

8th September, 2023

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

**Sub: Notice of the 37th Annual General Meeting of the Company along with Annual Report for the financial year 2022-23**

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

Dear Sir/Madam,

In terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith a copy of Notice of the 37th Annual General Meeting of the Company to be held on **Saturday, September 30, 2023 at 11:00 A.M. (IST)** through Video Conferencing / Other Audio Video Means ("VC/ OAVM") facility, without the physical presence of the Members at a common venue, alongwith Annual Report for the financial year 2022-23.

Further, this is to inform you that the Company has dispatched the aforesaid Annual Report along with annexure thereof to its eligible shareholders on 8th September, 2023.

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

Thanking you,  
Sincerely Yours,  
For **Liberty Shoes Ltd.**



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

**Liberty Shoes Limited**

**Corporate Office:**

Ground Floor, Building B, Tower-A, DLF Cyber City,

Phase-II, Gurugram, Haryana, INDIA - 122002

Tel.: +91-124-4616200, 3856200 Fax : +91-124-4616222

Email : corporate@libertyshoes.com

**Registered Office:**

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

P.O. Box Bastara, Distt. Karnal, Haryana, India - 132 114

Tel.: +91-1748-251101, 251103 Fax : +91-1748-251100,

Email : corporate@libertyshoes.com CIN No. L19201HR1986PLC033185

# AIMING TO GROW WITH THE SPEED OF

Uplifting Customer  
Experience:

New Retail  
Design  
Underway

Enhancing Manufacturing  
Infrastructure:

Introducing

**NITPRO**

Technology

Upscaling  
New Heights:

**40%**  
Growth  
in 2022-23



**Liberty Shoes Ltd.**

37th Annual Report 2022-23



# C R E D O

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

# FLASHBACK

2022-23



**LIBERTY**



## MARKING FOOTPRINTS

Last year, Liberty achieved several key milestones that propelled us forward and solidified our position in the market. These achievements were a result of our team's hard work, dedication, and strategic efforts.

## Ayushmann Khurrana and Rakul Preet Singh become the face of Leap7X by Liberty Shoes

The company stated that with this association, the brand plans to leverage khurana and singh's connect with young consumers.



Read by:  
1349 Industry Professionals



BE Staff · ETBrandEquity

Updated On Sep 27, 2022 at 01:22 PM IST



### Brand Ambassadors on Board

Brand has appointed Bollywood celebrities, Ayushmann Khurrana and Rakul Preet Singh as its new faces of the brand. This Collaboration is for two years 2022 September to 2024 September. With this association brand has a plan to leverage Ayushman's and Rakul's connection with young consumers and strengthen the brand's offline and online presence. Indian footwear company Liberty Shoes has roped in Bollywood actors Ayushmann Khurrana and Rakul Preet Singh as brand ambassadors for its athleisure brand 'Leap7x.'

With this association, the brand plans to leverage Khurana and Singh's connection with young consumers and strengthen the brand's online and offline presence, the company stated in the press release. Khurrana said, "I have grown up wearing Liberty Shoes, and I'm proud to be associated with this legacy brand



On the evening of the brand campaign launch Mr. Anupam Bansal said, "Liberty Shoes plans to focus intensely on its homegrown brand Leap7X, which is an athleisure-centric line. As statistically proven, athleisure as a category is rapidly growing in the Indian market, and thus, we believe Leap7X is going to perfectly fit the new lifestyle of Indian consumers. And, with this new association, I'm sure we will be able to take the brand to the next level. In the coming years, we are eying to become India's most trusted sports/athleisure brand



LIBERTY

## Leap7X Brand Activation



Brand has launched a powerful campaign “Sitaare Aise Hi Nahi Bante, Mehnat Karni Padati Hai AM TO PM” to establish an emotional connection with the young consumers. The campaign has a very impactful storyline and, a well-narrated voice-over by Ravi Kisan. The campaign was strategically distributed with TV, Cinemas, Digital and print hoardings nationwide, Newspaper ads, Social media, and Whatsapp. Popular TV shows like The Kapil Sharma Show and Jhalak Dikhla Ja also promoted the campaign with nicely integrated concepts.

