company has generally complied with.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above.

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

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes that took place during

the year under review in the composition of the Board of Directors were carried out in compliance with the provisions of the Companies Act, 2013.

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

Board decisions were carried out with majority consent and dissenting views wherever given were captured and recorded as part of the minutes.

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

For JVS & Associates  
Company Secretaries

**Jyoti Sharma**

Proprietor

CP No. 10196,

Membership. No. FCS 8843

Firm Registration No.: I2011DE848300

(UDIN: F008843C000439801)

Place: New Delhi

Dated: Wednesday, 9th, June, 2021

## 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], (as amended)

### 1. Company's philosophy on Code of Governance

Liberty's governance philosophy is not just a mere compliance of legal obligation but is based on trusteeship, transparency and accountability with a vision to create long term sustainable value for its stakeholders. It is not a mere compliance of laws, rules and regulations, but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. The Company continues to focus its resources, strengths and strategies to achieve the vision of becoming a leader in its product category while upholding the core values of Quality, Trust, Leadership and Excellence.

Liberty continues to follow the best Corporate Governance practices and continuously reviews them to further strengthen for the enhancement of stakeholders' confidence.

### 2. Board of Directors

#### (a) Composition and Category of Directors

The Board of Directors is entrusted with the overall responsibility of the management, affairs and performance of the Company and has been 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 has also a woman Director which brings diversity on the Board.

As on date of this report, the Board of Directors of the Company comprises of 10 (ten) Directors including

(1) one woman Director, out of which 5 (Five) are Executive Directors and 5 (Five) are Non Executive Independent Directors. Out of the said 5 Executive Directors, 4 are representing Promoter group of the Company.

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

Sh. Adesh Kumar Gupta, CEO & Executive Director of the Company, acted as Chairman of all the Board meetings held during the financial year 2020-21.

Executive Directors perform their duties within the powers and key role areas fixed under respective Service Contracts and discharge their responsibilities in the manner approved by the Members of the Company in terms of the Corporate Governance practices followed by the Company to conduct the authorized business.

Accordingly, Board of the Company draws the annual operating plans, budgets/policies in accordance with the Company's vision to its productivity and profitability.

None of the Directors of the Company has any other material pecuniary relationship with the Company.

In pursuance of Para C (2), Schedule V to the Listing Regulations, the Board has identified the core skills/expertise/competencies that are desirable for the Company to function effectively in the context of its business of the Company and its Sector. These core skills/expertise/competencies are actually available with the Board in the following manner:

Area	Core skills/expertise/competencies in specific functional area	Name of the Directors
Diversified Leadership, Business strategies and Planning	Diversified experience in leading well governed large organizations with an understanding of complex business and regulatory environment, accountability, strategic Planning with future vision, having decision making capabilities, ability for innovation, ability to analyse future business opportunities and decide business combinations, ability to conceive and conceptualize new business ideas, set up new ventures and business units, cross boarder dealings and ability to set up International business and Export related management, strategies business operations and development of new business processes.	Sh. Adesh Kumar Gupta Sh. Shammi Bansal Sh. Aditya Khemka Sh. Arvind Bali Kumar
Finance, Legal and Regulatory Compliance	Leadership experience in handling financial management, risk management, development governance practices, maintaining management accountability, ability to understand commercial, & Financial matters, ability to handle legal issues and regulatory compliances	Sh. Adesh Kumar Gupta Sh. Sunil Bansal Sh. Shammi Bansal Sh. Ashok Kumar Sh. Raghubar Dayal Sh. Ramesh Chandra Palhan

Area	Core skills/expertise/competencies in specific functional area	Name of the Directors
Production development, and Manufacturing	Experience of production development, ability to select appropriate product and Raw material mix, manufacturing of higher qualitative products, ability to introduce new and innovative production processes and modern technologies	Sh. Adesh Kumar Gupta Sh. Shammi Bansal Sh. Sunil Bansal Sh. Ramesh Chandra Palhan
Sales, Marketing & Branding	Experience of accomplishing Sales, understanding of market and consumers, Marketing strategies, Understanding of Domestic and International fashion trends, branding strategies, merchandising strategies and business promotion programmes	Sh. Adesh Kumar Gupta Sh. Shammi Bansal Sh. Ramesh Chandra Palhan Sh. Arvind Bali Kumar Sh. Aditya Khemka
Business Administration, Crisis management and Human Resource Management	Experience in development of good administration practices for complex businesses and environment, ability of problem solving and management of crisis, identifying best Human Resource practices and implementation, ability to handle administration and Human Resource related issues and ensuring related regulatory compliances	Sh. Adesh Kumar Gupta Sh. Shammi Bansal Sh. Adish Kumar Gupta Sh. Ashok Kumar Sh. Raghubar Dayal Smt. Lovelena Mody Sh. Arvind Bali Kumar Sh. Aditya Khemka

**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, 2021 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, 2021	No. of Committee		List of Directorship held in other Listed Company & Category
						Member-ship	Chairman-ship	
1.	Sh. Adesh Kumar Gupta	00143192 Promoter & ED	5(5)	Yes	5	-	-	-
2	Sh. Shammi Bansal	00138792 Promoter & ED	5(4)	Yes	2	1	1	-
3	Sh. Sunil Bansal	00142121 Promoter & ED	5(5)	Yes	1	-	-	-
4	Sh. Adish Kumar Gupta	00137612 Promoter & ED	5(5)	Yes	2	-	-	-
5	Sh. Ashok Kumar	06883514 ED	5(4)	Yes	-	-	-	-
6	Sh. Raghubar Dayal*	00481803 NED (I)	5(5)	Yes	-	-	-	-
7	Sh. Ramesh Chandra* Palhan	05241019 NED (I)	5(5)	Yes	-	-	-	-
8	Sh. Aditya Khemka	00514552 NED (I)	5(4)	Yes	6	-	-	-
9	Sh. Arvind Bali Kumar	02520675 NED (I)	5(4)	Yes	2	-	-	-
10	Smt. Lovelena Mody	01279148 NED (I)	5(4)	Yes	1	-	-	-

- ED (Executive Director)/NED (I) (Non Executive Independent)

\* The two terms of Independent Directors will come to an end on 28th September, 2021.

**(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 2020-21, 5 (Five) Board Meetings were held viz. on 30th June, 31st July, 15th September, 9th November, 2020 and 12th February 2021. 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. Considering the severity of the situation, the Ministry of Corporate Affairs vide its General Circular No. 11/2020, dated March 24, 2020 and SEBI, vide circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/38 dated March 19, 2020 and Vide Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/110 dated June 26, 2020, had relaxed the requirement of the maximum stipulated time gap of 120 days between two meetings of the Board and Audit Committees of listed entities, as is required under Section 173 of the Companies Act, 2013 and Regulation 17(2) and 18(2)(a) of SEBI LODR Regulations, 2015. In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 or act as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. The Audit Committee and Stakeholders' Relationship Committee are only considered in computation of limits. Further all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any changes in their positions. Necessary disclosures regarding committee positions in other public Companies as on March 31, 2021 have been made by the directors. As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, any of the Whole Time Directors of the Company does not serve as an Independent Director in any listed entity. The Board periodically reviews compliance reports of all applicable laws to the Company, prepared by the Company.

**Post-Meeting Follow up system**

After the Board meeting, we have formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and sub committees of the Board.

**Post-Meeting Follow up system**

After the Board meeting, we have formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and sub committees of the Board.

**(d) Independent Directors and Familiarization Programme**

In the opinion of the Board of Directors, all the Independent Directors of the Company are satisfying the requirements as specified in the Regulation 25 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to qualify to act as Independent Directors of the Company and actively participate in the Meetings held from time to time for providing the necessary guidance/suggestions for protecting the interest of investors/stakeholders. The suggestions received from the Independent Directors are suitably observed by the management for its beneficial implementation. All the Non Executive Independent Directors propose to be appointed/existing on the Board have given a declaration under Section 149 (7) that he/she meets the criteria of Independence as provided in Section 149 (6) of the Companies Act, 2013 and also under Regulation 16 (1) (b) of SEBI (Listing 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 12th February, 2021 inter-alia to evaluate the performance of the Board, its Committees, Chairman, individual Directors of the Company and to assess the quality, quantity and timeliness of flow of information between the company management and the Board. The meeting was attended by all the independent Directors.

#### **Familiarization Programme for Independent Directors**

In order to encourage active participation of Independent Directors and in order to understand the business environment, the Company has been familiarizing the Independent Directors on its Board with detailed presentations by its business functional heads on the

Company operations, strategic business plans, new products and technologies, including significant aspects of the Industry and its future outlook. Once appointed, the Non Executive & Independent Directors undergo the familiarization program of the Company. The Non executive & Independent Directors are also provided with financial results, internal audit findings and other specific documents as sought from time to time. They are also made aware of the various Policies and Code of Conduct and business ethics adopted by the Board. Details of familiarization programs extended to the Non Executive & Independent Directors during the year are disclosed on the Company website [www.libertyshoes.com](http://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](http://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 2020-21, ₹7,50,000/- 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](http://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, 2021.

**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:**

(a) Brief particulars of Sh. Adesh Kumar Gupta and Sh. Ashok Kumar, who will be retiring by rotation and being eligible, offers themselves for the re-appointment in the ensuing Annual General Meeting.

**Sh. Adesh Kumar Gupta (CEO & Executive Director)**

Sh. Adesh Kumar Gupta, aged about 61 years, a graduate in B.SC. (Engineering), has been working as Director of the Company since 1990 and Executive Director since 2001. He has been looking after the overall affairs of the Company as a CEO since 2004. As a CEO, he has been instrumental in formulating Company's strategies and providing his vital contribution for the effective functioning of the Company. He has been embraced by many prestigious awards and in the past, he has been a key functionary of Confederation of Indian Industry. He is active Chairman of Council for Footwear Leather and Accessories (CFLA) and has been instrumental since its inception to strategies the various initiatives and in formulating the policies for the sector and making representations to the Central and State Governments and other Departments for elevating the Sector. He will be retiring by rotation from the Board of Directors of the Company and being eligible, offers himself for the re-appointment in the ensuing Annual General Meeting. He belongs to the Promoters Group of the Company and presently holds 95000 Equity Shares (other than HUF) in the Company.

**Sh. Ashok Kumar (Executive Director)**

Sh. Ashok Kumar, aged about 53 years, has been working with the Company as Executive Director. He is a Law Graduate and has been advising the Company on various legal matters for last several years. Initially he was appointed as Additional Director of the Company on 23rd January, 2015 and promoted as Executive Director of the Company during the year 2015. He will be retiring by rotation from the Board of Directors of the Company and being eligible, offers himself for the re-appointment in the ensuing Annual General Meeting. He neither belongs to the Promoter Group of the Company & nor holds Equity Shares in the Company.

(b) Brief particulars of Sh. Adesh Kumar Gupta, whose candidature is proposed for re-appointment as CEO & Executive Director and Sh. Shammi Bansal, Sh. Sunil Bansal, Sh. Adish Kumar Gupta and Sh. Ashok Kumar, whose candidature are proposed for re-appointment as an Executive Director in the ensuing Annual General Meeting:

**Sh. Adesh Kumar Gupta (CEO & Executive Director)**

Sh. Adesh Kumar Gupta, aged about 61 years, a graduate in B.SC. (Engineering), has been working as Director of the

Company since 1990 and Executive Director since 2001. He has been looking after the overall affairs of the Company as a CEO since 2004. He was re-appointed as CEO & Executive Director of the Company for a period of five years w.e.f. 1st April, 2005. Subsequently after expiry of the above period he was re-appointed for a further period of five years w.e.f. 1st April, 2010 and then again re-appointed for a further period of three years w.e.f. 1st April, 2015 to 31st March, 2018. After expiry of above tenure he was then re-appointed as CEO & Executive Director for a period of three years from 1st April, 2018 to 31st March, 2021. As a CEO, he has been instrumental in formulating Company's strategies and providing his vital contribution for the effective functioning of the Company. He has been embraced by many prestigious awards and in the past, he has been a key functionary of Confederation of Indian Industry. He is also a Chairman of Council for Footwear Leather and Accessories (CFLA) and has been instrumental since its inception to strategies the various initiatives and in formulating the policies for the sector and making representations to the Central and State Governments and other Departments for elevating the Sector. He has made tremendous contribution in respect of Institution, overseas business and overall growth of the Company since his association with the Company. He is having more than three decades of dynamic experience in footwear industry. As per the terms of last re-appointment, the tenure of Sh. Adesh Kumar Gupta as CEO & Executive Director expired on 31st March, 2021 and in view of his valuable contribution and considering his expertise, the Board of Directors at their Meeting held on 12th February, 2021 have proposed the re-appointment of Sh. Adesh Kumar Gupta as CEO & Executive Director for a further period of 3 years from 1st April, 2021 to 31st March, 2024 subject to the approval of the Members of the Company in the ensuing Annual General Meeting.

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

Sh. Shammi Bansal, aged about 60 years, has been associated with the Company as a Director since 1990 and promoted as Executive Director in 1995. He was then re-appointed as Executive Director of the Company for a period of five years w.e.f. 1st April, 2005 and subsequently after expiry of above period again re-appointed for further period of five years w.e.f. 1st April, 2010 and then re appointed for further period of three years w.e.f. 1st April, 2015 to 31st March, 2018. After expiry of said tenure he was then re appointed for further period of 3 years w.e.f. 1st April, 2018 to 31st March, 2021.

During his association with the Company, he has been accredited with various initiatives in the field of leather and footwear technology including use of E.P. Polymers, induction of E.V.A. compound in Indian footwear Industry.



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

Further, as per the terms of last re-appointment, the tenure of Sh. Shammi Bansal as Executive Director expired on 31st March, 2021 and in view of his valuable contribution and considering his expertise, the Board of Directors at their Meeting held on 12th February, 2021 have proposed the re appointment of Sh. Shammi Bansal as Executive Director for a further period of 3 years from 1st April, 2021 to 31st March, 2024, subject to the approval of the Members of the Company in the ensuing Annual General Meeting.

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

Sh. Sunil Bansal, aged 61 years, has been acting as Director of the Company since 1990. He has been looking after the product development operations and ensuring the manufacturing of higher qualitative products by heading the quality department of the Company. He has over three decades of rich experience in footwear industry. He is also guiding the leather shoes production team with his appreciable expertise. He was elevated to the position of Executive Director at 23rd Annual General Meeting of the Company for a period of 5 years w.e.f. 1st January, 2009. The said tenure of his appointment expired on 31st December, 2013 as per the terms of his appointment. He was then re-appointed as Executive Director of the Company for a further period of five years w.e.f. 1st January, 2014 to 31st December, 2018. After expiry of said tenure, he was then re-appointed as Executive Director for further period from 1st January, 2019 to 31st March, 2021.

As per the terms of last re-appointment, the tenure of Sh. Sunil Bansal as Executive Director expired on 31st March, 2021 and in view of his valuable contribution and considering his expertise, the Board of Directors at their Meeting held on 12th February, 2021 have proposed the re appointment of Sh. Sunil Bansal as Executive Director for a further period of 3 years from 1st April, 2021 to 31st March, 2024, subject to the approval of the Members of the Company in the ensuing Annual General Meeting.

#### **Sh. Adish Kumar Gupta (Executive Director)**

Sh. Adish Kumar Gupta, aged about 57 years, has been associated with the Company since last several years in different capacities and was appointed as Executive Director of the Company for a period of two years w.e.f. 1st October, 2016 and after expiry of above period again re appointed for further period from 1st October, 2018 to 31st March, 2021. He is 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.

As per the terms of last re-appointment, the tenure of Sh. Adish Gupta as Executive Director expired on 31st March, 2021 and in view of his valuable contribution and considering his expertise, the Board of Directors at their Meeting held on 12th February, 2021 have proposed the re appointment of Sh. Adish Gupta as Executive Director for a further period of 3 years from 1st April, 2021 to 31st March, 2024, subject to the approval of the Members of the Company in the ensuing Annual General Meeting.

#### **Sh. Ashok Kumar (Executive Director)**

Sh. Ashok Kumar, aged about 53 years, has been working with the Company as Executive Director. He is a Law Graduate and has been advising the Company on various legal matters for last several years. He possesses a vast wealth of knowledge and has a proven record of providing indispensable legal advice to the Company and delivering of positive outcomes for the Company. Initially he was appointed as Additional Director of the Company on 23rd January, 2015 and promoted as Executive Director of the Company for 3 years w.e.f. 1st June, 2015 to 31st May, 2018. After expiry of said tenure he was then re-appointed for further period from 1st June, 2018 to 31st March, 2021.

As per the terms of last re-appointment, the tenure of Sh. Ashok Kumar as Executive Director expired on 31st March, 2021 and in view of his valuable contribution and considering his expertise, the Board of Directors at their Meeting held on 12th February, 2021 have proposed the re appointment of Sh. Ashok Kumar as Executive Director for a further period of 3 years from 1st April, 2021 to 31st March, 2024, subject to the approval of the Members of the Company in the ensuing Annual General Meeting. Brief profile of above Directors, nature of their expertise in specific functional areas and names of Companies in which they holds directorships/chairmanships of Board committees, shareholding and relationships between directors inter se as stipulated under Companies Act, 2013, Listing Regulations and Secretarial Standards, are provided in the Annexure A to the Notice of AGM.

(c) Brief particulars of Sh. Sanjay Bhatia, Dr. Sujata and Smt. Nidhi Lal whose candidatures are proposed for appointment as Independent Directors in the ensuing Annual General Meeting:

#### **Sh. Sanjay Bhatia (Independent Director)**

Sh. Sanjay Bhatia, aged 69 years, B.Com (Hons.) LLB, is a renowned businessman having more than 40 years of experience in metal packaging Industry. Presently he is Managing Director of M/s Hindustan TIN Works Limited (leading manufacturers of tin containers for food, and non food products). Throughout his career, Mr. Bhatia has been associating with leading Chambers of Commerce and has represented the industry on various committees set up by

Central & State Governments from time to time, including Kelkar Task Force on Simplification of indirect taxes in India.

#### **Dr. Sujata (Independent Director)**

Dr. Sujata, aged 62 years, Ph. D (Psychology), is a renowned counselor and Trainer at Karnal, Haryana. She has been working as Founder Director of a Rehabilitation Society at Karnal since 1993. In the past, she was also associated as Project Officer with UNICEF and District Red Cross Society, Karnal, Haryana. She has written Books and articles on various subjects in relation to psychology, National and Spiritual aspect. Her research outcomes were published in National Journals and presented at various conferences in India and overseas Countries. Throughout her career, she has been performing various social and welfare related activities and won various awards from Govt. of Haryana like Brand Ambassador for "Beti Bachao Beti Padhao", "Sarav Dharam Samman", "Rani Jhansi", "Empowered Woman" and "Best Social Worker".

#### **Smt. Nidhi Lal (Independent Director)**

Smt. Nidhi Lal, aged 45 years, Bachelor in Education (B.Ed.), is having vast knowledge in the Securities and Commodities markets and is a Chairman of the Commodities Participants Association of India. She is having focused analytical, quick thinking, strong communications and ability to act upon market fundamentals. She has also set up various ventures in the overseas Countries for trading in securities and commodities markets. She is also holding Directorship in other Companies which are engaged in the business of trading of Securities & Commodities, Engineering, Real Estate and project Constructions. To promote the cause of India's MSME Sector to generate self employment opportunity, she was nominated as Board Member of MSME Development Forum to contribute with her vast experience, knowledge, managerial skills and resources.