## Sustainability In The Spotlight

**RE·DO**

These pair of shoes are made of recycled plastic waste. Plastic bottles, crushed into reusable synthetic yarn, and with those yarn this beautiful shoe upper is made.

#WECARE

**I'm Recycled!**

**CHALLENGE-2**  
Sport - Lacing  
₹1999/-

**FLYING**  
Sport - Lacing  
₹2499/-

1 RE·DO COLLECTION

Consumers are increasingly looking for products that align with their values and offer a more sustainable, eco-friendly alternative to traditional products. This trend is likely to continue as consumers become more educated and aware of the impact of their purchasing decisions on the environment and society as a whole. Recently we designed and developed a sustainable footwear collection called “ReDO”, which has been made using special yarn extracted from plastic bottles, one pair of shoes is made from using 8 bottles of plastic yarn. The collection is available at all exclusive showrooms and leading online platforms. Apart from this, the company is also committed to neutralizing chemical waste, adopting best manufacturing practices that prioritize waste management, and Minimizing the use of paper at stores, paperless digital invoicing is an example, which is successfully activated at all Liberty Showrooms.

## Integrated Marketing and Customer Experience

Customer experience is the sum of all touchpoints, and being a customer-centric organization, this is one of the most important parts of marketing. Customers interact with brands at a range of channels, whether it may be social media, retail outlets, e-commerce, websites, etc.



We ensure that brand communication is uniformly available at all the channels, so that we deliver an integrated experience to our customers and brand recall lasts longer.

## Strengthened LSL Brands

Taken Leap7X to the Next Level of Sales with New MRPs and Introduction of Technology i.e., ETPU, NITPRO, etc.. Achieved exponential growth numbers in School Shoes hike after Lift up of Lockdown

Least Discounts in Primary & Secondary Sales in comparison to the previous 5 years

A strategic Increase in ASP was planned and executed which resulted in growth in Quantity & Value both

Using AI and data intelligence to streamline the whole Taken Leap7X to the Next Level of Sales with New MRPs and Introduction of Technology i.e., ETPU, NITPRO, etc..

Using AI and data intelligence to streamline the whole merchandising process (with Incrif)



## CRM Activation and Revenue Growth

We have been effectively using CRM as a marketing tool to boost our relationship with our customer database, it is helping us centralize, optimize and streamline our communications with customers, It is also helping us in

making Better segmentation of our customer database and design marketing campaigns more effective which is rewarding us with improved repeat shoppers and better customer retention.

## Digital Interactive Customer Smart Receipt

Revolutionizing Customer Engagement with our Interactive Smart Receipts At Liberty Shoes, we are proud to introduce our cutting-edge solution: the Interactive Customer Smart Receipt. With our interactive smart receipt, we have reimagined the traditional transaction experience, transforming it into a powerful tool for customer engagement. By seamlessly integrating features such as Net Promoter Score (NPS) and Customer Satisfaction (CSAT) surveys, along with promotion gamification and product feedback, we empower businesses to unlock a wealth of valuable data and insights. It is also our contribution to the environment. By transitioning from conventional paper receipts to electronic versions, we strive to save paper and promote sustainability. Together, let's embrace a greener future.

## Customer Engagement and Experience.

Amid the COVID-19 pandemic, customer engagement and experience have become even more critical for businesses worldwide. In the traditional way, our customer connections were primarily physical. However, in this learning phase for enterprises during the pandemic, it is crucial to find alternative ways to connect with customers. The most effective and efficient method we have found is through digital mediums, which allows us to build a better customer experience.

To achieve this, we have developed a customer engagement and experience application that brings together all customer channel data from different silos. We recognized the importance of having a holistic, 360-degree view of our customers' interactions across various touchpoints. This



comprehensive understanding of the customer journey is vital for us to improve our services and offerings.

Incorporating artificial intelligence (AI) and machine learning (ML) is key to achieving these goals. With AI and ML, we can personalize customer engagements in ways that were previously impossible. We have implemented an AI model for customer segmentation, allowing us to engage customers with personalized promotions and recommendations. This approach has resulted in significant growth in our business, as our customers feel more connected and valued.