Considering the requirement of Regulation 17 of SEBI LODR Regulations as regard to optimum combination of Executive and Non-executive Directors and minimum number of Independent Director on the Board due to completion of tenure of 3 existing Independent Directors, the Nomination and Remuneration Committee and Board of Directors of the Company in their respective meeting(s) held on 11th August, 2021 have recommended to the Shareholders of the Company the appointment of Sh. Sanjay Bhatia, Dr. Sujata and Smt. Nidhi Lal as Independent Directors of the Company for first term of 3 consecutive years from 29th September, 2021 to 28th September, 2024.

While proposing the name of Sh. Sanjay Bhatia, Dr. Sujata and Smt. Nidhi Lal, the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on 11th August, 2021 have also considered

that Sh. Sanjay Bhatia, Dr. Sujata and Smt. Nidhi Lal are having independent relationship with the Company, its directors, KMPs and promoters and considering their expertise, qualification and experience it was proposed to appoint them as Independent Directors of the Company for first term of 3 consecutive years w.e.f. 29th September, 2021 to 28th September, 2024. In view of above the Board is of the opinion that it is desirable to avail their respective services as Independent Directors. Brief profile of above Directors, nature of their expertise in specific functional areas and names of Companies in which they holds directorships/chairmanships of Board committees, shareholding and relationships between directors inter se as stipulated under Companies Act, 2013, Listing Regulations and Secretarial Standards, are provided in the Annexure A to the Notice of AGM.

### **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 2020-21 and the related attendance, are prescribed below:

#### **(a) Audit Committee**

The Board of Directors of the Company has constituted an Audit Committee in the year 2001 in compliance with the provisions of Listing Agreement & Section 292A of the Companies Act, 1956 and reconstituted from time to time. The Audit Committee and its composition meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. The brief description of the terms of reference of the Audit Committee as approved by the Board from time to time is as under:

- Review the annual financial statements with the management with primary focus on matters required to be included in the Directors' Responsibility Statement, changes, if any in accounting policies and practices and reasons thereof, compliance with accounting standards and guidelines of stock exchange(s), major accounting entries & related party transactions;
- Review of the quarterly and annual financial results/statements before submission to the Board for

- their approval together with quarterly and annual financial results of the subsidiary company.
- Review and assessment of the effectiveness of systems of internal financial control, risk management and compliance control with management and auditors.
  - Recommendation of appointment, re-appointment, replacement and removal of the internal auditors, cost auditors and statutory auditors of the Company, fixation of audit fees and approving payments for any other services.
  - Assessment of the independence and performance of the auditors and effectiveness of audit process.
  - Review of the management discussions and analysis of financial conditions and results of the operations.
  - Valuation of undertakings or assets of the Company, wherever necessary.
  - Scrutiny of inter-corporate loans and investments.
  - Reviewing the adequacy of internal audit function including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - Reviewing, with the management, performance of the statutory and internal auditors, adequacy of the internal control systems.
  - Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter.
  - Review of the reports of statutory and internal auditors and discussion about their findings with the management and suggesting corrective measures wherever necessary.
  - Reviewing the findings of any internal investigations by the internal auditors in to matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Look into the reasons for substantial defaults, if any, in the payment of creditors of the Company and any substantial defaults, if any, made by the debtors of the Company along with the reasons thereof.
  - Review of prevailing accounting policies and compliances with regard to statutory requirements.
  - Periodical review of related party transactions carried out by the Company and approval or any subsequent modification of transactions of the Company with related party.
  - Approving the appointment of the CFO before finalization of the same by the management. Further while approving the appointment, it shall assess the qualifications, experience and background etc. of the candidate.
  - Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
  - Ensuring the compliance of the provisions of Listing Regulations laid down by the Stock exchange(s)/SEBI and legal requirements concerning financial statements.
  - Discussing with external auditors before audit is commenced the nature and scope of audit as well as having post-audit discussions to ascertain areas of concern, if any.
  - To review the functioning of the Whistle Blower mechanism.
  - To approve and review the related party transactions of the Company and to make criteria for approving the same.
  - To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary existing and future exceeding the threshold limits as provided under the SEBI Guidelines.
  - Any other matter referred to the Audit Committee by the Board of Directors of the Company. In addition, the Audit Committee also mandatorily reviews the following:
    - Management Discussion and analysis of financial condition and results of operations;
    - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    - Management letters/letters of Internal control weakness, if any, issued by the Statutory Auditors;
    - Internal audit reports relating to internal control weakness; and
- The appointment, removal and terms of remuneration of the Internal Auditor.

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

The Members of Audit Committee of the Board comprise of one Executive Director and two Non Executive Independent Directors.

Sh. Raghubar Dayal, Independent Director, 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Members of the Audit Committee are "financially literate" as defined under Regulation 18 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

### Meetings held during the year

During the financial year 2020-21, 4 (Four) Audit Committee meetings were held on 31st July, 15th September, 9th November, 2020 and 12th February 2021. 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, 2021 were reviewed by the Audit Committee in its Meeting held on 30th June, 2021. Necessary Quorum was present in the Audit Committee Meetings.

The Statutory Auditors and Internal Auditors of the Company were invariably invited to attend the Meetings and also to participate in the deliberation(s) on the crucial issues wherever required.

### (b) Nomination and Remuneration Committee

The Company has a duly constituted Nomination & Remuneration Committee, which among others is responsible for identifying and recommending persons who are qualified to become Directors or appointed as KMPs of the Company and laying down remuneration policy for the Directors, KMPs and other employees of the Company. Further, the Company seeks the expertise of the outside consultants as and when needed for analyzing the policies of the Company in relation to appointment and payment of remuneration to Senior Level Executive(s) and Staff. Sh. 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended:

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 3) devising a policy on diversity of Board of directors;
- 4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- 5) recommend that whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- 6) recommend to the board, all remuneration, in whatever form, payable to senior management of the Company.

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

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

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

**Meetings held during the year**

During the financial year 2020-21, the meetings of the members of the Nomination and Remuneration Committee were held on 9th November, 2020 and 12th February, 2021.

**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. 44

During the year under review, the Company has complied with all the criteria of Evaluation as envisaged in the SEBI Circular on "Guidance Note on Board Evaluation". Based on the Performance Evaluation process and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have considered, approved and recommended the re-appointment of Sh. Adesh Kumar Gupta as CEO & Executive Director and Sh. Shammi Bansal, Sh. Sunil Bansal, Sh. Adish Kumar Gupta and Sh. Ashok Kumar as Executive Director and proposed the appointment of Sh. Sanjay Bhatia, Dr. Sujata and Smt. Nidhi Lal as Independent Directors of the Company for a first term of 3 consecutive years w.e.f. 29th September, 2021 to 28th September, 2024 at the ensuing AGM for the approval of the Members by way of Special resolution(s) and Ordinary resolution(s) respectively.

**Nomination and Remuneration policy**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee of the Board, has approved and adopted a Nomination and Remuneration Policy for Directors, KMPs and other employees. The Nomination and Remuneration Policy of the Company is reviewed by Nomination and Remuneration Committee of the Board as and when the need arises and the required changes made therein. 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 is available on the website of the Company viz. [www.libertyshoes.com](http://www.libertyshoes.com) and set out in Annexure I 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 and KMPs are as under:

- The appointment of Directors and KMPs of the Company and remuneration of new Directors on Board, Key Managerial Personnel and other employees shall be made on the basis of core competency, expertise, experience, qualification etc. and/or subject to the approval of the approving authority, wherever applicable.
- 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.
- Evaluation of the overall performance of the Non executive & Independent Directors of the Company shall be determined by the terms of the policy.
- Remuneration of the Senior Management employees and Key Managerial Personnel will be fixed annually considering performance of the Company as well as their individual performance and achievements corresponding to their goals set during the year.

**Remuneration to Directors**

- Criteria for payment to Non-Executive Directors (NEDs)**



The Non-executive Directors receives remuneration by way of sitting fee for attending meetings of the Board and Audit Committee thereof. The sitting fee to Non Executive Directors as determined by the Board is presently ₹25,000/- for attending each meeting of the Board and Audit Committee thereof. The Board of Directors may review the amount of sitting fee and decide the same from time to time in terms of the provisions of Companies Act, 2013 and Listing Regulations. In terms of the provisions of Section 197 of the Companies Act, 2013, a Company may pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by other to the maximum of 1% or 3% of the net profits, as the case may be.

Thus, the basis of payment to the NEDs is the net profit of the Company. The Company is however not obligated to remunerate its NED.

• **Pecuniary relationship or transactions of the Non Executive Directors vis-à-vis the Company:-**

The Company has not carried out any transactions, whether material in nature or not, with the Non Executive Directors of the Company. Accordingly, no remuneration has been paid to Non Executive Directors during the year.

• **Criteria for payment to Executive Directors (Eds) and All elements of remuneration package of individual Director:**

The remuneration paid to Executive Directors are recommended by the Nomination and Remuneration Committee and approved by the Board in the Board Meeting, subject to the subsequent approval by the shareholders at the General Meeting and such authorities, as the case may be. The remuneration is fixed considering the various factors such as

qualification, experience, expertise, prevailing remuneration in the industry and financial position of the Company. All the Executive Directors have been paid by way of remuneration on the basis of Company's policy in respect of payment of remuneration which involves the following elements of remuneration package:

• **Salary:**

Consolidated monthly remuneration of ₹4,00,000/- per month to Four Executive Directors each and ₹1,38,000/- 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 ₹1,38,000/- 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 2020-21, 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	39,00,000	NIL	NIL	NIL
2.	Sh. Shammi Bansal	Executive Director	39,00,000	NIL	NIL	NIL
3.	Sh. Sunil Bansal	Executive Director	39,00,000	NIL	NIL	NIL
4.	Sh. Adish Kumar Gupta	Executive Director	39,00,000	NIL	NIL	NIL
5.	Sh. Ashok Kumar	Executive Director	12,53,376	NIL	NIL	NIL



**Notes:**

- No incentives, whether fixed or performance linked, were given to the Executive Directors during the year under consideration.
- The Company has so far not offered Equity Shares under stock option scheme to its Director(s)/Employee.
- None of the Non - Executive Directors of the Company holds any Equity Shares in the Company except Sh. Ramesh Chandra Palhan who is holding 200 Shares (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 Nomination and Remuneration Committee satisfies itself with regard to the experience, qualification, past relationship/association of the Director with the Company etc.

The Committee also ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013. On the recommendation of Committee, the Board and shareholders approve the appointment of the Directors. At the time of appointment of Director, the Company executes a separate service agreement defining the remuneration, tenure, roles responsibilities, duties, functions, obligations and other terms and conditions of service of Directors.

In case of appointment of Independent Director, the Nomination and Remuneration Committee and Board ensure the below attributes/criteria, while recommending/appointing the Independent Directors:

- Qualification, expertise and experience of the directors in their respective fields,
- Personal, professional or business standing
- Diversity of the Board

The Committee/Board, while recommending/appointing an Independent Director, also ensures the criteria and tenure for which the Independent Director may be appointed as stated in the Companies Act, 2013 and the Listing Regulations including independent relationship of the Directors vis-à-vis the Company so as to enable the Board to discharge its functions and duties effectively. At the time of appointment of Independent Director, the Company issues letter of appointment to the Independent Directors incorporating their roles, duties, responsibilities etc.

In case of re-appointment of the Directors, the Committee/Board, besides above, also takes in to consideration the performance

evaluation of the directors and their engagement level.

Each of our Executive Directors has signed service agreement containing the terms of their employment. There is no separate provision for payment of severance fee under the resolution and service agreement governing the appointment of Executive Directors. With respect to notice period of directors, besides the provisions of service agreement, the statutory provisions will also apply. The Service agreement may be terminated by either party after giving three months' notice in writing duly served on the other party.

**c) Stakeholders Relationship Committee**

Stakeholders Relationship Committee had been constituted by the Board of Directors and was delegated with the powers to handle all the shares related issues including timely redressal of shareholders' and investors complaints like non-receipt of balance sheet, non-receipt of declared dividends etc. The Committee performs all its duties and discharges its responsibilities as per its charter fixed by the Board, which includes review of the performance of the Registrar and Share Transfer Agent of the Company and recommend measures to the Board for overall improvements in the quality of investors' services wherever required.

The terms of reference of the Stakeholders Relationship Committee is in lines with the provisions of Regulation 20(4) read with Part-D of the Schedule II of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 as amended and the brief of the same is as under:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year, the Committee met three times on 31st July, 9th November 2020 and 12th February, 2021.

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)	3(3)
2.	Sh. Adish Kumar Gupta	Member	ED	3(3)
3.	Sh. Sunil Bansal	Member	ED	3(3)
4.	Sh. Munish Kakra	Company Secretary	Secretary	3(3)

#### Name and designation of Compliance Officer

Sh. Munish Kakra, CFO & Company Secretary is the Compliance Officer of the Company and he acts as Secretary of the Committee. His contact details are as follows:

Liberty Shoes Ltd.

Ground Floor, Building No. 8, Tower A, DLF Cyber City, Phase II, Gurugram - 122002, Haryana,

Ph.: 91-0124-4616200, Fax: 91-0124-4616222,

Email Id: munish@libertyshoes.com

Status of investor reference/complaints/requests received by the Company during the year ending 31st March, 2021 stood as under:

Nature of References/Requests	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/ Complaints Pending
Non receipt of Share Certificate(s)	1	1	NIL	NIL
Unclaimed Dividend/Share Certificate	4	4	NIL	NIL
Issue of duplicate/Loss of Certificate Procedure for Issue of Duplicate Share Certificate	7	7	NIL	NIL
Change of address/ Name correction	10	10	NIL	NIL
Received from regulatory bodies such as Ministry of Corporate Affairs, SEBI (SCOREs) and Stock Exchanges etc.	NIL	NIL	NIL	NIL
Registration of NECS/ECS	1	1	NIL	NIL
<b>Total</b>	<b>23</b>	<b>23</b>	<b>NIL</b>	<b>NIL</b>

All the references/complaints received from the shareholders or from regulatory bodies during the year under review were resolved to their entire satisfaction. Apart from these queries/complaints, there is one pending case relating to dispute over title to shares in which the Company has been made a party. However the aforesaid case is not material in nature. There are 7 (Seven) cases (involving 900 Equity Shares) concerning dispute over titles to Shares, are pending with the Company as on 31st March, 2021.

#### (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 Members of the Management Committee did not meet any time.

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	Chairman	ED	-(-)
2.	Sh. Shammi Bansal	Member	ED	-(-)
3.	Sh. Adish Kumar Gupta	Member	ED	-(-)
4.	Sh. Raghubar Dayal	Member	NED(I)	-(-)
5.	Sh. Ramesh Chandra Palhan	Member	NED(I)	-(-)

#### (e) Corporate Social Responsibility Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and rules made there under, the Corporate Social Responsibility Committee was constituted by the Board of Directors in their meeting held on 29th May, 2014 which initially comprised Four Directors viz. Sh. Shammi Bansal (ED) as the Chairman and Sh. Adish Kumar Gupta, (ED) Sh. Raghubar Dayal & Sh. Ramesh Chandra Palhan {(NED)(I)} as members of the Committee. Subsequently, the Board of Directors in their meeting held on 30th May, 2016 reconstituted the composition of CSR Committee by inducting Smt. Lovelena Mody {(NED)(I)} 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(-)
2.	Sh. Adish 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(1)

During the year 2020-21, one meeting of the Corporate Social Responsibility Committee was held on 12th February, 2021.

#### CSR Policy

The Board of Directors on the recommendation of the CSR Committee has approved the CSR policy of the Company

during the financial year 2014-15 and the same was amended by Board of Directors in their meeting held on 11th August, 2021 in compliance of amended CSR Rules. The Revised CSR policy is available on the website of the Company viz. [www.libertyshoes.com](http://www.libertyshoes.com).

#### 4. Governance through Management process

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

## 5. Subsidiary Monitoring Framework

The Company had one Wholly Owned Overseas Subsidiary M/s Liberty Foot Fashion Middle East FZE (LFF), Dubai and during the year ended 31st March, 2018, the Company has initiated the steps to liquidate/dispose of its Assets without diminution/reduction of investments till the above date. As required under the applicable provisions of Listing Regulations and management practices adopted by the Company and its subsidiary Company, the Company was monitoring, till the discontinuation, the performance of its subsidiary Company, inter alia, by the (a) Periodic Financial statements (b) Minutes of the Board Meetings and/or

requisite information of the subsidiary Company (c) Periodic review by the Audit Committee of the statement of all significant transactions & arrangement entered into by the subsidiary Company.

## 6. General Body Meetings

### I. General Meeting

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

Meeting	Year	Venue	Day & Date	Time
34th Annual General Meeting	2020	*Registered Office	Wednesday, 30th September, 2020	11:00 AM
33rd Annual General Meeting	2019	Registered Office	Friday, 27th September, 2019	11:00 AM
32nd Annual General Meeting	2018	Registered Office	Friday, 24th August, 2018	11:00 AM

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

### b. Extraordinary general meeting:

No extraordinary general meeting of the members was held during the year 2020-21.

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

34 <sup>th</sup> Annual General Meeting on 30 <sup>th</sup> September, 2020	33 <sup>rd</sup> Annual General Meeting on 27 <sup>th</sup> September, 2019	32 <sup>nd</sup> Annual General Meeting on 24 <sup>th</sup> August, 2018
No. of Special Business: 1	No. of Special Business: 5	No. of Special Business: 8
1. Appointment of Sh. Arvind Bali Kumar (DIN: 02520675) as Independent Director	1. Re-appointment of Sh. Sunil Bansal (DIN: 00142121) as Executive Director 2. Re-appointment of Sh. Raghubar Dayal (DIN: 00481803) as Independent Director 3. Re-appointment of Sh. Ramesh Chandra Palhan (DIN: 05241019) Independent Director 4. Appointment of Sh. Aditya Khemka (DIN: 00514552) as Independent Director 5. Appointment of Sh. Shailendra Kumar Gupta (DIN: 00934581) as Independent Director* 6. Change in name of the Company*	1. Re-appointment of Sh. Adesh Kumar Gupta (DIN: 00143192) as CEO & Executive Director 2. Re-appointment of Sh. Shammi Bansal (DIN: 00138792) as Executive Director 3. Re-appointment of Sh. Ashok Kumar (DIN: 06883514) as Executive Director 4. Re-appointment of Sh. Adish Kumar Gupta (DIN: 00137612) as Executive Director 5. Re-appointment of Smt. Lovelena Mody (DIN: 01279148) as Independent Director 6. Alteration/Substitution of Memorandum of Association of the Company 7. Alteration of the liability Clause of the Memorandum of Association of the Company 8. Discontinuation of Wholly Owned Subsidiary of the Company Liberty Foot Fashion Middle East, FZE (LFF)

\* The same were not implemented.

Sh. Sukesh Gupta & Co., (Firm Registration No. 036441N), Chartered Accountant was appointed as scrutinizer by the Board and present at the above 34th, 33rd and 32nd Annual General Meetings for supervising and monitoring the voting through Remote E-voting and voting by Ballot form facilities on the above agenda items and to issue his report on the same.

**i. Detail of special resolution passed by the Company through postal ballot exercise, the persons who conducted the postal ballot exercise and detail of the voting pattern, detail of special resolution proposed to be conducted through postal ballot and procedure for postal ballot. During the year under review, no special resolution has been passed through the exercise of postal ballot. 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.

**ii. Group As on 31st March, 2021:**

Arpan Gupta (Karta), Sh. Arpan Gupta, Sh. Adesh Kumar Gupta, Adesh Kumar Gupta (Karta), Sh. Adarsh Gupta, Sh. Anmol Gupta, Sh. Adish Kumar Gupta, Adish Kumar Gupta (Karta), Sh. Pranav Gupta, Sh. Akshat Gupta, Smt. Kamlavati, Sh. Sunil Bansal, Smt. Rehti Devi, Sh. Ayush Bansal, Sh. Shammi Bansal, Sh. Manan Bansal, Sh. Vaibhav Bansal, Sh. Raman Bansal, Sh. Ruchir Bansal, Sh. Vivek Bansal, Sh. Pulkit Bansal, Sh. Anupam Bansal and Geofin Investments Pvt. Ltd.

**7. Disclosures**

**i) Disclosure on materially significant related party transactions**

The Company did not have any material significant related party transaction having a potential conflict with the interest of the Company at large. The Company has already in place policy on related party

transactions to regulate the transactions of the Company with its related parties and the same being reviewed and amended as and when required.

The policy has been uploaded on the website of the Company [www.libertyshoes.com](http://www.libertyshoes.com). As per the policy, all the related party transactions require prior approval of the Audit Committee and Board of Directors of the Company. Prior approval of the shareholders of the Company is also required for certain related party transactions as prescribed under Companies Act, 2013 and SEBI Listing Regulations.

All related party transactions that were entered in to during the financial year were on arm's length basis. There were no material individual transactions with related parties which may have a potential conflict with the interest of the Company at large. The transactions that entered in to with the related parties during the year under review were in the normal course of business. All the details of related party transactions carried out by the Company during the year under review can be observed from the disclosures made in the Notes on Accounts to the financial statements for the year ended 31st March, 2021 as specified in Ind AS 24 of the Companies (Accounting Standards) Rules, 2015.

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

The Company has complied with the requirements of Stock Exchange(s), SEBI and other statutory Authorities during the preceding three financial year(s) on all matters related to Capital Market and no penalty/strictures have been imposed on the Company in any matter during the Financial Year 2020-21:

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

Sr. No.	Name of Director	Relationship with other Directors/KMPs
1.	Sh. Adesh Kumar Gupta	None
2.	Sh. Shammi Bansal	Brother of Sh. Sunil Bansal
3.	Sh. Sunil Bansal	Brother of Sh. Shammi Bansal
4.	Sh. Adish Kumar Gupta	None
5.	Sh. Ashok Kumar	None
6.	Sh. Raghubar Dayal	None
7.	Sh. Ramesh Chandra Palhan	None
8.	Sh. Aditya Khemka	None
9.	Sh. Arvind Bali Kumar	None
10.	Smt. Lovelena Mody	None



**Key Managerial Personnel:**

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

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

The Company has adopted a Whistle Blower Policy (Vigil Mechanism) and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee.

The said policy has been also put up on the website of the Company at the link [www.libertyshoes.com](http://www.libertyshoes.com). No personnel in the Company have been denied access to the Audit Committee.

**v) Compliance with Mandatory requirements**

As on 31st March, 2021 the Company has complied with all the mandatory corporate governance requirements under Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations. The Disclosures of the Compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and Regulation 46(2).

Sr. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/N.A.)
1	Board of Directors	17(1), 17(1A), 17(1B)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes, as and when applicable
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation	Yes
		17(11)	Recommendation of Board	Yes
2	Audit Committee	17A	Maximum number of Directorship	Yes
		18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18(2)	Meeting of Audit Committee	Yes
3	Nomination and Remuneration Committee	18(3)	Role of the Committee and Review of information by the Committee	Yes
		19(1) & (2)	Composition of Nomination and Remuneration Committee	Yes
		19 (2A)	Quorum of Nomination and Remuneration Committee Meeting	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19 (3A)	Meeting of Nomination and Remuneration Committee	Yes
		19(4)	Role of the Committee	Yes

4	Stakeholders Relationship Committee	20(1), (2), (2A) & (3) (3A)	Composition & Meeting of Stakeholder Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1),(2) & (3) (3A)	Composition & Meeting of Risk Management Committee	N.A.
		21(4)	Role of the Committee	N.A.
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes
7	Related Party Transaction	23(1), (1A), (5), (6),(7) & (8)	Policy for Related Party Transaction	Yes
		23(2) & (3)	Approval including omnibus approval of Audit Committee for all Related Party Transactions and review of transaction by the Committee	Yes
		23(4)	Approval for Material Related Party Transactions.	N.A.
		23 (9)	Disclosure of related party transactions on consolidated basis	Yes
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of Unlisted Material Subsidiary	N.A.
		24(2), (3), (4), (5) & (6)	Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed entity	N.A.
9	Annual Secretarial Compliance Report	24A	Annual Secretarial Compliance Report	Yes
10.	Obligations with respect to Independent Directors	25(1) & (2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by the Independent Directors	Yes
		25(7)	Familiarisation of Independent Directors	Yes
		25(8) & (9)	Declaration from Independent Director	Yes
		25(10)	D&O Insurance for Independent Director	Yes
11	Obligations with respect to Directors and Senior Management	26(1) & (2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non- Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflicts of Interest	Yes
12	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
13	Disclosures on Website of the Company	46(2) (b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2) (c)	Composition of various committees of Board of Directors	Yes
		46(2) (d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2) (e)	Details of establishment of Vigil Mechanism/Whistle Blower policy	Yes
		46(2) (f)	Criteria of making payments to Non-Executive Directors	Yes
		46(2) (g)	Policy on dealing with Related Party Transactions	Yes
		46(2) (h)	Policy for determining Material Subsidiaries	Yes
		46(2) (i)	Details of familiarisation programmes imparted to Independent Directors	Yes

**vi) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

Not Applicable

**vii. A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.**

The Certificate of Company Secretary in practice is annexed herewith as a part of the report at page no. 103 of this Annual Report.

**viii. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.**

In terms of Listing Regulations, there have been no instances during the year under consideration when

recommendations of any of the Committees were not accepted by the Board.

**ix. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

Details relating to fees paid to the Statutory Auditors are given in Note no. 26 to the Financial Statements.

**x. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.**

Not Applicable

**xi. Disclosures in relation to the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013:**

Particulars	Status
Number of complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of complaints pending as on the end of during the financial year	NIL

**xii. Compliance Report on Non-mandatory requirements under Regulation 27 (1) of the SEBI (Listing Obligations and Disclosure Requirements)**

**Regulations, 2015**

**1. The Board**

As per para A of Part E of schedule II of the Listing Regulations, a non-executive Chairman of the Board may be entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties. Since there is no permanent Chairman in the Company, hence this provision is not applicable.

**2. Shareholding Rights**

We display our quarterly, half yearly and annually results

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

and also made available on the website of the Company under Section "Investor Relations" in addition to submission of the same with Stock Exchanges. Shareholders' grievances/complaints/ queries have been addressed and resolved at most priorities to the satisfaction of the shareholders.

### 3. Modified opinion(s) in audit report

It has always been the Company's endeavor to present financial statements with unmodified audit report. The Statutory Auditors have issued an unmodified opinion on the financial statements of the Company for the financial year ended 31st March, 2021.

### 4. Reporting of Internal Auditor

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

### 5. Means of Communication

Financial Results Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has regularly furnished Quarterly and half – yearly unaudited and annual audited results of the Company to both the Stock Exchanges i.e. BSE and NSE where the Equity Shares of the Company are listed. The above results are also published in leading English and vernacular newspapers viz. Financial Express English daily and in Janasatta, Hindi Daily. Additionally, the Company from time to time also furnished the required documents and information to both the stock exchange(s) NSE and BSE in terms of the applicable provisions of Listing Regulations. All our financial results, news releases and presentation made, if any, at investor conferences and to analysts are posted on the Company's website at [www.libertyshoes.com](http://www.libertyshoes.com)

#### Website

Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's website [www.libertyshoes.com](http://www.libertyshoes.com) contains a dedicated functional segment called "Investor Relations" where all the information needed by the shareholders is available including Results, Press Releases, Shareholding

pattern, Management Information, Announcements & General Meeting's results & information etc.

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

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

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

Ministry of Corporate Affairs (MCA) vide its circular No. 37/2011 dated June 7, 2011 had mandated certain companies to file their Annual Accounts vide this mode. The Company, in compliance, has filed its Annual Accounts on MCA through XBRL for the previous financial year ended on 31st March, 2020.

### Ministry of Corporate Affairs (MCA)

The Company has periodically filed all the necessary documents with the MCA.

### SEBI Complaints Redress System (SCORES)

A centralized web based complaints redress system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned Companies and online viewing by the investors of action taken on the complaint and its current status.

### Annual Report

The Annual Report containing inter-alia the Audited Accounts, Cash Flow Statement, Directors' Report, Auditors' Report and other important information is circulated to the investors. Pursuant to the green initiative launched by the MCA, the Company 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](http://www.libertyshoes.com).

**8. General Shareholder Information:****i. Annual General Meeting:**

Day, Date & Time	:	Tuesday, 28th September, 2021 at 11.00 A.M.
Venue	:	Through Video Conference (VC)/Other Audio Video Means (OAVM) only as per the General Circular dated 5th, May 2020 and January 13, 2021 issued by the MCA. The proceedings of the AGM were deemed to be conducted at the Registered Office of the Company which shall be deemed venue of the AGM.
Books Closure Date	:	Wednesday, 22nd September, 2021 to Tuesday, 28th September, 2021 (both days inclusive)
Last date for receipt of Proxy Forms	:	In terms of the relaxations granted by the MCA, the facility for appointment of proxies by Members will not be available for the ensuing AGM

**ii. Financial Year & Financial Calendar (Tentative):**

Financial Results for the Quarter ended 30th June, 2021	:	By 11th August, 2021
Financial Results for the Quarter ended 30th September, 2021	:	By 14th November, 2021*
Financial Results for the Quarter ended 31st December, 2021	:	By 14th February, 2022*
Financial Results for the Quarter ended 31st March, 2022	:	By 30th May, 2022*
Annual General Meeting for the year ended 31st March, 2022	:	By August / Sept. 2022*

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

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

**iii. Commodity Price Risk or Foreign Exchange Risk and hedging activities and Disclosure:**

Commodity Price Risk and hedging activities: The Company does not have commodity price risk nor does the Company engage in hedging activities thereof. Foreign Exchange Risk and hedging activities:

The Company, during the financial year under consideration, has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with the no material residual risk. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to firm commitment. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point of time. There are no materially uncovered exchange rate risks in the context of the Company's imports and exports. The Company does not enter into any derivative instruments for trading or speculative purposes.

The details of foreign exchange exposures as on 31st March,

2021 are disclosed in Notes to the financial statements.

**i. Dividend Payment Date:**

Considering the financial requirement of the Company, the Board of Directors has not recommended/approved payment of Dividend for the financial year ended 31st March, 2021.

**ii. Listing on Stock Exchanges with their Trading Codes:**

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

National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai- 400 051

**NSE: LIBERTSHOE.**

BSE Limited, Phiroze 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 2021-22 has since been paid to both the Stock Exchange(s).

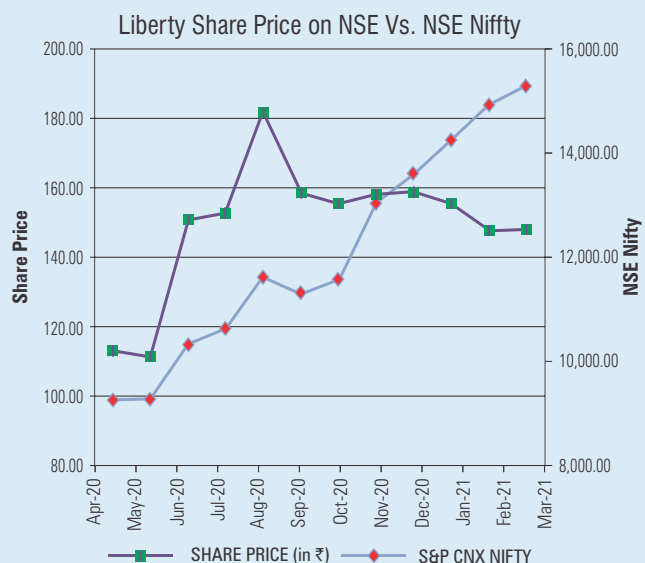
**iii. Stock Market Data:**

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

## Performance in Comparison to S & P Nifty

Index vs. Share Price

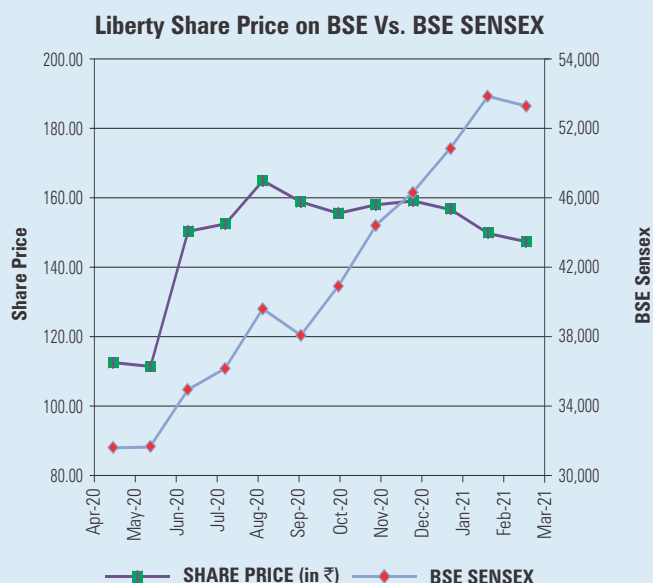
YEAR (2020-21)	S & P CNX Nifty	SHARE PRICE (IN ₹)
Apr-20	9,261.20	112.90
May-20	9,281.10	111.30
Jun-20	10,328.50	150.90
Jul-20	10,631.30	152.70
Aug-20	11,617.35	181.80
Sep-20	11,305.40	158.65
Oct-20	11,578.05	155.40
Nov-20	13,035.30	158.00
Dec-20	13,597.50	158.70
Jan-21	14,244.15	155.40
Feb-21	14,913.70	147.80
Mar-21	15,273.15	148.00



## Performance in Comparison to Sensex

Sensex vs. Share Price

YEAR (2020-21)	S & P CNX Nifty	SHARE PRICE (IN ₹)
Apr-20	31,568.36	112.50
May-20	31,630.94	111.35
Jun-20	34,927.80	150.35
Jul-20	36,110.21	152.50
Aug-20	39,579.58	165.00
Sep-20	38,035.87	158.75
Oct-20	40,905.49	155.40
Nov-20	44,407.28	158.05
Dec-20	46,309.63	159.10
Jan-21	48,854.34	156.70
Feb-21	51,835.86	149.90
Mar-21	51,256.55	147.50



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, 2021 are as under:

### KEY INDICATORS:

#### Equity Share Price movement on NSE & BSE (April 2020-March 2021)



	(Price in ₹)				Volume (In No. of Shares)	
	High		Low			
Year (2020-21)	NSE	BSE	NSE	BSE	NSE	BSE
April-20	112.90	112.50	98.60	99.45	4902474	380516
May-20	111.30	111.35	95.50	95.65	4351486	378927
June-20	150.90	150.35	105.00	103.70	10078309	734231
July-20	152.70	152.50	121.55	121.55	11838511	861641
August-20	181.80	165.00	134.10	134.40	9997106	875466
September-20	158.65	158.75	133.50	133.60	4538221	331797
October-20	155.40	155.4	136.30	137.25	1706936	189464
November-20	158.00	158.05	136.70	137.00	4490619	313395
December-20	158.70	159.10	133.95	134.00	4100956	294180
January-21	155.40	156.70	135.10	133.3	2380633	272977
February-21	147.80	149.90	137.80	138.10	1622820	175388
March-21	148.00	147.50	126.75	126.55	1493210	210966
<b>Total</b>					<b>61501281</b>	<b>5018948</b>

#### vii. Registrar and Share Transfer Agent:

Link Intime India Private Limited  
 Noble Heights, 1st Floor, Plot No.  
 NH 2, C-1 Block, Near Savitri Market,  
 Janakpuri, New Delhi-110058  
 Tel.: (91) - 11- 41410592 -94  
 Fax: (91) - 11- 41410591  
 E-mail: delhi@linktime.co.in

#### viii. Share Transfer System and Redressal of Investor Grievances/complaints and queries:

The Company has made arrangements with M/s Link Intime India Private Limited, Registrar and Share Transfer Agent (RTA). After completion of preliminary formalities and verification of genuineness of the Shareholders, documents lodged by them and authentication of signatures on the documents with the specimen signatures available in their records, RTA sends the documents along with Share Certificates to the Company for approval/endorsement of transfers/transmissions.

However, the objections/deficiencies in the documents lodged by shareholders are sent to them immediately within a reasonable time period. With a view to expedite

the process of Share transfer/transmission etc. on fast track basis, the Board has empowered the CFO & Company Secretary of the Company for approval/endorsement of the Share certificates etc. The details of the transfer/transmission of shares are placed before the Board and Stakeholders Relationship Committee periodically.

Confirmations in respect of the requests for dematerialization of shares are being sent to the respective depositories i.e. NSDL & CDSL expeditiously.

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

The Company endeavors to implement suggestions as and when received from the Shareholders.

The Company/RTA takes adequate steps for expeditiously redress the investors' complaints/grievances/queries. In compliance with the provisions of Listing Regulations, the Company has been registered on the SCORES platform and monitors and handles the investor complaints electronically.

A statement giving number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter have been filed on quarterly basis with the Stock Exchanges in compliance with the Regulation 13 of the Listing Regulations. These statements are also available on the website of the Company viz. [www.libertyshoes.com](http://www.libertyshoes.com).

Pursuant to the Regulation 7 (3) of the Listing Regulations, Certificate(s) on half yearly basis have been issued by

M/s JVS & Associates, Practicing Company Secretary for due Compliance of Share Transfer formalities by the Company. As per SEBI (Depositories & Participants) Regulations, 1996, certificate(s) have been received from M/s JVS & Associates, Practicing Company Secretary for timely dematerialization of shares and in respect of Secretarial Audit on quarterly basis for reconciliation of the Share Capital of the Company.

#### ix. Distribution of Shareholding

Distribution Summary as on 31st March, 2021:

Shareholding of nominal value of	Number of Shareholders		Number of Shares		Amount (in ₹)
	Number	% of total	Number	% of total	
Up to 500	27762	94.36	2648679	15.54	26486790
501-1000	986	3.35	800509	4.70	8005090
1001-2000	395	1.34	595262	3.49	5952620
2001-3000	107	0.36	274838	1.61	2748380
3001-4000	46	0.16	162339	0.95	1623390
4001-5000	35	0.12	164550	0.97	1645500
5001-10000	39	0.13	265450	1.56	2654500
10001-50000	22	0.07	465560	2.73	4655600
50001-100000	3	0.01	242278	1.42	2422780
Above 100001	25	0.08	11420535	67.02	114205350
<b>Total</b>	<b>29420</b>	<b>100</b>	<b>17040000</b>	<b>100</b>	<b>170400000</b>

#### Category wise List of Shareholders as on 31st March, 2021

Category	No. of Shares held	Voting Strength (%)
<b>Promoters Holding:</b>		
A. Individual Promoters	56,32,138	33.05
B. Bodies Corporate(s)	44,72,517	26.25
<b>Total promoters holding</b>	<b>1,01,04,655</b>	<b>59.30</b>
<b>Public Holding</b>		
A. FIIs, NRI's & Banks etc.	1,51,017	0.89
B. Indian public including Private corporate bodies	67,84,328	39.81
<b>Total Public Holding</b>	<b>69,35,345</b>	<b>40.70</b>
<b>Grand Total</b>	<b>1,70,40,000</b>	<b>100</b>

**x. Shares held in physical and dematerialized form and Liquidity:**

The Company's Shares are traded compulsorily in dematerialized form and are available for trading in

depository system of both NSDL and CDSL through their depository participants. As on 31st March, 2021, 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	1,67,83,882	98.49
2	Physical	2,56,118	1.51
	<b>Total</b>	<b>1,70,40,000</b>	<b>100</b>

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

- xi.** The Company has complied with the requirements as laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Corporate Governance.