## Ideation to Revamp the Retail Experience of the Brand

## Decluttering and Architectural Framing of Brand Mix



Liberty has a mix of multiple sub-brands, catering to multiple target groups and categories. Several strategic discussions lead us to prioritize the brand frame. Identifying the most promising categories where growth is anticipated, the top 4 brands are prioritized as – **Healers | Leap7x | AHA | Lucy & Luke**.

The merchandise plan and brand communication will be more centered around these brands.

## Manufacturing Excellence

We intend to deliver consumer delight. By ensure that the quality of our products is maintained to the astringent norm and each product is scanned through systems and processes that ensure the highest degree of deliveries. Whether it is in the making or in the selling. We are known to have the best Global technologies at the state of the artHumantechCentres. Robotic precision machines, Artificial Intelligence sensors, and the HawkEyes of experienced technology experts ensure we produce the finest in the category. We invest in our people to ensure a sense of pride in the 4000strong team that makes Liberty one of the strongest and most respected brands in the market.







# Online is the future

## Liberty's online business partners



In today's rapidly evolving digital landscape, businesses must adapt and thrive in the online vertical to remain competitive and relevant. At Liberty, our journey in the online vertical has been nothing short of remarkable, marked by substantial growth and unwavering commitment to serving our customers in the digital realm. Here's how we've achieved our phenomenal business growth online:

### 1. Digital Transformation Pioneers:

We recognized the transformative power of the internet early on and made strategic investments in digital transformation. Embracing the latest technologies, we transitioned our operations, customer engagement, and sales channels to the online sphere. Our e-commerce platform is a testament to our commitment to providing exceptional online shopping experiences. We've created an intuitive, user-friendly platform that allows customers to seamlessly browse, select, and purchase our products and services from the comfort of their homes.

### 2. E-commerce Excellence:

Our e-commerce platform is a testament to our commitment to providing exceptional online shopping experiences.

### 3. Digital Marketing Mastery:

Effective digital marketing has been a cornerstone of our online success. We've honed our skills in areas such as search engine optimization (SEO), social

media marketing, pay-per-click advertising, and content marketing to reach and engage our online audience effectively.

### 5. Data-Driven Decisions:

Data is our ally in the digital realm. We've invested in robust data analytics tools to gain insights into customer behavior, trends, and preferences. This data-driven approach has allowed us to fine-tune our online offerings and marketing strategies.

### 6. Mobile Optimization:

With the rise in mobile internet usage, we've optimized our online presence for mobile devices. Our mobile-responsive website and apps ensure a seamless experience for customers on smartphones and tablets.

### 7. Rapid Adaptation to Trends:

The online landscape is constantly evolving. We've demonstrated agility by staying up-to-date with the latest industry trends and technologies. This adaptability has allowed us to pivot quickly and take advantage of emerging opportunities.

### 8. Countrywide Reach:

Through our online presence, we've expanded our reach far beyond limited geographical boundaries. We've successfully catered to a countrywide audience, reaching customers in diverse markets.

### 9. Innovation Hub:

We foster a culture of innovation, encouraging our teams to explore new ideas and technologies. This innovative spirit has led to the development of cutting-edge digital solutions that keep us at the forefront of our industry.

### 10. Commitment to Security:

We prioritize the security and privacy of our online customers. Robust cybersecurity measures and data protection protocols are in place to ensure their safety.

Our business growth in the online vertical is a testament to our adaptability, innovation, and



Our business growth in the online vertical is a testament to our adaptability, innovation, and unwavering dedication to providing the best possible online experiences for our customers. As we look to the future, we remain committed to staying at the forefront of digital trends, embracing emerging technologies, and continuing to provide exceptional value to our online customers.

## Proudly making in India

India is the second largest global producer of footwear after China, according to an MSME report. The footwear industry also generates maximum employment opportunities, especially for the weaker sections, and therefore is an important part of the Indian economy.