A certificate to this effect obtained from M/s U. Shanker & Associates., Chartered Accountants, the Statutory Auditors of the Company, has been attached to this Annual Report. The Company's shares are among the liquid and actively traded shares on Indian Stock Exchanges.

**xii. Plant Locations:**

The Company's plants are located at Gharaunda, Libertypuram and Karnal in Haryana, at Roorkee in 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 Company has in place policy on Related Party

Transactions and the same may be accessed on the Company's website at [www.libertyshoes.com](http://www.libertyshoes.com).

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

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

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year- Nil
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year- Nil
- Number of shareholders to whom shares were transferred from suspense account during the year- Nil
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year- Nil
- Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares- NA

**xvii. Compliance with Secretarial Standards**

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with the same.

**xviii. Code for prevention of Insider Trading**

As on date, the Company has also in place code based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all Promoters, Directors, designated employees and other connected person. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information. The Code has been circulated to all the Promoters, members of the Board, Senior Management and other connected persons and majority of them have affirmed compliance with the code. The code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of Company and cautioning them of the consequences of violations. The code clearly specifies that the Promoters, Directors, designated employees and other connected persons of the Company can trade in the shares of the Company only during the period when 'trading window' is open and when there is no unpublished price sensitive information is in possession of the above persons. The trading window, amongst others, is closed during the time of declaration of financial results and occurrence of any material events as per the code. The above Codes were also adopted by the Board of Directors of the Company and thereafter the same have been posted on Company's website

www.libertyshoes.com and also submitted with the Stock Exchanges for their records in compliance with the SEBI guidelines.

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

Pursuant to the provisions of erstwhile Section 205A, 205C and other relevant rules of the Companies Act, 1956 and as amended as per the Companies Act, 2013, 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.

**xx. CIN: L19201HR1986PLC033185****xxi. CEO/CFO certification**

In compliance with Regulations 17(8) of the SEBI (Listing Regulations and Disclosure Requirement) Regulations, 2015, a certificate from Chief Executive Officer & Chief Financial Officer of the Company to the Board of Directors specified in Part B of Schedule II of the said Regulations is annexed to this report.

**xxii. Address for Correspondence:**

For any query related to Annual report, transfer/ dematerialization of shares, dividend, and any other matter related to shares, please contact at either of the following address:

**Link Intime India Pvt. Ltd.**

(Registrar and Share Transfer Agent)  
Noble Heights, 1st Floor, Plot No.  
NH 2, C-1 Block, Near Savitri Market,  
Janakpuri, New Delhi-110058  
Tel.: (91) - 11- 41410592 -94  
Fax: (91) - 11- 41410591  
E-mail: delhi@linktime.co.in

**Liberty Shoes Ltd.**

Department of Investors' Relations  
Ground Floor, Tower A, Building No: 8,  
DLF Cyber City, Phase-II,  
Gurugram - 122 022, Haryana  
Tel : (91) 124-4616200  
Fax : (91) 124-4616222  
Email: investorcare@libertyshoes.com

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015

To,

The Members of,

### Liberty Shoes Ltd.

1. The accompanying Corporate Governance Report prepared by Liberty Shoes Ltd. (hereinafter the "Company") contains details as required by the provisions of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2021. This report is required by the Company for annual submission to the Stock exchanges and to be sent to the Members of the Company.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has

complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Specific Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t. executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2021 and verified that atleast one women director was on the Board during the year;

iv. Obtained and read the Minutes of the following meetings held during the period from April 1, 2020 to March 31, 2021:

- (a) Board of Directors;
- (b) Audit Committee;
- (c) Nomination and Remuneration Committee;
- (d) Stakeholders Relationship Committee; and
- (e) Corporate Social Responsibility Committee;

v. Obtained necessary representations and declarations from directors of the Company including directors; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from the management. The above mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2021, referred to paragraph 1 above.

### Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness

with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the Members of the Company solely for the purpose of enabling it to comply with its obligations under Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

**Uma Shanker Gupta**

Partner

Place: Gurugram, Haryana

Dated: Wednesday, 11th, August, 2021 Membership No. 089919

UDIN: 21089919AAAAEG8663



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

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

To the Board of Directors

#### Liberty Shoes Ltd.

We, the undersigned, in the representative capacity of 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, 2021 and that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) During the year ended 31st March, 2021, no transactions were entered into by the Company, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that:
  - i. there have not been any significant changes in internal control over financial reporting during the financial year ended March 31, 2021;

- ii. there have not been any significant changes in accounting policies as disclosed in the financial statements of the Company during the financial year ended March 31, 2021; 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: Wednesday, 30th June, 2021

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

**(Pursuant to Regulation 34(3) read with Schedule V Para C clause (10) (i) of the  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

The Members of

**LIBERTY SHOES LIMITED**

Liberty Puram, 13th Milestone, GT Karnal Road,

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **LIBERTY SHOES LIMITED** having CIN: L19201HR1986PLC033185 and having Registered Office at Liberty Puram 13th Milestone GT Karnal Road Kutail PO Bastara Karnal Haryana-132114, (hereinafter referred to as "the Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal - [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Government of India or any such Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Sh. Adesh Kumar Gupta	00143192	28/09/1990
2	Sh. Sunil Bansal	00142121	28/11/1990
3	Sh. Shammi Bansal	00138792	28/09/1990
4	Sh. Adish Kumar Gupta	00137612	12/08/2011
5	Sh. Raghubar Dayal	00481803	20/09/2006
6	Sh. Aditya Khemka	00514552	27/09/2019
7	Smt. Lovelena Mody	01279148	23/01/2015
8	Sh. Arvind Bali Kumar	02520675	12/11/2019
9	Sh. Ramesh Chandra Palhan	05241019	28/03/2012
10	Sh. Ashok Kumar	06883514	23/01/2015

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For JVS & Associates  
Company Secretaries

**Jyoti Sharma**

Proprietor

CP No.: 10196

Membership No.: FCS-8843

Firm Registration No.: I2011DE848300

UDIN: F008843C000439790

Place: New Delhi

Date: 9<sup>th</sup> June, 2021

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The discussion under this head covers the financial results for the year ended 31st March 2021 and other related developments concerning the business of the company.

### The Indian Footwear Industry-Structure and Development

India is the 2nd largest producer of footwear in the world and holding the status of 3rd largest footwear consumer globally. The annual production of footwear, approx. over 2 billion pairs per annum in India, is on upward swing and majority of it being consumed in the domestic market. With the focus of Government on manufacturing sector, the future potential of the footwear industry is promising, particularly for established and organized players in the industry. The listing of footwear as a champion sector in recently announced "Make in India 2" initiative by the Govt. of India substantiate its growing potential for supporting the Indian economy thru much needed employment opportunities as also the foreign exchange earnings.

As a traditionally labor-intensive sector, the present industry has been undergoing transformation towards a more technological and highly specialized sector, where machine production with a systematic labor flow is deriving the industry to an international level. While the industry is currently dominated by the unorganized domestic SME footwear manufacturers, but with changing consumer behavior and their awareness and lifestyle, the branded footwear products with upgraded technology by medium and large players are likely to witness better sales in the near future. Despite the fact that India is already among the world's top 10 largest footwear exporters nevertheless Liberty believes that India has whopping potential available in the overseas markets to grow its share further.

Our consumers have now become more technology savvy, comprehensively prone to on line marketing, mindful of fashion trends, demanding the latest trends and contemporary styles and fashionable in a certain manner. The growing footwear segment along with the burgeoning working-class population, increasing brand consciousness, rising discretionary income, has led to an enormous growth in footwear consumption. Reversing the trends, people today require footwear as per the occasion means different footwear for party and the different for office and so on.

Indian footwear market, has been dominated by growing men's footwear category which contributes almost 58% of the total Indian footwear retail market as against the women's footwear segment which contributes little less than men's segment but is all poised to grow at a much faster CAGR in next few years clearly indicating that future belongs to this segment and footwear players have to be insistent in this category to be the part of growth story. In term of product type, informal and sporty footwear in the past few years has emerged as leading segment in India's footwear market with its contribution of approximately 67% of the total footwear

retail market. The emergence of safety shoes, considering the workers wellbeing, as a new sector is also a healthy development for the overall footwear industry.

### Opportunities and Threats

#### Opportunities:

The Indian footwear industry, because of pandemic and the resultant shift in preferences of global buyers to other low cost manufacturing countries has been presented a plethora of opportunities to establish itself further in the growing global markets and attract foreign exchange inflows to strengthen Indian economy and upgrade its technological requirements if any.

The demand from the footwear consumers has been experiencing a swift expansion and witnessing a significant growth, predominantly due to awareness and further more from increased demand for trendy and comfortable footwear among all age groups and the appearance of innovative footwear products. Development of Tier II and Tier III cities, demographic changes including ever increasing demand of middle class population with the comfortable disposable income, changing lifestyles and consumption pattern, well being awareness, materialization and popularity of e-commerce business etc., are now leading to men, women and children all wearing a assortment of footwear in their daily lives. The per capita consumption of footwear in India though showing trends of improvement nonetheless still need more understanding and optimistic attitude to be at par with developed economies. Globally footwear market is closely aligned with consumer spending on fashion accessories including clothing, watches, eye glasses. Rapid growth in the spending on fashion accessories due to it's easy availability & growing influence of social media is driving the footwear market also. Recent changes in consumer shopping trends and increasing inclination for buying high-end and designer shoes are probable reasons to activate the future growth.

With its natural strengths of huge raw material base of leather, easy understanding of language, traditional knowhow, well protected applicable laws and application of modern technology, Indian footwear in the global markets of late has improved its reputation as a trusted supplier of high quality goods. This augurs very well for the future of Indian footwear industry. Liberal 100% FDI has already been permitted in this sector under automatic route. Further more, the Government has recently implemented the Indian Footwear, Leather and Accessories Development Programme (IFLADP) wherein financial support is to be extended for core areas namely capacity augmentation and technological upgradation etc., Govt of India has also introduced incentives schemes for promotion of Indian footwear brands in the global markets. With the huge market potential coupled with required support measures, congenial business environment have made Indian footwear industry an attractive investment options.

There exists clear opportunities for start-ups also in the footwear sector, as there are good prospects for growth both on the domestic front and in exports, post COVID. The Mega Leather, Footwear and Accessories Development Cluster (MLFACs) will be coming up in various States like Haryana, Uttar Pradesh, Maharashtra, etc., which will be integrated production centres with plug-and-play model of factories and common facilities like testing laboratories etc., These MLFACs can be a good platform for Start-ups.

Liberty always keen for experimentation with new ideas and innovations and feel indebted to fulfill the expectation that its consumers have from it. Continuing its pursuit of introducing new brands for keeping innovation in its product basket, Liberty has been able to establish notable presence of its own brands like Healers, Leap7X in the respective categories and also got encouraging response for its recently launched brand "AHA". In the post pandemic scenario to follow social distancing norms and to comply with the traveling and lock down restrictions, consumers have preferred their buying of footwear through on line channel, creating additional extended channel of sales for footwear players and Liberty in line with market dynamics has further reinforced its e-commerce platform.

Liberty is very optimistic that the footwear Sector has very good potential for growth and development both on the domestic front and in exports in the years to come.

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

#### Threats:

Liberty acknowledges the facts that Indian footwear Industry has been facing significant obstacles due to testing internal and external environment like challenge from China and other low cost footwear manufacturing markets, lack of accurate and authentic statistics, non-availability of fully equipped Footwear Research Institute, lack of branding in Indian footwear, fragmented industry structure, fast changing fashion trends which are difficult to adapt by the Indian footwear industry with stiff competitions from the International players coming in to the Indian market. This sector has also been facing headwinds due to present Tax and Trade Regulations in India. Being highly labor intensive industry, having huge manufacturing overheads, interest cost, rentals as well as Retailers Margin required to absorb the cost of showroom rentals, HR cost, showroom furnishing, loss of margin during clearance/end of season sales, the present rates of GST are on higher side and need to be rationalized for all type of footwear/accessories which would result in reduction of ultimate cost to consumer, demand creation and will help the industry to grow for the success of Make in India Initiative.

With India's domestic market driving the sector, the sector will need to keep up with the changing taste and preferences of the Indian consumer which presently proved as a threat to this

industry. The another looming threat is how to prepare company with future adapting portfolio and establish company in channel of future growth.

#### The Covid-19 Pandemic

2020-21 started amidst a strict nationwide lockdown in India-with tough restrictions on economic activity and mobility-and an unprecedented uncertainty about the eventual impact of the Covid-19 pandemic. Soon enough, however, it was clear that the crisis would severely impact economic performance and disrupt livelihoods and businesses.

Liberty, and indeed the entire Footwear Manufacturing sector in India, saw a collapse in their business activity following the lockdown. Liberty, however, moved swiftly to meet safety and health-related challenges of its people, ensure business continuity under lockdown, adapt the organization to operate efficiently in the new environment and prepare to ramp-up operations as restrictions were gradually lifted. Liberty's performance was building towards recovery post Q2 of FY 2020-21 but the outbreak of 2nd wave of COVID-19 again hit the economy towards the end of the year and has once again resulted in significant disruption to Liberty's business as most of the states have announced partial/ complete lockdown. To achieve its pre-covid sales level, besides Liberty's own efforts, the overall consumer & economic sentiments have to be improved with the much needed Govt. stimulus. Even with the aggressive Covid-vaccination drives, the consumer sentiment would take some more time to revive.

The performance of Liberty may be appreciated during the financial year 2020-21 which reflects how the Company navigated the environment as the crisis unfolded and the same is given in Directors Report at page no. 40

#### Economy and market outlook

India, presently, is the fastest growing economy in the world and a fifth largest overall. The impact of pandemic have taken a heavy human toll, not in just affecting lives and the human health but also by impacting their source of income and livelihoods. The earlier projected economic indicators have indicated a slide of over 8% in Indian GDP and the projection of rebounding of growth in ongoing fiscal is also facing significant downside risk due to the reappearance of 2nd wave of COVID.

Experiencing the health care challenges during the second wave and expectation of imminent 3rd wave local protocols imposed by the state Governments may stay for some more time dampening further the pessimism amongst consumers sentiments.

In order to improve economic sentiments and accelerating the pace of growth in the near future the following pivotal factors have to be implemented

- Improvement of health infrastructure, awareness of vaccine benefits and low mortality rate

- Introduction of additional incentives for promoting investors confidence back in the economy
- Pent up demand from the respective segments of consumers who have earlier deferred their buying
- Employment generation and increase in disposable income amongst all strata of society
- Global economic rebound as projected by IMF
- Extended stimulus from Govt. and the introduction of PLI schemes to all manufacturing sectors having huge potential for inviting global players to source their requirements from India

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

Considering risks as an integral part of any business environment the Company has implemented suitable processes in place which are capable of identifying and mitigating the risks concerning the business of the company. Liberty believes that adequate risk management ensures controls and monitoring mechanism for the smooth and uninterrupted running of the Company's business. The board is responsible for reviewing the risk policy of the Company whereas the audit committee of the Board is responsible for evaluating the risk management systems in the company.

The envisaged risk and concerns before your Company are strategic and operational risks, import of cheap and inferior quality shoes, rising occupancy cost, foreign exchange risks, financial and the social risks. Liberty has integrated its risk management with its business planning processes and keep on regularly monitoring to take remedial measures wherever required.

During the normal course of business operations, your Company has been subjected to several legal cases in connection with or incidental thereto. These litigations include civil matters, Direct and indirect tax related cases, old labour matters and infringement of intellectual properties like Trade Mark and Designs etc. filed by and against the Company. These cases are being pursued with due importance and in consultation with outside legal experts wherever required in respective areas.

Your Directors believes that the outcome of these cases is unlikely to cause a materially adverse effect on the Company's profitability or business performance. Your Company has a Contingent Liability of ₹2,339.30 Lakh as on 31st March, 2021 as compared to the previous year ₹2,547.08 Lakh as on 31st March, 2020.

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

Liberty's has a well recognized and comprehensive internal control structures across all functions to ensure that all assets are protected, to prevent and detect frauds and errors to

maintain accuracy and completeness of its accounting records and to 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 and also places its report in the audit committee meeting.

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, 2021 have been stated in the Directors' Report for the year ended 31st March, 2021, 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:

**Tangible and Intangible Assets:** In the year 2020-21, Liberty's Fixed Assets Gross Block (including tangible and intangible assets) has increased by ₹776.82 Lakhs (other than Leasehold Rights) mainly because of purchase of furniture & fixtures, new moulds and supporting machinery at plants as well as towards other normal capital expenditure in furtherance to the business operations of the Company and has decreased by ₹282.46 Lakhs due to sale/writing off of some of the old non-usable assets. In addition to the same during the year in accordance to the Ind-AS-116, the Company has recognized its leasehold rights at present value aggregating to ₹1103.45 Lakhs on account of addition and adjusted ₹1130.98 Lakhs on account of termination of earlier recognized contracts and the same have made part of the Intangible Assets.



**Non-Current Investments:** During the year, there has been no change and Non Current Investments remained at ₹121.93 Lakhs (Previous Year ₹121.93 Lakhs).

**Long Term Loans & Advances:** Long term loans & advances amounting to ₹957.10 Lakh (Previous year ₹1,029.41 Lakh) consists of security deposits of ₹777.21 Lakh (Previous year ₹796.41 Lakh) and receivable from its erstwhile WOS of ₹180.49 Lakh (Previous year ₹180.49 Lakh). During the year, the Company has kept the provision for the security deposits considered as doubtful at ₹29.78 Lakhs (Previous year ₹12.72 Lakh).

**Inventories:** Inventories, comprising finished goods, raw materials, work in process etc. as at 31st March, 2021 stood at ₹20,351.43 Lakhs as against previous year's ₹19,906.27 Lakh. The Inventory turnover ratio for the year ended 31st March, 2021 was 162 days as against 112 days in the previous year. There is apparent increase in number of days of inventory as against sales for the year because of sudden outbreak of Covid-19 in the month of March 2020, resulted lockdowns and its persisting ill-effects during the whole of the years resulting in substantial decrease in sales.

**Trade Receivables:** Trade Receivables, with an average realization period of 87 days (114 days in the previous year) stood at ₹10,859.44 Lakh in 2020-21 as against the previous year's ₹20,268.99 Lakh. Out of the trade receivables, ₹1439.65 Lakh as against the previous year's ₹1,694.41 Lakh were due from overseas customers. The trade receivables having outstanding for more than 180 days as on 31st March, 2021 stood at ₹4,853.48 Lakhs (Previous year ₹5,354.75 Lakhs) and are due against Government Tender Supplies and some of Overseas and Domestic Customers dealing with the Company since long and are recoverable in nature except ₹290.93 Lakh (Previous year 107.09 Lakh) which seem doubtful and for which necessary provision for doubtful debts has been made.

During the year, the Company has written off its book debts of ₹1,225 Lakh as against previous year's ₹466.04 Lakh. The abnormal increase in this figure is mainly attributed to ill-effect of pandemic on the business of our channel partners.