Liberty has been a firm believer in strengthening the 'Make In India' movement, we have been successfully able to reduce the dependency on imports and maximize our in-house manufacturing efficiency. Today, urbanization, higher disposable incomes, and media influence are changing the needs of consumers and creating a high demand for quality footwear. Today Liberty is not only producing its own products but for many other well-known brands too.

**Zudio, Fila, HRX, Lee Cooper, and first cry** are a few names to mention.

Liberty has recorded impressive growth in its OEM verticals also over the last year.

### Liberty manufacturing for -



## We are Turning young again

It is not surprising that the brand has been a favorite of millions. While banking on the loyalists, we also look at the young India with high potential. Our recent launches have been strategically targeted to attract young customers, brand 'Leap7x', which carries the image of a modern, youth-oriented brand. We keep collaborating with young influencers and celebrities for brand promotions. Recently we collaborated with Vikrant Massey and Sanya Malhotra to promote our Leap7x design collection. They carry a great influence on the younger generation, who follow these influencers not just for what they say on social media, but they look very closely at what they wear and how they style themselves.



Sanya Malhotra



Vikrant Massey



**LIBERTY**

## A happy customer is the best business strategy



Liberty as a brand is widely known and acknowledged as the "People's brand for the worldwide shoe industry". A majority of the population extensively likes it and that makes it one of the most common and well-known shoe brands of modern times. Customer experience is a fundamental aspect of success for us. It not only directly impacted sales and customer retention but also shaped Liberty's brand image and reputation. Providing exceptional customer experiences and making sure their belief in the brand grows at all interfaces, are a central focus for us.

## Customer's Feedback, an essential part of Liberty's business strategy

Customer feedback is not just important; it's essential for our businesses to thrive and evolve. It empowers us to make informed decisions, enhance products and services, build stronger customer relationships, and stay competitive in an ever-changing business landscape. Gathering, analyzing, and acting on customer feedback has been an integral part of Liberty's business strategy. Social Media Listening is a great platform to gain insights into customer conversations and opinions. It provides a real-time and direct channel to interact with our customers and gather feedback. Apart from that, we are actively listening to customer service channels and in-store interactions as well. We also pay great attention to all kinds of online ratings and reviews. These reviews offer valuable insights into customer experiences, satisfaction levels, and areas for improvement.



## Institutional landscape

At Liberty, we take great pride in our longstanding tradition of excellence in serving the institutional sales vertical for numerous reputed brands. Over the years, we have solidified our reputation as a trusted partner for institutions across various industries, delivering unparalleled value and unwavering dedication to our clients.

As we continue to serve the institutional sales vertical, our commitment remains unwavering. We are dedicated to upholding the highest standards of professionalism, integrity, and innovation. Our goal is to continue being the



**LIBERTY**

preferred partner for institutions seeking excellence in sales, and we look forward to shaping a brighter future together with our esteemed clients.

## Institutional partners



The Indian Armed Forces



Largest Manufacturer of Grey Cement



World Largest Manufacturer of Vaccines



Specializes in the IT Services, Industrial Machinery & Equipment



India leading Beverage Manufacturer



Integrated Power Company that Generates, Transmits, and Trades Electricity



World's Largest Manufacturer of Two Wheelers



Leading Construction Equipment Dealer in India



HINDUSTAN ZINC  
Zinc & Silver of India

Largest Integrated Producer of Zinc-Lead and Silver



Manufacturer of World-Class Pistons Rings



CHAMBAL FERTILISERS & CHEMICALS LTD.

Largest Manufacturer of Urea



India's Largest Phosphatic Fertiliser Company



International Tyre Leading & Manufacturer



Central Industrial Security Force Federal Police



Largest Producers of Acetaldehyde from the Bio Route



Leading Integrated Steel Manufacturer



World's Largest Tyre Company



Toyota Kirloskar

Auto Parts Manufacturing Company



Largest Engg. and Mfg. Enterprise in the Energy and Infrastructure Sector(s)



Expertise in Erection, Installation, Commissioning, Financing, Operation and Maintenance of the Power Projects in India or Abroad PAN India Basis.



GAIL (India) Limited

India's largest Natural Gas Company

**CONTENTS**

|   |     |
|---|-----|
| Company Information                       | 2   |
| From The Management's Desk                | 3   |
| Notice                                    | 4   |
| Directors' Report                         | 24  |
| Secretarial Audit Report                  | 50  |
| Corporate Governance Report               | 53  |
| Management Discussion and Analysis Report | 92  |
| Independent Auditors' Report              | 98  |
| Balance Sheet                             | 111 |
| Statement of Profit & Loss                | 112 |
| Statement of Changes in Equity            | 113 |
| Cash Flow Statement                       | 114 |
| Notes to the Financial Statement          | 115 |
| E-Communication Registration Form         | -   |



## COMPANY INFORMATION

**LIBERTY**

### **Board of Directors**

#### **Aditya Khemka**

Independent Director  
(DIN-00514552)

#### **Piyush Dixit**

**(w.e.f. 11th August, 2023)**

Independent Director  
(DIN-03514223)

#### **Anand Das Mundhra**

**(w.e.f. 11th August, 2023)**

Independent Director  
(DIN-00167418)

#### **Dr. Sujata**

Women Independent Director  
(DIN-09289128)

#### **Gautam Baid**

Independent Director  
(DIN-00021400)

#### **Adesh Kumar Gupta**

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**

Aditya Khemka

Gautam Baid

Piyush Dixit

Sunil Bansal

### **Nomination and Remuneration Committee**

Aditya Khemka

Dr. Sujata

Gautam Baid

### **Stakeholders Relationship Committee**

Aditya Khemka

Sunil Bansal

Adish Kumar Gupta

### **Corporate Social Responsibility Committee**

Shammi Bansal

Adish Kumar Gupta

Dr. Sujata

### **Management Committee**

Adesh Kumar Gupta

Shammi Bansal

Adish Kumar Gupta

Raman Bansal

Anupam Bansal

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

Link Intime India Private Limited

Noble Heights, 1st Floor, C-1 Block

Near Savitri Market, Janakpuri,

New Delhi-110058

Tel.: (91) - 11- 41410592 -94

Fax: (91) - 11- 41410591

E-mail: delhi@linktime.co.in

### **Registered Office**

Libertypuram, 13th Milestone,

G. T. Karnal Road, Kutail, P.O. Bastara,

Distt. Karnal - 132114, Haryana

Tel.: (91) - 1748 - 251101 - 03

Fax: (91) - 1748 - 251100

E-mail: lpm@libertyshoes.com

Website: www.libertyshoes.com

### **Corporate Office**

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

Gurugram - 122002, Haryana

Tel.: (91) - 0124 - 4616200

Fax: (91) - 0124 - 4616222

Email:corporate@libertyshoes.com

### **Bankers**

HDFC Bank Ltd.

IndusInd Bank Ltd.

State Bank of India

Union Bank of India

### **Auditors**

M/s Pardeep Tayal & Co.

Chartered Accountants

2nd Floor, Indian Bank Building

GT Road Panipat (HR)-132103

### **Secretarial Auditors**

M/s JVS & Associates

Company Secretaries

Flat No. 588, Pocket No. 4

Sector – 11, Dwarka

New Delhi – 110075

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

L19201HR1986PLC033185

Email ID for Investor care/grievance

investorcare@libertyshoes.com

www.libertyshoes.com

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

**Join us on:**

**facebook.com/libertyshoe** 



Dear Shareholders,

It is with great pleasure that we share our thoughts with you as part of your Company's 37th Annual Report for the recent concluded Financial Year 2022-23.