**Short Term Loans & Advances:** The Short Term Loans and Advances amounting to ₹3,275.62 Lakhs (Previous year ₹4,264.25 Lakhs) given by the Company includes unutilized amount of Input Tax Credit of the GST paid on inputs/services amounting to ₹2,017.64 Lakhs as against the previous year's ₹2,386.84 Lakhs, export benefit receivables of ₹177.72 Lakh as against the previous year's ₹128.06 Lakh and prepaid expenses of ₹226.09 Lakh as against the previous year's ₹265.58 Lakh.

**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, 2021.

**Reserves & Surplus:** The Company's reserves and surplus has increased from ₹16,909.90 Lakh to ₹16,933.61 Lakh in 2020-21.

**Long Term Borrowings:** During the year under review, the Company availed Long Term Loans of ₹1,302.87 Lakhs as against previous year's ₹258.24 Lakh. The outstanding amount of the Term Loan (Non Current and Current maturities) as on 31st March, 2021 was ₹1,506.61 Lakh as against previous year's ₹336.24 Lakh.

**Other Long Term Liabilities:** During the year under review, the other long term liabilities, which consists of securities received from channel partners, decreased by ₹149.14 Lakh and stood at ₹1918.02 Lakh (Previous year ₹2,067.16 Lakh). Also during the year, in compliance to Ind-AS-116, the unamortized leasehold rights, net of additions/adjustments made during the year, stood at ₹7,360.98 Lakhs as against previous year's ₹9,219.43 Lakhs.

**Short Term Borrowings:** During the year, there has been reduction in working Capital loans, secured through the Company's current assets, by ₹3,865.11 Lakhs and accordingly stood at ₹8,215.96 Lakh as compared to ₹12,081.07 Lakh in the previous year because of timely realization of one of the tender payments.

**Trade Payables:** The Trade Payables of ₹12,525.73 Lakh (Previous year ₹20,148.02 Lakh) included an amount of ₹276.18 Lakh (as against the previous year's ₹9.26 Lakh), ₹200.59 Lakh (as against the previous year's ₹4.95 Lakh) & ₹6.47 Lakhs (previous year Nil) due towards Liberty Footwear Co., Liberty Group Marketing Division & Liberty Enterprises, the partnership firm(s) respectively in which few of the Directors and their relatives are interested, under the terms of the agreement.

**Other Current Liabilities & Provisions:** Other current liabilities & provisions amounting to ₹1,600.33 Lakh (Previous year ₹1,745.18 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, provision for taxation (net of taxes paid including advance income tax).

**Revenue from Operations and Profits:** Liberty's total Income, comprising sales and other Income, Decreased from ₹65,205.41 Lakh to ₹45,806.43 Lakh in 2020-21. Profit before tax, after making a provision for depreciation, decreased from ₹1,726.84 Lakh to ₹236.19 Lakh in 2020-21. The Company's net profit, after considering a tax provision of ₹211.06 Lakh as against the previous year's ₹472.01 Lakh, MAT Credit Set off of ₹Nil Lakh (Previous year's ₹188.21 Lakh) and earlier year adjustment on account of payment of Income tax of ₹Nil Lakh (Previous year's of ₹7.71 Lakh) stood at ₹23.71 Lakh in 2020-21 as against the Previous year's ₹1,099.73 Lakh.



**Finance Costs:** Liberty's finance costs stood at ₹1,303.35 Lakh in 2020-21 (Previous year's ₹1,163.55 Lakh), comprising interest on term loans, working capital loans & other loans. The Bank charges paid for various arrangements like merchant discount rate (MDR), cash pick up charges/CMS Charges and other miscellaneous charges are ₹137.65 Lakh in 2020-21 (Previous year's ₹ 268.03 Lakh).

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

Liberty always believes in people and its Human Resources play a key role in developing, reinforcing and changing the culture of an organisation. Liberty HR structure has been designed to support the business in achieving its objectives with simultaneous growth of its employees. Liberty has a full fledged HR Policies for all employees/workers across all plants/Offices defining the functions, duties and responsibilities at all level for performing the job in most transparent and structured manner.

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 during the tough phase of COVID-19 which has helped the Company in its austerity drive.

As on 31st March, 2021, the total employees' strength of the Company stood at 1,849 as compared to previous year's 2070.

#### **Details of significance changes in key financial ratios along with detailed explanations**

In compliance with the requirement of the Listing Regulations, the key financial ratios of the Company along with explanation for significant changes (i.e. 25% or more as compared to the immediately previous financial year will be termed as "significant changes"), has been provided here under:

Sr. No.	Particulars	2020-21	2019-20
1	Debtors to Sales (in days) <sup>1</sup>	87	114
2	Inventory to Turnover Ratio (in days) <sup>2</sup>	162	112
3	Interest coverage Ratio <sup>3</sup>	1.22	2.15
4	Current Ratio	1.58	1.33
5	Debt Equity Ratio	1.95	1.51
6	Operating Profit Margin (%)	6.65%	6.35%
7	Net Profit Margin (%) <sup>4</sup>	0.05%	1.69%
8	Return on Net Worth (%) <sup>5</sup>	0.13%	5.91%

<sup>1</sup>The significant changes in Trade Receivables is because of improved collection of previous year's debts and current year's debts collection in timely manner resulted in to no further increase of debts.

<sup>2</sup>There is apparent increase in number of days of inventory as against sales for the year, however in real terms the related increase is because of sudden outbreak of Covid-19 in the month of March 2020, resulted lockdowns and its persisting ill-effects during the whole of the years resulting in substantial decrease in sales.

<sup>3</sup>The significant changes in interest coverage ratio is due to lesser profitability and operating margin available in terms of value due to impact of covid-19 explained above and resulted in to sharp decline in ratio.

<sup>4</sup>The significant changes in Net profit margin is due to lesser profits and higher taxation value because of adding back the necessary provisioned amount resulted in to lower profit after tax.

<sup>5</sup>The Return on net worth has sharply declined due to lower profits because of covid-19 as explained above.

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

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
Liberty Shoes Ltd.

### Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Liberty Shoes Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under

section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Addressing the Key Audit Matters
(i)	<b>Trade Receivables-Outstanding for more than 180 days</b>	<b>Principal Audit Procedures followed:</b> Our audit procedures based on which we arrived at the conclusion regarding reasonableness of trade receivables outstanding for more than 180 days: <ul style="list-style-type: none"> <li>• Obtained the detail of parties having outstanding for more than 180 days;</li> <li>• Evaluated the facts, terms &amp; conditions, status of legal proceedings wherever initiated and management's rationale for the recoverability of the outstanding dues;</li> <li>• Meeting with the management.</li> </ul>
(ii)	<b>Recoverability of Input Tax Credit receivable – under the account head 'Loans &amp; Advances – recoverable in cash or kind or for the value to be received' – Note No. 4 &amp; 9</b> As at March 31, 2021, Long Term Advances (Note No. 4) and Short Term Advances (Note No. 9) consist of Balance with Statutory Authorities amounting ₹2087.27 Lakhs including unutilized amount of Input Tax Credit of GST of ₹2017.64 Lakhs.	<b>Principal Audit Procedures followed:</b> We reviewed the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.

(iii)	<p><b>Contingent Liabilities – relating to VAT, Service Tax, EPCG, Labour and TDS (Note 38 [(III) to (VII)])</b></p> <p>There are certain pending matters relating to VAT for the year financial year 2005-06, 2006-07, 2007-08, 2008-09 &amp; 2016-2017 on account of classification of goods at different rate of tax, service tax on GTA services for the period from January 2005 to March 2007, pending compliances relating to EPCG licenses, few labour matters pertaining to earlier years and demand on account of non-deduction of tax at source and disallowance of certain business expenditure.</p> <p>These are pending before various judicial forums and consequential and possible impact thereof and provisions/disclosure required have been based on the management's assessment of the probability of the occurrence of the liability.</p>	<p>Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the related Contingent Liabilities include the following:</p> <ul style="list-style-type: none"> <li>• Obtained the status of the cases from the related department and their view on the matter;</li> <li>• Evaluated the facts and terms and conditions and management's rationale for the adequacy of the provision so far made and the amount remaining unprovided against the demands made against the Company;</li> <li>• Meeting with management and reading/reviewing the correspondences Memos and Notes on related matters.</li> <li>• Reliance has been placed on the legal views and decisions on similar matters and probability of the liability arising there from pending final judgement/decisions;</li> <li>• Reviewed the appropriateness and adequacy of the disclosure by the management as required in terms of the requirement of IND AS 37 "Provisions, Contingent Liabilities and Contingent Assets".</li> </ul>
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### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,

2013 (the Act) with respect to the preparation and presentation of these Ind-AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind-AS financial statements comply with the Accounting Standards specified under section 133 of the Act.
  - e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A". Our report expresses an

unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. pending litigations on its financial position in its financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Uma Shanker Gupta**

Partner

Place: Gurugram, Haryana  
Dated: Wednesday, 30<sup>th</sup> June, 2021

Membership No. 089919  
UDIN: 21089919AAAADS5161



## Annexure-A to Independent Auditors' Report

(Referred to in paragraph 1(f) under the heading "Report on other legal and regulatory requirements" of our report of even date on the Financial Statements of Liberty Shoes Ltd.)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Liberty Shoes Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Uma Shanker Gupta  
Partner

Place: Gurugram, Haryana  
Dated: Wednesday, 30<sup>th</sup> June, 2021

Membership No. 089919  
UDIN: 21089919AAAADS5161



## Annexure-B to Independent Auditors' Report

(Referred to in paragraph 2 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Reg.: Liberty Shoes Limited (the Company)

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of 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) According to the information and explanations given to us in respect of statutory dues:
  - a) The Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess and other material statutory dues applicable to it with appropriate authorities.
  - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, 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, Goods & Service 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
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)

Uttarakhand Value Added Tax, 2005	Value Added Tax on account of classification of goods at different rate of tax	45,35,039	Financial Year 2016-17	Joint Commissioner (Appeal), Goods & Service Tax
Income Tax	Disallowance of certain expenditure on a/c of non-deduction of tax at source which otherwise are not liable for deduction in terms of applicable provisions of the law. Company's appeal filed against the alleged non-deduction of tax, which was the basic premise for the related disallowances, has been decided by the appellate authority in favour of the Company. Further the Company's appeal specifically filed against the referred disallowance during the course of assessment proceedings is pending before the appellate authority.	1,72,88,017	Financial Year 2016-17 (Assessment year 2017-18)	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 during the year 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 to us by the management, we report that no material fraud by the Company or on the

Company by its officers and employees has been noticed or reported during the year.

- 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.
- 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 and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- 16) According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

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

**Uma Shanker Gupta**  
Partner

Place: Gurugram, Haryana  
Dated: Wednesday, 30<sup>th</sup> June, 2021

Membership No. 089919  
UDIN: 21089919AAAADS5161

## BALANCE SHEET

as at 31<sup>st</sup> March, 2021

(Amount in ₹)

PARTICULARS	NOTE NO.		31.03.2021		31.03.2020
<b>Assets</b>					
<b>Non-current Assets</b>					
Tangible Assets					
Property, Plant & Equipments	2(a)	79,44,05,569		85,26,97,193	
Capital Work in Progress	2(c)	11,52,188		89,50,649	
Intangible Assets (refer to Note 32)	2(b)	74,04,71,455		92,88,93,634	
Financial Assets					
Non-current Investments	3	1,22,38,091		1,22,38,091	
Loans & Advances	4	9,57,09,919		10,29,41,416	
Other Non-current Assets	5	-		-	
<b>Total Non-current Assets</b>			<b>1,64,39,77,222</b>		<b>1,90,57,20,983</b>
<b>Current Assets</b>					
Inventories	6	2,03,51,43,221		1,99,06,27,595	
Financial Assets					
Trade Receivables	7	1,08,59,43,717		2,02,68,98,899	
Cash and Bank Balances	8	8,13,79,054		7,01,49,896	
Loans & Advances	9	32,75,62,110		42,64,25,218	
<b>Total Current Assets</b>			<b>3,53,00,28,102</b>		<b>4,51,41,01,608</b>
<b>Total Assets</b>			<b>5,17,40,05,324</b>		<b>6,41,98,22,591</b>
<b>Equity &amp; Liabilities</b>					
<b>Equity</b>					
Equity Share Capital	10	17,04,00,000		17,04,00,000	
Other Equity					
Reserves and Surplus	11	1,69,33,60,630		1,69,09,89,693	
<b>Total Equity</b>			<b>1,86,37,60,630</b>		<b>1,86,13,89,693</b>
<b>Liabilities</b>					
<b>Non-current Liabilities</b>					
Financial Liabilities					
Long Term Borrowings	12	13,79,04,409		2,21,07,028	
Deferred Tax Liability (Net)	13	-		-	
Other Long Term Liabilities	14	92,79,00,569		1,12,86,58,898	
Long Term Provisions	15	1,02,36,804		1,02,39,884	
<b>Total Non-current Liabilities</b>			<b>1,07,60,41,782</b>		<b>1,16,10,05,810</b>
<b>Current Liabilities</b>					
Financial Liabilities					
Short Term Borrowings	16	82,15,96,254		1,20,81,07,005	
Trade Payables	17	1,25,25,73,326		2,01,48,02,031	
Other Current Liabilities	18	14,52,28,262		16,59,23,170	
Short Term Provisions	19	1,48,05,070		85,94,882	
<b>Total Current Liabilities</b>			<b>2,23,42,02,912</b>		<b>3,39,74,27,088</b>
<b>Total</b>			<b>5,17,40,05,324</b>		<b>6,41,98,22,591</b>
Significant Accounting Policies	1				
Notes on Financials Statements	2 to 54				
The notes are an integral part of these Financial Statements					

Signed in terms of our Audit Report of even date.

For U. Shanker &amp; Associates

Firm Registration No. 014497N

Chartered Accountants

for and on behalf of the Board

**Uma Shanker Gupta**  
Partner  
Membership No. 089919

**Adesh Kumar Gupta**  
CEO & Executive Director  
DIN-00143192

**Shammi Bansal**  
Executive Director  
DIN - 00138792

**Raghubar Dayal**  
Independent Director  
DIN-00481803

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

Place: Gurugram, Haryana  
Dated: Wednesday, 30<sup>th</sup> June, 2021

# STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2021

PARTICULARS	NOTE NO.		31.03.2021		31.03.2020
<b>Continuing Operations</b>					
<b>Revenue from Operations</b>					
Sales		4,55,96,75,499		6,49,54,16,245	
Other Operating Revenues	20	2,09,67,167	4,58,06,42,666	2,51,24,791	6,52,05,41,036
<b>Other Income</b>	21		43,12,513		45,03,379
<b>Total Income</b>			<b>4,58,49,55,179</b>		<b>6,52,50,44,415</b>
<b>Expenses</b>					
Cost of Materials Consumed	22(a)	1,63,25,91,292		1,64,48,01,317	
Purchase of Stock-in-trade	22(b)	52,87,27,894		1,92,14,08,310	
Change in Inventories of Finished Goods, Goods in Process and Stock-in-Trade	23	(2,23,10,194)		(15,12,50,842)	
Employee Benefit Expenses	24	72,94,91,559		90,82,24,565	
Finance Cost	25	14,40,99,647		14,31,58,297	
Depreciation & Amortisations (refer to Note 32)	2	34,41,76,880		33,49,04,916	
Other Expenses	26	1,19,92,27,857		1,59,54,04,595	
<b>Total Expenses</b>			<b>4,55,60,04,935</b>		<b>6,39,66,51,158</b>
<b>Profit before exceptional items and tax</b>			<b>2,89,50,245</b>		<b>12,83,93,257</b>
Exceptional Items	27		53,31,343		(4,84,91,037)
<b>Profit before Tax from Continuing Operations</b>			<b>2,36,18,902</b>		<b>17,68,84,294</b>
Extraordinary items	28		-		42,00,000
<b>Profit before Tax from Continuing Operations</b>			<b>2,36,18,902</b>		<b>17,26,84,294</b>
<b>Income Tax Expense</b>					
Current tax		2,11,06,411		4,72,00,941	
MAT Credit Set-off/(Entitlement)		-		1,88,21,477	
Income tax for earlier years		-		7,71,348	
Deferred Tax		-	2,11,06,411	-	6,67,93,766
<b>Profit from Continuing Operations</b>			<b>25,12,491</b>		<b>10,58,90,528</b>
<b>Discontinued Operations</b>					
Profit from discontinued operations before tax			-		-
Tax expense of discontinued operations			-		-
Profit from discontinued operations			-		-
<b>Profit for the year</b>			<b>25,12,491</b>		<b>10,58,90,528</b>
<b>Other Comprehensive Income</b>					
Items that will not be reclassified to profit or loss in subsequent period					
Actuarial Gain/(Loss) on Defined Benefit Plan	24 & 46		(1,89,162)		54,56,176
Income Tax effect on above			47,608		(13,73,210)
<b>Other Comprehensive Income for the year</b>			<b>(1,41,554)</b>		<b>40,82,966</b>
<b>Total Comprehensive Income for the year, net of Income Tax</b>			<b>23,70,937</b>		<b>10,99,73,494</b>
Earnings per Equity Share, of ₹10 each, for profit from continuing operations					
Basic earning per share			0.14		6.45
Diluted earning per share			0.14		6.45
Earnings per Equity Share, of ₹10 each, for profit from discontinued operations					
Basic earning per share			-		-
Diluted earning per share			-		-
Significant Accounting Policies	1				
Notes on Financials Statements	2 to 54				
The notes are an integral part of these Financial Statements					

Signed in terms of our Audit Report of even date.

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

for and on behalf of the Board

**Uma Shanker Gupta**  
Partner  
Membership No. 089919

**Adesh Kumar Gupta**  
CEO & Executive Director  
DIN-00143192

**Shammi Bansal**  
Executive Director  
DIN - 00138792

**Raghubar Dayal**  
Independent Director  
DIN-00481803

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

Place: Gurugram, Haryana  
Dated: Wednesday, 30<sup>th</sup> June, 2021

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March, 2021

(Amount in ₹)

Particulars	Equity Share Capital	Other Equity				Total
		Attributable to owners of the Company				
		Reserves and Surplus				
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at April 1, 2019	17,04,00,000	3,99,500	11,27,20,644	1,19,70,09,364	27,08,86,691	1,75,14,16,199
Profit for the year					10,58,90,528	10,58,90,528
Other Comprehensive Income					40,82,966	40,82,966
Total Comprehensive Income for the year	-	-	-	-	10,99,73,494	10,99,73,494
Transfer to General Reserve				3,00,00,000	(3,00,00,000)	-
Balance as at March 31, 2020	17,04,00,000	3,99,500	11,27,20,644	1,22,70,09,364	35,08,60,185	1,86,13,89,693
Profit for the year					25,12,491	25,12,491
Other Comprehensive Income					(1,41,554)	(1,41,554)
Total Comprehensive Income for the year	-	-	-	-	23,70,937	23,70,937
Dividend					-	-
Transfer to General Reserve				-	-	-
Balance as at March 31, 2021	17,04,00,000	3,99,500	11,27,20,644	1,22,70,09,364	35,32,31,122	1,86,37,60,630

Signed in terms of our Audit Report of even date.

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

for and on behalf of the Board

**Uma Shanker Gupta**  
 Partner  
 Membership No. 089919

**Adesh Kumar Gupta**  
 CEO & Executive Director  
 DIN-00143192

**Shammi Bansal**  
 Executive Director  
 DIN - 00138792

**Raghubar Dayal**  
 Independent Director  
 DIN-00481803

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

Place: Gurugram, Haryana  
 Dated: Wednesday, 30<sup>th</sup> June, 2021



# CASH FLOW STATEMENT

for the year ended 31<sup>st</sup> March, 2021

(Amount in ₹)

PARTICULARS	31.03.2021	31.03.2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Income Tax from		
Continuing Operations	2,36,18,902	17,26,84,294
Discontinued Operations	-	-
<b>Profit before Income Tax including discontinued operations</b>	<b>2,36,18,902</b>	<b>17,26,84,294</b>
Adjustments for:		
Depreciation and amortisation expense	34,41,76,880	33,49,04,916
Loss/(Gain) on sale of Non-current Assets	53,31,343	(4,84,91,037)
Bank & Other Interest classified as investing cash flows	(43,12,513)	(45,03,379)
Finance Cost	14,40,99,647	14,31,58,297
Unrealised Foreign Exchange Difference	(68,09,871)	(1,69,48,020)
Actuarial Gain/(Loss) on Defined Benefit Plan (net of tax effect)	(1,41,554)	40,82,966
Changes in operating assets and liabilities		
(Increase)/Decrease in Trade Receivables	92,08,66,097	(99,79,23,271)
(Increase)/Decrease in Inventories	(4,45,15,626)	(24,69,97,241)
Increase/(Decrease) in Trade & Other Payables	(1,17,25,56,456)	2,27,32,70,199
(Increase)/Decrease in other non-current assets	72,31,497	2,28,82,249
(Increase)/Decrease in other current assets	12,10,68,903	(6,98,47,081)
Increase/(Decrease) in Provision for doubtful debts	2,00,89,085	1,06,16,516
<b>Cash generated from operations</b>	<b>35,81,46,334</b>	<b>1,57,68,89,408</b>
Direct Taxes Paid	2,22,05,795	4,77,71,348
<b>Net Cash Flow from Operating Activities</b>	<b>33,59,40,539</b>	<b>1,52,91,18,060</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Purchase of Non-current Assets	(18,00,60,469)	(1,27,70,48,309)
Proceeds from Sale of Non-current Assets	8,50,64,510	8,56,67,625
Bank and Other Interest	43,12,513	45,03,379
<b>Net Cash outflow from Investing Activities</b>	<b>(9,06,83,446)</b>	<b>(1,18,68,77,305)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of Lease Liabilities	(21,37,75,295)	(19,97,10,163)
Proceeds from long term borrowings	13,02,87,323	2,58,24,526
Repayment of long term borrowings	(1,32,50,187)	(5,13,96,198)
Interest paid	(14,40,99,647)	(14,31,58,297)
<b>Net Cash inflow/outflow from Financing Activities</b>	<b>(24,08,37,806)</b>	<b>(36,84,40,132)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>44,19,287</b>	<b>(2,61,99,377)</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>7,01,49,896</b>	<b>7,94,01,254</b>
<b>Unrealised Foreign Exchange Difference</b>	<b>68,09,871</b>	<b>1,69,48,020</b>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>8,13,79,054</b>	<b>7,01,49,896</b>
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash in hand including imprest	90,18,482	65,92,016
Balance with Scheduled Banks		
Current Accounts	63,32,569	60,82,538
Cheques on hand	60,68,789	42,86,297
Fixed Deposits	5,99,59,214	5,31,89,045
<b>Total</b>	<b>8,13,79,054</b>	<b>7,01,49,896</b>

Notes: 1) Purchase of Fixed Assets include movements of capital work in progress between the beginning & at the end of the year and leasehold rights recognised during the financial year in accordance to Ind-AS-116 2) The Cash Flow Statement has been prepared under the indirect method as set out in Ind-AS - 7 Statement of Cash Flows notified under Section 133 of the Companies Act, 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Signed in terms of our Audit Report of even date.

For U. Shanker & Associates

Firm Registration No. 014497N

for and on behalf of the Board

**Uma Shanker Gupta**  
Partner  
Membership No. 089919

**Adesh Kumar Gupta**  
CEO & Executive Director  
DIN-00143192

**Shammi Bansal**  
Executive Director  
DIN - 00138792

**Raghubar Dayal**  
Independent Director  
DIN-00481803

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

Place: Gurugram, Haryana  
Dated: Wednesday, 30<sup>th</sup> June, 2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**CORPORATE INFORMATION**

Liberty Shoes Ltd is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 3rd September, 1986. The shares of the Company are listed on two stock exchanges in India i.e National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is engaged in the business of manufacturing and trading of footwear, accessories and lifestyle products through its retail, e-commerce and wholesale network. The Registered Office of the Company is situated at Libertypuram, Karnal, Haryana.

**1. SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

The financial statements have been prepared on a historical cost basis.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Schedule III to the Companies Act, 2013.

**b) Current versus non-current classification:**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at

least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities respectively. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**c) Revenue Recognition**

- Sales revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer on dispatch or delivery of goods, net of sales returns, trade discount and VAT/Sales tax/GST but inclusive of excise duty and do not include the cost of materials used for captive consumption.
- Export Incentives are accounted on accrual basis and include the estimated value of incentives receivable under the DEPB Scheme, the Duty Drawback Scheme, the Focus Product Scheme and the Merchandise Export from India Scheme. Any difference at the time of actual receipt is accounted for in the year of receipt. The amount of export incentives has been adjusted with the cost of raw materials consumed.
- Gain/Loss on transfer of Duty Credit Entitlements received under the DEPB Scheme is accounted for in the year of transfer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**d) Inventory Valuation**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories, other than for manufactured finished goods and goods in process, is determined on Weighted Average Cost Method (net of CENVAT/Input Tax credit availed) of stock accounting. Cost of manufactured finished goods and goods in process include cost of raw materials consumed on weighted average basis and appropriate portion of allocable overheads and Excise Duty and Taxes, wherever applicable. Scrap, if any, at the year end does not form part of the closing inventory.

**e) Trade Receivable Evaluation and Provisioning**

Recoverability status of all the debtors are duly evaluated/reviewed and necessary provision/writing off is considered by the Company on annual basis. However considering the untoward scenario due to Covid-19 from the financial year 2020-21 onwards the Company has decided to review/evaluate the same on case to case basis and go for the required writing off/provisioning in the following manner depending upon the age of related debtors:

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

**f) Fixed Assets and Capital work in progress**

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

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

**g) Depreciation**

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

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

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

**h) Impairment of Assets**

Usually the Company reviews the carrying value of assets for any possible impairment at each balance sheet date. However, the assets that are subject of amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, higher of the assets' fair value less cost to sell and value in use is considered.

**i) Operating Lease**

The Company, as a lessee, recognizes leasehold rights and leasehold obligations for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The leasehold rights are depreciated/amortized using the straight line method from the commencement date over the shorter of lease term or useful life of right to use.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

**j) Valuation of Investments**

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

**k) Provisions and Contingent Liabilities**

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

**l) Employee Benefits**

- (i) Short-term employee benefits are recognized as an expense in the Statement of Profit & Loss of the year in which the related service is rendered.
- (ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected method made at the end of the financial year. The Company has created a trust under the Group Gratuity Scheme with the

Life Insurance Corporation of India (LIC) and amount paid/payable in respect of the present value of liability for past services is charged to the Statement of Profit & Loss every year. The difference, if any, between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with LIC is provided for as liability in the books.

**m) Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue in the period in which they are incurred.

**n) Foreign Exchange Transactions**

- (i) Assets and liabilities relating to foreign currency transactions remaining unsettled at the year-end are converted into Indian rupees at closing rates and any gain or loss arisen is adjusted in Statement of Profit and Loss.
- (ii) Gains/losses arising out of fluctuations in foreign exchange rates between the transaction date and settlement date are recognized in the Statement of Profit and Loss under the head "Exchange Rate Fluctuation".
- (iii) The difference between the forward rate and the exchange rate on date of inception of a forward contract in respect of forward contracts with underlying assets or liabilities is recognized as income or expense and is amortized over the life of the contract.
- (iv) Forward exchange contracts entered to hedge the foreign currency risk are marked to market as at the year end and the resultant exchange gain or loss is recognised in the Statement of Profit & Loss.
- (v) Non monetary foreign currency items are carried at cost and accordingly the investment in foreign subsidiary is expressed in Indian Currency at the exchange rate prevailing at the date of the transaction.

**o) Assessment of risks**

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

principal financial liabilities comprising borrowings, trade and other payables etc. are part of its working capital for the purpose of its business operations and for the purpose of funding its principal financial assets including cash and cash equivalents, trade receivables and security deposits directly derived from its operations. The Company also hold investments in its overseas WOS and carries the same at cost value. The Company is exposed to credit risk, liquidity risk and market risk summarised as under:

#### Credit Risk:

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

#### Liquidity Risk:

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

#### Market Risk

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

Company further gets the part of related facilities converted into fixed rate for specific period.

#### Price Risk:

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

### **p) Fair Value Measurement**

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

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

### **q) Provision for Taxation**

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

### **r) Provision for Deferred Taxation**

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

Note 2. Tangible & Intangible Assets and Capital Work in Progress										
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Total as on 01.04.2020	Additions during the period	Sales/Adj. during the period	Total as on 31.03.2021	Total as on 01.04.2020	For the period	Sales/Adj. during the period	Total as on 31.03.2021	As on 31.03.2021	As on 31.03.2020
<b>(a) Tangible Assets (Not under Lease)</b>										
Land	12,26,75,640	-		12,26,75,640	-	-	-	-	12,26,75,640	12,26,75,640
Building*	25,07,17,682	86,56,711	5,65,704	25,88,08,689	11,50,91,306	83,74,718	3,26,997	12,31,39,027	13,56,69,662	13,56,26,376
Plant & Equipments	85,99,85,789	2,29,77,547	19,37,509	88,10,25,827	68,27,10,356	3,87,72,907	13,23,218	72,01,60,045	16,08,65,782	17,72,75,433
Furniture & Fixture	42,04,80,506	1,05,16,405	1,57,24,148	41,52,72,763	23,62,90,743	3,26,50,659	1,07,60,195	25,81,81,207	15,70,91,556	18,41,89,763
Vehicles	22,33,14,065	82,92,772	78,59,483	22,37,47,354	13,73,02,382	1,87,90,312	66,27,908	14,94,64,786	7,42,82,568	8,60,11,683
Office Equipments	18,72,35,340	1,02,74,064	14,10,136	19,60,99,268	14,79,53,358	1,33,62,954	12,23,078	16,00,93,233	3,60,06,035	3,92,81,983
Moulds	36,04,17,491	1,66,53,316	7,49,188	37,63,21,619	25,27,81,176	1,57,29,358	3,241	26,85,07,293	10,78,14,326	10,76,36,315
<b>Total Tangible Assets</b>	<b>2,42,48,26,513</b>	<b>7,73,70,815</b>	<b>2,82,46,168</b>	<b>2,47,39,51,160</b>	<b>1,57,21,29,321</b>	<b>12,76,80,908</b>	<b>2,02,64,637</b>	<b>1,67,95,45,591</b>	<b>79,44,05,569</b>	<b>85,26,97,193</b>
<b>Previous Year</b>	<b>2,36,76,40,618</b>	<b>14,91,07,328</b>	<b>9,19,21,433</b>	<b>2,42,50,76,513</b>	<b>1,49,33,08,558</b>	<b>13,35,65,608</b>	<b>5,47,44,845</b>	<b>1,57,21,29,765</b>	<b>85,26,97,193</b>	<b>87,45,81,615</b>
<b>(b) Intangible Assets</b>										
Patents	15,500	-	-	15,500	3,838	-	-	3,838	11,662	11,662
Softwares	3,25,53,538	143,195		3,26,96,733	2,56,14,730	27,20,678		2,83,35,407	43,61,326	69,38,808
Leasehold Rights (refer to Note 32)	1,12,16,53,327	11,03,44,920	11,30,98,337	1,11,88,99,910	19,97,10,163	21,37,75,295	3,06,84,015	38,28,01,443	73,60,98,467	92,19,43,164
<b>Total Intangible Assets</b>	<b>1,15,42,22,365</b>	<b>11,04,88,115</b>	<b>11,30,98,337</b>	<b>1,15,16,12,143</b>	<b>22,53,28,731</b>	<b>21,64,95,973</b>	<b>3,06,84,015</b>	<b>41,11,40,688</b>	<b>74,04,71,455</b>	<b>92,88,93,634</b>
<b>Previous Year</b>	<b>3,20,58,906</b>	<b>1,12,21,63,458</b>	<b>-</b>	<b>1,15,39,72,365</b>	<b>2,39,89,424</b>	<b>20,13,39,307</b>	<b>-</b>	<b>22,53,28,287</b>	<b>92,88,93,634</b>	<b>78,19,927</b>
<b>(c) Capital work in progress:</b>										
a) Building under construction	88,11,974	1,67,645	79,66,106	10,13,513	-	-	-	-	10,13,513	88,11,974
b) Assets under installation	1,38,675	-	-	1,38,675	-	-	-	-	1,38,675	1,38,675
<b>Total Capital work in progress</b>	<b>89,50,649</b>	<b>1,67,645</b>	<b>79,66,106</b>	<b>11,52,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,52,188</b>	<b>89,50,649</b>
<b>Previous year</b>	<b>31,73,127</b>	<b>72,66,534</b>	<b>14,89,012</b>	<b>89,50,649</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89,50,649</b>	<b>31,73,127</b>
<b>Grand Total</b>	<b>3,58,79,99,527</b>	<b>18,80,26,575</b>	<b>14,93,10,611</b>	<b>3,62,67,15,491</b>	<b>1,79,74,58,051</b>	<b>34,41,76,880</b>	<b>5,09,48,652</b>	<b>2,09,06,86,279</b>	<b>1,53,60,29,212</b>	<b>1,79,05,41,476</b>
<b>Previous year</b>	<b>2,40,28,72,651</b>	<b>1,27,85,37,321</b>	<b>9,34,10,445</b>	<b>3,58,79,99,527</b>	<b>1,51,72,97,982</b>	<b>33,49,04,914</b>	<b>5,47,44,845</b>	<b>1,79,74,58,051</b>	<b>1,79,05,41,476</b>	<b>88,55,74,669</b>



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
<b>Note 3. Non-current Investments (Non-Trade)</b>		
<b>Investments in Government Securities (Valued at Cost)</b>		
(6 Years National Saving Certificates VIII Issue)	44,834	44,834
<b>Liberty Foot fashion Middle East FZE</b>		
1 (Previous Year 1) Equity Share of UAE Dhiram 10,00,000 fully paid	1,21,93,257	1,21,93,257
<b>Total Non-current Investments</b>	<b>1,22,38,091</b>	<b>1,22,38,091</b>
Aggregate amount of Quoted Investments	-	-
Aggregate amount of Unquoted Investments	1,22,38,091	1,22,38,091
Aggregate Market Value of Quoted Investments	-	-
<b>4 Long term Loans &amp; Advances</b>		
(Unsecured and considered good unless stated otherwise)		
Capital Advance	29,17,692	65,24,217
Security Deposits		
to Related Parties	60,00,000	60,00,000
to Others	7,17,21,331	7,36,40,713
Share Application Money paid to Subsidiaries (Pending Allotment)	1,80,48,696	1,80,48,696
	9,86,87,719	10,42,13,626
Less: Provision for doubtful security deposits to others	29,77,800	12,72,210
<b>Total Long term Loan &amp; Advances</b>	<b>9,57,09,919</b>	<b>10,29,41,416</b>
<b>5 Other Non-current Assets</b>		
(Unsecured and considered good unless stated otherwise)		
	-	-
<b>Total Other Non-current Assets</b>	<b>-</b>	<b>-</b>
<b>6 Inventories (As valued and certified by the Management)</b>		
Raw Materials	41,89,49,934	40,24,35,321
Goods in Process	22,41,33,829	24,20,36,113
Finished Goods		
Manufactured	1,20,89,20,780	1,10,96,43,711
Traded	11,13,73,808	17,04,38,399
Packing Materials	3,12,71,389	2,63,31,558
Stores & Spares	3,86,34,523	3,80,26,191
Oil & Lubricants	18,58,958	17,16,302
<b>Total Inventories</b>	<b>2,03,51,43,221</b>	<b>1,99,06,27,595</b>
<b>7 Trade Receivables</b>		
(Unsecured and considered good unless stated otherwise)		
Debts outstanding for a period exceeding six months from the due date		
Considered good	45,62,55,005	52,47,66,303
Considered doubtful	2,90,93,011	1,07,09,516
Other Debts		
Considered good	62,96,88,712	1,50,21,32,596
	1,11,50,36,728	2,03,76,08,415
Less: Provision for doubtful debts	2,90,93,011	1,07,09,516
<b>Total Trade Receivables</b>	<b>1,08,59,43,717</b>	<b>2,02,68,98,899</b>
<b>8 Cash and Bank Balances</b>		
Cash and Cash equivalents		
Balances with banks:		
In Current Accounts*	63,32,569	60,82,538
Cheques on hand	60,68,789	42,86,297
Cash in hand including imprest	90,18,482	65,92,016
Fixed Deposits with Banks (Margin Money deposit for LC/Bank Guarantees)**	5,99,59,214	5,31,89,045
<b>Total Cash and Bank Balances</b>	<b>8,13,79,054</b>	<b>7,01,49,896</b>

\*Includes Unclaimed Dividend of ₹6.79 Lakhs (Previous year ₹6.79 Lakhs) \*\*Includes Fixed Deposits for ₹87.56 Lakhs (Previous year ₹Nil Lakhs) having maturity of more than 12 months

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
<b>Note 9. Short-term Loans &amp; Advances</b> <b>(Unsecured and considered good unless stated otherwise)</b>		
Advances recoverable in cash or in kind or for the value to be received	8,06,93,123	11,14,86,507
Security Deposit for less than 12 Months		
to Related Parties	-	-
to Others	62,41,782	3,11,90,121
Balance with Excise and other Statutory Authorities (including VAT recoverable and taxes paid under protest)	20,87,26,909	24,77,40,560
Prepaid Expenses	2,26,09,309	2,65,57,568
Loans and advances to employees	92,90,987	94,50,462
<b>Total Short-term Loans &amp; Advances</b>	<b>32,75,62,110</b>	<b>42,64,25,218</b>
<b>Equity</b>		
<b>10 Equity Share Capital</b>		
<b>Authorised Share Capital</b>		
63500000 (Previous year 63500000 Equity Shares) of ₹10 each	63,50,00,000	63,50,00,000
<b>Issued, Subscribed &amp; Fully Paid Up Capital</b>		
17040000 (Previous year 17040000) Equity Shares of ₹10 each fully paid up.	17,04,00,000	17,04,00,000
	<b>17,04,00,000</b>	<b>17,04,00,000</b>
<b>10(a) Reconciliation of Number of Shares</b>		
<b>Equity Shares</b>		
Balance at the beginning of the year		
17040000 (Previous year 17040000) Equity Shares of ₹10 each fully paid up.	17,04,00,000	17,04,00,000
Add: Shares issued during the year	-	-
<b>Balance at the end of the year</b>	<b>17,04,00,000</b>	<b>17,04,00,000</b>
<b>10(b) Terms/Rights attached to Equity Shares</b>		
The Company has one class of equity shares having a par value of ₹10/- each. Each shareholder is eligible for one vote per share held in the Company. The dividend proposed by the Board of Directors of the Company, if any, is subject to approval of the members in the ensuing general meeting, except in the case of interim dividend, if declared. In the event of liquidation of the Company, equity shareholders shall be entitled to receive the remaining assets, after the distribution to preferred shareholders, if any, in proportionate of their shareholding.		
<b>10(c) Detail of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>		
	<b>As at 31st March, 2021</b>	
	<b>As at 31st March, 2020</b>	
	<b>% of shareholding</b>	<b>No. of Shares</b>
<b>Equity Shares</b>		
Geofin Investments Private Limited	26.25	44,72,517
<b>Total</b>	<b>26.25</b>	<b>44,72,517</b>
<b>10(d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the five years immediately preceding the reporting date</b>		
<b>Equity Shares</b>	<b>Nil</b>	<b>Nil</b>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(Amount in ₹)

Other Equity	As at 31st March, 2021	As at 31st March, 2020
<b>11. Reserves &amp; Surplus</b>		
<b>(a) Capital Reserve</b>	<b>3,99,500</b>	<b>3,99,500</b>
<b>(b) Securities Premium Account</b>		
Balance at the beginning of the year	11,27,20,644	11,27,20,644
Add: Additions/(Utilisations) during the year	-	-
<b>Balance at the end of the year</b>	<b>11,27,20,644</b>	<b>11,27,20,644</b>
<b>(c) General Reserve*</b>		
Balance at the beginning of the year	1,22,70,09,364	1,19,70,09,364
Add: Transfer from surplus in the Statement of Profit & Loss	-	3,00,00,000
<b>Balance at the end of the year</b>	<b>1,22,70,09,364</b>	<b>1,22,70,09,364</b>
<b>(d) Retained Earnings**</b>		
Balance at the beginning of the year	35,08,60,185	27,08,86,691
Add: Profit for the year	25,12,491	10,58,90,528
Add: Remeasurement Gains/(losses) on defined benefits plans (net of tax)	(1,41,554)	40,82,966
	35,32,31,122	38,08,60,185
Less: Appropriations/adjustments		
Transfer to General Reserve	-	3,00,00,000
<b>Balance at the end of the year</b>	<b>35,32,31,122</b>	<b>35,08,60,185</b>
<b>Total Reserves &amp; Surplus</b>	<b>1,69,33,60,630</b>	<b>1,69,09,89,693</b>

\*The general reserve is used from time to time to transfer profit from retained earnings for apportion purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

\*\*The portion of profits not distributed among the shareholders are termed as retained earnings. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

(Amount in ₹)

Long Term Borrowings	As at 31st March, 2021		As at 31st March, 2020	
	Non Current	Current Maturities	Non Current	Current Maturities
<b>12. Secured</b>				
<b>Term Loans</b>				
<b>(i) from Banks:</b>				
Rupee Term Loans	13,79,04,409	1,27,56,770	2,21,07,028	1,15,17,015
<b>(ii) from Others:</b>				
Rupee Term Loans	-	-	-	-
	<b>13,79,04,409</b>	<b>1,27,56,770</b>	<b>2,21,07,028</b>	<b>1,15,17,015</b>
Less: Amount disclosed under other Current Liabilities (Refer Note 18)	-	1,27,56,770	-	11,517,015
<b>Net Long Term Borrowings</b>	<b>13,79,04,409</b>	<b>-</b>	<b>2,21,07,028</b>	<b>-</b>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(Amount in ₹)

Particulars of Loan	Detail of Security	Outstanding Balance as at 31.03.2021	Repayment Terms
<b>(i) from Banks</b>			
Guaranteed Emergency Credit Line 2.0 from State Bank of India	Extension of charge existing (2nd charge) over the Primary securities created in favour of the Bank on pari-passu basis.	11,89,91,812	48 Monthly installments of ₹24.79 Lakhs each starting from April 2022 onwards.
CELC from Union Bank of India	Extension of charge (2nd charge) over the existing Primary securities created in favour of the Bank on pari-passu basis.	40,00,000	17 Monthly installments of ₹2.25 Lakhs each and 1 installment of ₹1.75 Lakh starting from April 2021 onwards.
Vehicle Loans from HDFC Bank	Hypothecation of Vehicles	2,34,05,601	44% in Monthly installment 2021-22 40% in Monthly installment 2022-23 11% in Monthly installment 2023-24 5% in Monthly installment 2024-25
Vehicle Loans from ICICI Bank	Hypothecation of Vehicles	8,81,324	92% in Monthly installment 2021-22 8% in Monthly installment 2022-23
Vehicle Loans from Axis Bank	Hypothecation of Vehicles	33,82,442	49% in Monthly installment 2021-22 47% in Monthly installment 2022-23 4% in Monthly installment 2023-24
<b>Total</b>		<b>15,06,61,179</b>	

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
<b>13. Deferred Tax Liability (Net)</b>		
Balance at the beginning of the year	-	-
Add: for the year	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>14 Other Long Term Liabilities</b>		
Security Deposits	19,18,02,102	20,67,15,734
Lease Rental Obligations (refer to Note 32)	73,60,98,467	92,19,43,164
<b>Total Other Long Term Liabilities</b>	<b>92,79,00,569</b>	<b>1,12,86,58,898</b>
<b>15 Long Term Provisions</b>		
Provision for Gratuity	1,02,36,804	1,02,39,884
<b>Total Other Long Term Provisions</b>	<b>1,02,36,804</b>	<b>1,02,39,884</b>
<b>16 Short Term Borrowings</b>		
<b>Secured</b>		
<b>Loans repayable on demand</b>		
<b>from Banks:</b>	82,15,96,254	1,20,81,07,005
(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.)		
<b>Total Secured Loans</b>	<b>82,15,96,254</b>	<b>1,20,81,07,005</b>
<b>17 Trade Payables</b>		
Trade Payables for goods & services (Includes sundry creditors)	1,25,25,73,326	2,01,48,02,031
<b>Total Trade Payables</b>	<b>1,25,25,73,326</b>	<b>2,01,48,02,031</b>
<b>18 Other Current Liabilities</b>		
<b>(a) Current Maturities of Long Term Debts (refer Note 12)</b>		
from Banks	1,27,56,770	1,15,17,015
from Others	-	-
<b>Total Current Maturities of Long Term Debts</b>	<b>1,27,56,770</b>	<b>1,15,17,015</b>
<b>(b) Other Payables</b>		
Advances from Customers	2,96,88,780	3,44,36,598
Expenses Payable	7,32,44,406	6,15,33,706
Other Liabilities	2,95,38,306	5,84,35,851
<b>Total Other Payables</b>	<b>13,24,71,492</b>	<b>15,44,06,155</b>
<b>Total Other Current Liabilities (a + b)</b>	<b>14,52,28,262</b>	<b>16,59,23,170</b>
<b>19 Short Term Provisions</b>		
Provision for Gratuity	1,48,05,070	85,94,882
<b>Total Short Term Provisions</b>	<b>1,48,05,070</b>	<b>85,94,882</b>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
<b>20. Other Operating Income</b>		
Freight	25,81,076	21,57,159
Miscellaneous Income	1,18,18,205	1,06,65,730
Gain on Exchange Rate Fluctuations	-	1,23,01,902
Bad Debts Recovered	65,67,886	-
<b>Total Operating Income</b>	<b>2,09,67,167</b>	<b>2,51,24,791</b>
<b>21 Other Income</b>		
Bank and Other Interest (Tax deducted at Source ₹2.63 Lakhs [Previous Year ₹3.39 Lakhs])	43,12,513	45,03,379
<b>Total Other Income</b>	<b>43,12,513</b>	<b>45,03,379</b>
<b>22 Cost of Materials consumed and Finished Goods Purchased</b>		
<b>a) Raw Materials (Refer to Note 49)</b>		
Stock at the beginning of the year	40,24,35,321	31,14,34,931
Add: Purchases	1,64,91,05,905	1,73,58,01,707
	2,05,15,41,226	2,04,72,36,638
Less : Stock at the end of the year	41,89,49,934	40,24,35,321
<b>Raw Materials Consumed</b>	<b>1,63,25,91,292</b>	<b>1,64,48,01,317</b>
<b>b) Finished Goods Purchased</b>	<b>52,87,27,894</b>	<b>1,92,14,08,310</b>
<b>Total Cost of Materials consumed and Finished Goods Purchased (a + b)</b>	<b>2,16,13,19,186</b>	<b>3,56,62,09,627</b>
<b>23 Change in Inventories of Finished Goods, Goods in Process and Stock-in-Trade</b>		
<b>a) Inventories at the end of the year</b>		
Finished Goods/Stock-in-Trade	1,32,02,94,588	1,28,00,82,110
Goods in Process	22,41,33,829	24,20,36,113
Total	1,54,44,28,417	1,52,21,18,223
<b>b) Inventories at the beginning of the year</b>		
Finished Goods/Stock-in-Trade	1,28,00,82,110	1,19,85,63,653
Goods in Process	24,20,36,113	17,23,03,728
Total	1,52,21,18,223	1,37,08,67,381
<b>(Increase)/Decrease in Inventories (b - a)</b>	<b>(2,23,10,194)</b>	<b>(15,12,50,842)</b>
<b>24 Employee Benefits Expense</b>		
Salaries, Wages and Bonus	67,26,45,975	83,16,88,012
Directors' Remuneration	1,67,81,861	2,07,27,630
Contribution to Provident and Other Funds (Refer to Note 46)	3,55,71,686	4,01,90,072
Staff Welfare Expenses	46,81,199	1,01,62,675
<b>Total Employee Benefits Expense</b>	<b>72,96,80,721</b>	<b>90,27,68,389</b>
<b>25 Finance Cost</b>		
Interest Expense		
to Banks	10,63,05,404	10,84,01,683
to others	2,40,29,462	79,53,460
Bank Charges	1,37,64,781	2,68,03,154
<b>Total Finance Cost</b>	<b>14,40,99,647</b>	<b>14,31,58,297</b>



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(Amount in ₹)

	As at 31st March, 2021	As at 31st March, 2020
<b>26. Other Expenses</b>		
<b>a) Manufacturing Expenses</b>		
Freight Inwards	1,93,88,288	2,29,07,379
Upper Production Charges	13,26,28,716	12,70,47,962
Oil & Lubricants	81,31,151	74,92,436
Electricity Charges	7,54,75,942	8,76,16,208
Repairs to Machinery	4,08,07,549	4,34,64,741
Land Lease Rent	3,20,269	2,91,145
Franchise Fee	1,25,00,000	1,25,00,000
<b>Total</b>	<b>28,92,51,915</b>	<b>30,13,19,871</b>
<b>b) Administration, Selling and Other Expenses</b>		
Packing Materials Consumed	16,14,87,915	18,57,43,289
Printing & Stationery	36,59,466	49,73,656
Claims	1,26,49,786	2,56,51,431
Tour, Travelling and Conveyance	3,86,16,807	7,58,77,241
Insurance Charges	1,72,70,707	1,10,50,424
Fees and Taxes	1,31,22,812	2,46,17,007
Postage, Telegram, Telephone and Telex	88,02,127	1,22,22,361
Subscriptions	9,72,157	7,77,836
Advertisements	2,85,73,799	11,54,23,287
Rent (refer to Note 32)	(9,02,22,672)	3,64,83,513
Donations	32,20,012	28,51,247
Export CIF Expenses	1,13,38,120	1,31,76,201
Freight Outward	9,67,96,676	16,08,60,481
Samples	2,63,911	7,17,943
Auditors' Remuneration:		
Statutory Audit Fee	8,00,000	6,00,000
GST & Tax Audit Fee	13,06,436	3,80,000
Certification Fee	1,00,000	20,000
Cost Audit Fee	-	-
Miscellaneous Expenses	2,61,30,729	3,84,18,609
Royalty	15,72,31,000	17,00,00,000
Entertainment Expenses	42,86,220	67,06,964
Commission	13,22,22,031	18,33,85,169
Sales Promotion Expenses	3,01,74,703	7,23,97,195
Newspapers & Periodicals	96,942	1,21,993
Debts written off	12,24,99,604	4,66,04,292
Provision for doubtful debts (refer to Note 41)	2,00,89,085	1,06,16,516
Consultancy & Professional Charges	7,03,37,464	4,36,12,598
Repairs & Maintenance Expenses-Building	2,00,43,264	2,80,79,826
Repairs & Maintenance Expenses-Others	1,47,62,241	2,27,15,645
Exchange Rate Fluctuations	33,44,600	-
<b>Total</b>	<b>90,99,75,942</b>	<b>12,94,084,724</b>
<b>Total Other Expenses (a + b)</b>	<b>1,19,92,27,857</b>	<b>1,59,54,04,595</b>
<b>27. Exceptional Items</b>		
Profit on Sale of Fixed Assets	(480,744)	(5,32,36,564)
Loss on sale of Fixed Assets	58,12,087	47,45,527
<b>Total Exceptional Items</b>	<b>53,31,343</b>	<b>(4,84,91,037)</b>
<b>28. Extraordinary Items</b>		
Prior Period Expenses	-	42,00,000
<b>Total Extraordinary Items</b>	<b>-</b>	<b>42,00,000</b>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**29. Details of Managerial Remuneration:**

(Amount in ₹)

Particulars	31.03.2021	31.03.2020
Payment and provision for remuneration to:		
• Executive Director(s)	1,67,81,861	2,07,27,630

**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	31.03.2021	31.03.2020
Profit before tax as per Statement of Profit & Loss	2,34,29,740	17,81,40,470
Add:		
Directors' Remuneration	1,67,81,861	2,07,27,630
(Profit)/Loss on sale of Fixed Assets (Net)	53,31,343	(4,84,91,036)
Directors' Sitting Fees	7,50,000	3,80,000
(Profit)/Loss on sale of Investments	-	-
<b>Net Profit as per Section 198 of the Companies Act, 2013</b>	<b>4,62,92,944</b>	<b>15,07,57,064</b>
<b>Commission paid/payable to Directors</b>	<b>-</b>	<b>-</b>

During the year under consideration, no remuneration has been paid to Non-Executive Directors except sitting fees of ₹7,50,000/- (Previous year ₹5,00,000/-) to Independent Directors.

30. 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.

31. During the course of its business the Company usually extends credit terms for more than six months to some of its customers more particularly to overseas customers however there is an abnormal increase in such outstanding since financial year 2019-20 majorly due to delay in release of payments under one of government tender supplies aggregating to ₹2682.88 Lakhs on account of procedural compliances/clearances. The Company is in consistent follow up with the concerned authorities and expecting favourable response for its long pending recovery.

32. The Company has taken various retail stores and warehouses under operating lease arrangements. The lease agreements generally have an escalation clause and there are no subleases. These leases are generally not non cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreements.

The leasehold rights are depreciated/amortized using the straight line method from the commencement date over the shorter of lease term or useful life of right to use.

33. The Company implemented the Ind-AS-116 with effect from 1st April, 2019 and accordingly considered all the leasehold rights persisting on that date having maturity for more than 12 months and also entered during the year 2019-20 at its present value aggregating to ₹11216.53 Lakhs as Intangible Rights in Schedule of Fixed Assets and amortized the leasehold right for ₹1997.10 Lakh. Following the same during the year 2020-21 the Company has capitalized/(adjusted) the present value of leasehold rights entered during the year (net of terminated) for ₹(27.53) Lakhs and has amortized the leasehold rights (net of terminated) for ₹1830.91 Lakhs.

Further while amortizing the leasehold rights for the year, decrease in leasehold obligations agreed with the landlords due to the covid-19 outbreak in the country and resultant lockdown during the year has not been factored being temporary in nature and the said decrease in leasehold obligations aggregating to ₹902.23 Lakhs has been passed on through Profit & Loss account for the year.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**34. Derivative Instruments and Unhedged Foreign Currency Exposure, which are not intended for Trading or Speculation Purpose: Forward Contracts outstanding as at Balance Sheet date:**

Particulars of Forward Contracts	Currency	March 2021	March 2020	Purpose
Purchase	USD	-	-	To hedge the Trade Payable
Sales	USD	5,56,533.95	4,40,380.27	To hedge the Trade Receivables
	GBP	20,941.25	-	

**Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date:**

Particulars of Unhedged Foreign Currency Exposure	Amount in Foreign Currency			Amount in Indian Currency (₹ in Lakh)	
	Currency	March 2021	March 2020	March 2021	March 2020
Trade Payables	USD	1,54,307.00	2,88,634.90	112.90	217.51
	EURO	1,12,759.44	1,33,583.09	96.89	110.98
Advance for Import Purchases	USD	519.00	29,079.44	0.38	21.91
	EURO	56,640.00	4,509.00	48.67	3.75
Advance from Customers	USD	82,091.46	34,782.04	59.89	27.21
	EURO	15,946.35	2,864.00	13.93	2.38
	GBP	17,824.75	9,410.54	17.23	8.83
Trade Receivables	USD	22,28,119.81	19,62,629.10	1,571.26	1,478.99
	EURO	5,541.25	6,858.00	4.79	5.70
	GBP	1,03,312.40	11,486.44	102.47	10.78

35. The assessment of the Company in respect of Income Tax & Wealth Tax is completed up to the Assessment Year 2018-19.

36. In furtherance to the Company's earlier communication, considering the long term benefits of unlocking the shareholders' value through acquisition of the tangible and intangible assets including business rights of Liberty Enterprises (LE) & Liberty Group Marketing Division (LGMD), on March 31, 2015 the Company had entered into a Memorandum of Understanding (MOU) with these two Partnership Firms for acquisition of their respective business of footwear. In terms of the said MOU the related transactions were to be completed, as per the mode/structure to be recommended by the consultants, on or before March 31, 2016 but with retrospective effect from April 1, 2015. In continuation to the said MOU, considering the fact of non-formalization of terms and conditions for such takeover by March 31, 2016 due to certain technical reasons, parties to the above said MOU entered into a fresh agreement for continuing the existing arrangements till further period(s) as may be mutually agreed and accordingly extended the said arrangements initially for further period of 12 months commencing from April 1, 2016 onwards and thereafter for further period of 12 months commencing from April 1, 2017.

The Company, to protect the interest of its shareholders and to ensure long term continuance of the arrangements with these partnership firms namely LE and LGMD till materialization of the

acquisition of their respective business of footwear in accordance to above referred MOU, have entered into fresh agreements with these two Partnership Firms for further period of 10 years commencing from April 1, 2018.

During the year in terms of above referred agreements, the Company has paid/provided for franchise fee of ₹115 Lakh (Previous year ₹115 Lakh) to LE and ₹683.32 Lakh (Previous year ₹780 Lakh) to LGMD and in terms of the renewed agreement dated April 3, 2013 of the Company with Liberty Footwear Co. (LFC), another Partnership Firm of the group and owner of trademark "LIBERTY", for granting exclusive rights of usage of the trademark "LIBERTY" for a period of fifteen years from April 1, 2013 onwards, the Company has paid/provided for trademark license fee of ₹898.99 Lakh (Previous year ₹930 Lakh) to LFC.

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

38. The Company has maintained separate record of its suppliers as micro & small on the basis of memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small & Medium Enterprise Development Act, 2006) claiming their status as on 31st March, 2021 as Micro or Small Enterprise and as such no additional information in this regard is to be furnished in compliance to the provisions of Section 22 of the said Act.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

## 39. Contingent Liabilities

(Amount in ₹)

Particulars	2020-21	2019-20
I. Bank Guarantees issued on behalf of the Company submitted with various institutional customers in terms of their orders.	18,39,53,108	19,73,45,802
II. Letter of Credits issued in favour of the Domestic and Overseas vendors are for ₹1,41,99,364/- against which the goods have duly been received by the Company and are included in the Trade Payables as on 31st March, 2021 for ₹11,558.99 Lakhs	-	-
III. Value Added Tax <sup>1</sup> for the financial year 2005-06, 2006-07, 2007-08 & 2008-09 on account of classification of goods at different rate of tax.	55,69,829	55,69,829
IV. Service Tax on GTA Services for the period from January 2005 to March 2007	5,28,598	5,28,598
V. Value Added Tax <sup>2</sup> for the financial year 2016-17 on account of classification of goods at different rate of tax and Appeal against this filed by the Company during the current year	45,35,039	-
VI. On account of compliance relating to obligations under EPCG Licenses	10,56,190	23,52,722
VII. On account of few labour matters pertaining to earlier years which are pending before Hon'ble Labour Commissioner, Chandigarh and have been challenged by the Company being time barred.	2,10,00,000	2,10,00,000
VIII. Demand <sup>3</sup> raised on account of non-deduction of tax at source by the Company on turnover incentives paid to its distributors/showrooms etc., which otherwise are not liable for deduction in terms of the applicable provisions of the law, and short deduction against advertising charges paid during the financial year 2016-17. The Company has been decided by the appellate authority in favour of the Company.	-	1,06,24,897
IX. Disallowance of certain expenditure on a/c of non-deduction of tax at source which otherwise are not liable for deduction in terms of applicable provisions of the law and for which Company is under appeal. Company has also preferred an appeal against the same before the appropriate authority.	1,72,88,017	1,72,88,017

<sup>1</sup>Including amount deposited under protest ₹14,25,815/- (Previous year ₹14,25,815/-)<sup>2</sup>Appeal Fee paid ₹ 7,10,500/- (Previous year Nil)<sup>3</sup>Amount deposited under protest ₹21,24,980/- (Previous year ₹21,24,980/-)

40. Capital commitments not provided for are estimated at ₹15 Lakh (Previous year ₹85 Lakh).

## 41. Provision for doubtful debts:

The Company has considered debts for ₹3,07,98,601/- (Previous year ₹1,07,09,516/-) as doubtful debts/ securities and also has withdrawn ₹1,07,09,516/

(Previous year ₹93,000/-) out of the provisions made in the earlier years for the same and written off as bad debts ₹1,05,72,955/- (Previous year ₹Nil). Further the difference of the provision made and amount withdrawn during the year, detailed as under, has been charged to Statement of Profit & Loss for the year and the balance has been carried in the balance sheet.

## Statement of Profit &amp; Loss

(Amount in ₹)

Particulars	2020-21	2019-20
Provision for the year	3,07,98,601	1,07,09,516
Less: Amount withdrawn from the provision made for doubtful debts in earlier years	1,07,09,516	93,000
Net debited/(credited) to Statement of Profit & Loss	2,00,89,085	1,06,16,516

## Balance Sheet

(Amount in ₹)

Particulars	2020-21	2019-20
Opening Balance	1,19,81,726	13,65,210
Add: Provision for the year	3,07,98,601	1,07,09,516
Total	4,27,80,327	1,20,74,726

Less: Amount withdrawn during the year	1,07,09,516	93,000
Closing balance	3,20,70,811	1,19,81,726
Trade Receivables (Refer to Note No. 7)	2,90,93,011	1,07,09,516
Security Deposits to Others (Refer to Note No. 4)	29,77,800	12,72,210

42. In accordance to its policy as regards to evaluation of its trade receivables, considering the non-recoverability of some of the debts/advances, the Company has written off the debts/advances amount to ₹12,24,99,604/- (Previous year ₹4,66,04,292/-).
43. The Board of Directors of the Company presently considers and maintains "Footwear" as the main business segment of the Company. Further the Company's Lifestyle

division has also formally commenced its operations w.e.f. October 17, 2018, however the same has not been considered as separate business segment because of its persisting insignificant contribution to revenue during the financial year 2020-21.

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

(Amount in ₹)

Description	2020-21	2019-20
Basic & Diluted		
Profit after Taxation (A)	23,70,937	10,99,73,494
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)	0.14	6.45

#### 45. Related Party Transactions:

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

##### Name of related parties and related party relationship

##### I. Detail of Related Parties and description of relationship:

##### (i) Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP)

Name	Designation
Sh. Adesh Kumar Gupta	CEO & Executive Director
Sh. Adish Kumar Gupta	Executive Director
Sh. Sunil Bansal	Executive Director
Sh. Shammi Bansal	Executive Director

##### (ii) Key Management Personnel (KMP)

Sh. Ashok Kumar	Executive Director
Sh. Munish Kakra	CFO & Company Secretary

##### (iii) Entities where Individuals and Key Management Personnel (KMP) as defined in I (i) above exercise significant influence

Name of Entities
Geofin Investments Pvt. Ltd.
Liberty Enterprises
Liberty Footwear Co.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

Liberty Group Marketing Division

Anything Skool Limited (earlier known as Liberty Innovative Outfits Limited)

Little World Constructions Private Limited

Liberty Fashion Outfits

LFO

A.P. Packaging

Total Print &amp; Packing

Sanjeev Bansal Charitable Trust

**(iv) Relatives of Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Relatives of Key Management Personnel (KMP)****Name****Relationship**

Sh. Harish Kumar Gupta

Brother of Executive Director

Sh. Raman Bansal

Brother of Executive Director

Sh. Vivek Bansal

Brother of Executive Director

Sh. Anupam Bansal

Brother of Executive Director

Sh. Ayush Bansal

Son of Executive Director

Sh. Manan Bansal

Son of Executive Director

Sh. Akshat Gupta

Son of Executive Director

**(v) Independent Directors**

Sh. Raghubar Dayal

Sh. Ramesh Chandra Palhan

Smt. Lovelena Mody

Sh. Aditya Khemka

Sh. Pushpinder Singh Grewal (till 28th September, 2019)

Sh. Arvind Bali Kumar

**II. Related Party Transactions****The Following table provides the total amount of transactions that have been entered in to with related parties**

(Amount in ₹)

Sr. No.	Nature of Transaction	Related Party	For the year ended 31st March 2021	For the year ended 31st March 2020
(i)	Rent	Little World Constructions Private Limited	3,16,227	6,24,112
		Liberty Footwear Co.	70,800	7,78,800
		Sanjeev Bansal Charitable Trust	5,31,000	5,31,000
		Sh. Adesh Kumar Gupta	68,509	62,281
		Sh. Harish Kumar Gupta	2,51,760	2,28,864
		Sh. Sunil Bansal	1,20,000	-
		<b>Total</b>	<b>13,58,296</b>	<b>22,25,057</b>



NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(Amount in ₹)

Sr. No.	Nature of Transaction	Related Party	For the year ended 31st March 2021	For the year ended 31st March 2020
(ii)	Purchase of Goods & Business Promotional Materials	Liberty Fashion Outfits	(1,15,282)	7,88,11,069
		LFO	3,23,13,263	1,44,07,590
		Total Print & Packing	3,18,34,960	4,04,45,133
		A.P. Packaging	3,04,533	17,24,365
		<b>Total</b>	<b>6,43,37,474</b>	<b>13,53,88,157</b>
(iii)	Sales of Goods manufactured and dealt in by the Company	Anything Skool Limited (Earlier known as Liberty Innovative Outfits Limited)	2,02,93,444	10,81,27,147
		<b>Total</b>	<b>2,02,93,444</b>	<b>10,81,27,147</b>
(iv)	Franchise/License Fee (including GST/Service Tax) <sup>1</sup>	Liberty Enterprises	1,33,90,000	1,33,90,000
		Liberty Group Marketing Division	7,67,71,840	8,76,00,000
		Liberty Footwear Co.	10,06,86,880	10,41,60,000
		<b>Total</b>	<b>19,08,48,720</b>	<b>20,51,50,000</b>
(v)	Remuneration to Directors and Other Key Managerial Personnel (KMP) <sup>2</sup>	Sh. Adesh Kumar Gupta	39,00,000	48,00,000
		Sh. Sunil Bansal	39,00,000	48,00,000
		Sh. Shammi Bansal	39,00,000	48,00,000
		Sh. Adish Kumar Gupta	39,00,000	48,00,000
		Sh. Ashok Kumar	12,53,376	15,27,630
		Sh. Munish Kakra	33,55,274	39,32,123
		<b>Total</b>	<b>2,02,08,650</b>	<b>2,46,59,753</b>
(vi)	Remuneration to Relatives of KMP	Sh. Raman Bansal	24,37,500	30,00,000
		Sh. Vivek Bansal	24,37,500	30,00,000
		Sh. Anupam Bansal	24,37,500	30,00,000
		Sh. Ayush Bansal	1,76,750	2,10,000
		Sh. Manan Bansal	1,76,750	2,10,000
		<b>Total</b>	<b>76,66,000</b>	<b>94,20,000</b>
(vii)	Commission (including GST) to relative of KMP	Sh. Akshat Gupta	22,12,500	29,50,000
		<b>Total</b>	<b>22,12,500</b>	<b>29,50,000</b>
(viii)	Director's Sitting Fee <sup>3</sup>	Sh. Raghubar Dayal	2,25,000	2,00,000
		Sh. Ramesh Chandra Palhan	2,25,000	2,00,000
		Smt. Lovelena Mody	1,00,000	50,000
		Sh. Aditya Khemka	1,00,000	25,000
		Sh. Arvind Bali Kumar	1,00,000	-
		Sh. Pushpinder Singh Grewal	-	25,000
		<b>Total</b>	<b>7,50,000</b>	<b>5,00,000</b>

<sup>1</sup>On the request of majority of the partners besides making the statutory and other payments of the related partnership firms on time to time basis, the Company, in accordance to the terms of respective agreements, has been discharging its contractual liability towards respective partnership firms by making the payment to respective partners in accordance to the details provided by majority of partners.

<sup>2</sup>As the liabilities for provident fund, gratuity and compensated absences are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the Directors and KMP are not included above.

<sup>3</sup>As per the section 149(6) of the Companies Act, 2013, Independent Directors are not considered as "Key Managerial Person", however to comply with the disclosure requirements of Ind AS-24 on "Related party transactions" they have been disclosed as "Key Managerial Person".

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

(Amount in ₹)

III. Balance Outstanding at the end of the year				
Sr. No.	Nature of Balances	Related Party	As at 31st March 2021	As at 31st March 2020
(i)	Trade Receivables	Anything Skool Limited (Earlier known as Liberty Innovative Outfits Limited)	2,48,66,509	3,50,73,065
		<b>Total</b>	<b>2,48,66,509</b>	<b>3,50,73,065</b>
(ii)	Long Term Loans & Advances	Liberty Enterprises	10,00,000	10,00,000
		Liberty Group Marketing Division	50,00,000	50,00,000
		<b>Total</b>	<b>60,00,000</b>	<b>60,00,000</b>
(iii)	Short Term Loans and Advances	Liberty Enterprises	-	17,12,973
		Liberty Footwear Co.	-	-
		<b>Total</b>	<b>-</b>	<b>17,12,973</b>
(iv)	Trade Payables	Liberty Footwear Co.	2,76,18,163	9,26,524
		Liberty Group Marketing Division	2,00,59,779	4,95,349
		Liberty Enterprises	6,47,003	-
		Liberty Fashion Outfits	-	2,23,55,316
		LFO	1,45,19,242	1,44,07,590
		A.P. Packaging	52,717	60,046
		Total Print & Packing	84,99,096	59,20,033
		Little World Constructions Private Limited	17,018	45,142
		<b>Total</b>	<b>7,14,13,018</b>	<b>4,42,10,000</b>
(v)	Expenses Payable-Current Liabilities	Sh. Adesh Kumar Gupta	1,30,790	62,281
		Sh. Akshat Gupta	-	12,82,500
		<b>Total</b>	<b>1,30,790</b>	<b>13,44,781</b>

**46 Detail of Employee Benefits - Gratuity**

The Company has a defined gratuity plan (Defined Benefit). Every employee, on completion of continuous service of five years or more with the Company, is entitled to get the gratuity of 15 days salary, on the basis of last drawn salary, for each completed year of service. The scheme is funded

with Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy.

The following table summarizes the component of net benefit expense recognized in the Statement of Profit & Loss and the funded status and amount recognized in the Balance Sheet for the respective plans:

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**Statement of Profit and Loss****a) Net Employee Benefit Expense (recognized in Employee Cost):**

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2021	31.03.2020
1.	Current Service Cost	80,80,864	94,65,419
2.	Interest Cost on Benefit Obligation	52,73,111	52,87,670
3.	Expected return on Plan Assets	(38,97,216)	(38,74,710)
4.	Actuarial Loss/(Gain)	1,89,162	(54,56,176)
5.	Net Benefit Expenses	1,04,45,921	54,22,203

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2021	31.03.2020
1.	Present Value of Defined Benefit Obligation	8,02,58,328	7,35,01,989
2.	Fair value of Plan Assets	5,60,61,445	5,80,02,875
3.	Surplus/(Deficit)	(2,41,86,993)	(1,54,99,114)
4.	Net Asset/(Liability)	(2,41,86,993)	(1,54,99,114)

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2021	31.03.2020
1.	Defined Benefit Obligation at the beginning of the year	7,35,01,989	7,02,85,615
2.	Current Service Cost	88,80,864	94,65,419
3.	Interest Cost	52,73,111	52,87,670
4.	Actuarial (Gain)/Loss on Obligation*	1,89,162	(54,56,176)
5.	Benefits paid	(75,86,798)	(60,80,539)
6.	Defined Benefit Obligation at the end of year	8,02,58,328	7,35,01,989

\*recognized in other comprehensive income/(expense)

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2021	31.03.2020
1.	Opening Fair Value of Plan Assets	5,80,02,875	5,24,17,875
2.	Expected Return	38,97,216	38,74,710
3.	Contribution by employer	-	68,74,596
4.	Benefits paid	(58,38,646)	(51,64,306)
5.	Actuarial (Gain)/Loss	-	-
6.	Closing Fair Value of Plan Assets	5,60,61,445	5,80,02,875

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2021	31.03.2020
1.	Discount Rate	7.00%	8.00%
2.	Expected Rate of Return on Plan Assets	7.00%	8.00%
3.	Salary escalation rate	7.00%	8.00%
4.	Attrition Rate	1% to 3% depending upon age	1% to 3% depending upon age

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2021	31.03.2020
1.	Defined Benefit Obligation	(8,02,58,328)	(7,35,01,989)
2.	Plan Assets	5,60,61,445	5,80,02,875
3.	Surplus/(Deficit)	(2,41,96,883)	(1,54,99,114)
4.	Experience adjustments on Plan Liabilities	(2,41,96,883)	(1,54,99,114)
5.	Experience adjustments on Plan Assets	-	-

47. For the current year, Deferred Tax Liability has been calculated after considering the cumulative timing differences of ₹Nil (Previous year ₹Nil) mainly on account of depreciation.

48. There are no dues payable to the Investor Education and Protection Fund as at 31st March, 2021.

## 49. Detail of Materials Consumed

(Amount in ₹)

Description	2020-21	2019-20
PVC Compound	7,06,11,927	13,75,63,311
Laminated Leather Fabric	19,54,28,246	23,01,05,832
PU Chemicals	22,87,76,494	20,14,16,430
Leather	25,46,04,016	20,25,09,801
PU Soles	17,94,92,697	12,49,11,606
EVA Resin	2,52,77,161	3,20,36,052
Shoe Uppers/Components	22,67,09,779	30,59,70,521
Others	47,04,44,692	43,48,03,761
Total	1,65,13,45,012	1,66,93,17,314
Less: Amount of Export Incentives	1,87,53,720	2,45,15,997
<b>Net Consumption</b>	<b>1,63,25,91,292</b>	<b>1,64,48,01,317</b>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

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

(Amount in ₹)

Description	2020-21		2019-20	
Amount		%	Amount	%
<b>Raw Materials Consumed</b>				
Imported	9,93,96,657	6.09	7,30,75,001	4.44
Indigenous	1,53,31,94,635	93.91	1,57,17,26,316	95.56
<b>Total</b>	<b>1,63,25,91,292</b>	<b>100.00</b>	<b>1,64,48,01,317</b>	<b>100.00</b>
<b>Finished Goods Purchased</b>				
Imported	5,04,24,583	9.54	6,85,74,941	3.57
Indigenous	47,83,03,311	90.46	1,85,28,33,369	96.43
<b>Total</b>	<b>52,87,27,894</b>	<b>100.00</b>	<b>1,92,14,08,310</b>	<b>100.00</b>
<b>Consumable Stores &amp; Spares</b>				
Imported	66,23,224	16.23	63,71,851	14.66
Indigenous	3,41,84,325	83.77	3,70,92,890	85.34
<b>Total</b>	<b>4,08,07,549</b>	<b>100.00</b>	<b>4,34,64,741</b>	<b>100.00</b>

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

(Amount in ₹)

Description	2020-21	2019-20
a) CIF Value of Imports		
Raw Materials & Others	14,88,40,589	20,31,73,320
Capital Goods	3,30,75,938	7,51,02,575
Stores & Spares	41,20,078	2,10,15,859
b) Expenditure in Foreign Currency		
Travelling Expenses	-	23,88,319
Commission	58,83,129	27,35,661
Business Promotion	-	9,37,403
Customer Claims	8,48,232	-
Advertisement	-	-
c) FOB Value of Exports of		
Finished Goods	24,86,17,876	29,17,79,392

## 52. In light of Section 135 of the Companies Act, 2013, the Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹30.10 Lakh (Previous year ₹31.36 Lakh) for CSR activities:

(₹ in Lakh)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a) Gross amount required to be spent by the Company during the year	29.25	27.33
b) Amount spent during the year on following in cash:		
(i) Construction/acquisition of any asset	Nil	Nil
(ii) On purpose other than (i) above	30.10	31.36

53. The Company's operations remained suspended during the period from March 23, 2020 to May 3, 2020 due to nationwide lockdown imposed by Government of India to prevent spread of pandemic Covid-19 at initial stage. Though post lifting of the lockdown in the state of Haryana, Himachal Pradesh and Uttarakhand, in which Company's manufacturing plants are situated, on respective dates, the Company has been able to start the operations in gradual manner and reach to capacity utilization at pre-covid level at some of its plants however considering the present demand the operations at other plants are being streamed at low capacity utilization level for some time.

The Company is hopeful of reviving of the demand at retail front in the quarters to come and does not foresee much financial challenges ahead due to its order book for bulk

government supplies. However as the situation would remain challenging in the times to come, so the Company will continue to be vigilant for any material changes due to the pandemic to take appropriate call in timely manner. Further based upon its assessment Company does not anticipate any impairment in carrying value of its assets including tangible and intangible assets, inventories and receivables etc. and expects to recover the same in full except of specifically written off/provided for during the year.

54. The Company has regrouped/reclassified the previous year figures in accordance with the requirements applicable in the current year. The current year and previous year figures have been rounded off to the nearest rupee.

Signed in terms of our Audit Report of even date.  
For U. Shanker & Associates  
Firm Registration No. 014497N  
Chartered Accountants

for and on behalf of the Board

**Uma Shanker Gupta**  
Partner  
Membership No. 089919

**Adesh Kumar Gupta**  
CEO & Executive Director  
DIN-00143192

**Shammi Bansal**  
Executive Director  
DIN - 00138792

**Raghubar Dayal**  
Independent Director  
DIN-00481803

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

Place: Gurugram, Haryana  
Dated: Wednesday, 30<sup>th</sup> June, 2021



# LIBERTY

Liberty Shoes Ltd.

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CIN:L19201HR1986PLC033185

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

## E-COMMUNICATION REGISTRATION FORM

35<sup>th</sup> ANNUAL GENERAL MEETING - TUESDAY, 28th SEPTEMBER, 2021 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.

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