"Aiming to grow at the pace of 7X" ..... and setting a growth target can be an exciting affair. It requires many an initiative across diverse verticals to make the company to work like a well-oiled machinery on the track that allow the bullet trains gather speed and maintain it to arrive at their destinations with metronomic precision. The destinations have been identified. The path to be taken has been drawn and incorporation of the company legacy and values has a bold element in the strategic mainstream. The entire team of newly management committee would like to welcome you on board to journey in the future. The annual performance we are going to share is the outcome of the various novel initiatives implemented by the newly reconstituted management committee of your company

Disruption is a fashionable word in Corporate terminology. We are not doing that. We plan to include automation, digitization and robotics to deliver an enviable production output that will adapt to customer needs, fashion trends and boost profitability. We are introducing regular strategic meets to adopt best practices and address challenges that arise along the way. We would focus to prioritize the preferences of consumers to create lasting relationship, loyalty which are very pivotal for success in highly competitive market. We would also continue to adopt rapid technological changes to sustain growth across markets and also to achieve our organisational efficiencies.

We have now completed the exercise of putting in place a sturdy and experienced team that will drive the business across newer markets, crossing new boundaries. The new brand launches have instilled a sense of freshness amongst the portfolio and the new brands have added a nifty bounce amongst the consumers and has given the team a purpose to look forward to the future with energetic confidence. The new Liberty brands Aha, Leap 7X, Healers & Lucy n Luke have established a niche in the market and have found favour amongst the consumers.. The team at Liberty seems more cohesive in approach and are happy to deliver the anticipated results. The business environment in the country and positive initiatives of the government are most welcoming and are helping us go forward.

Even at the helm there has been a collective form of decision making with inputs not limited from just board members but also from key personnel. The determination is buoyant and the path clear. As one of our brand tagline commits- Sitare Aise hi Nahi Bante, Mehnat Karni Padti hai from AM to PM- the company brand is on its way to be the star in the industry. We have taken aim and are aiming for the bull's eye!

The board of your company has continued to exhibit resolute commitments to the company's growth journey by thoroughly following corporate governance guidelines. We want to state our appreciation to the board for their ongoing engagements and the persistent guidance and also to all our shareholders for showing their unfettered faith in Liberty.

**Your Management Team**





## NOTICE

## LIBERTY

**Notice** is hereby given that the 37th (Thirty Seventh) Annual General Meeting ("37th AGM" or "e-AGM" or "AGM") of the Members of Liberty Shoes Limited ("the Company") will be held on **Saturday, 30th September, 2023 at 11:00 A.M.** through Video Conferencing ("VC")/or Other Audio-Visual Means ("OAVM") to transact the following businesses:-

The proceedings of the 37th AGM shall be deemed to be conducted at the Registered Office of the Company at Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, P.O. Bastara, Distt. Karnal-132114, Haryana, 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 on March 31, 2023 together with the Reports of the Board of Directors and the Auditors thereon.

#### **Item no.2- To confirm the payment of Interim Dividend of ₹ 2.50- per equity share of face value of ₹ 10/- each as Final Dividend for the financial year ended March 31, 2023**

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

**"RESOLVED THAT** an Interim Dividend of ₹ 2.50/- per equity share of face value of ₹10/- each absorbing ₹ 4.26 Cr, for the financial year ended March 31, 2023, be and is hereby noted and confirmed as the Final Dividend for the Financial Year 2022-23."

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

To appoint a Director in place of Sh. Adish Kumar Gupta (DIN-00137612), 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. Adish Kumar Gupta (DIN-00137612), who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation."

#### **Item no. 4-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 to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Sh. Ashok Kumar (DIN-006883514), who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation."

### **SPECIAL BUSINESS**

#### **Item no. 5-Appointment of Sh. Piyush Dixit (DIN: 03514223) as an Independent Director of the Company.**

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

**"RESOLVED THAT** Pursuant to the provisions of Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV of the Act and Regulation 16(1)(b), Regulation 25 and Regulation 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company ("the Board") given at their respective meetings held on 11th August, 2023, Sh. Piyush Dixit (DIN:03514223), who was appointed as an Additional Director of the Company with effect from 11th August, 2023 pursuant to Section 161 of the Act and Articles of Association of the Company and who meets the criteria of independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16 (1) (b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a first term of 3 years effective from 11th August, 2023 to 10th August, 2026.



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

**Item no. 6-Appointment of Sh. Anand Das Mundhra (DIN: 00167418) as an Independent Director of the Company**

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

“**RESOLVED THAT** Pursuant to the provisions of Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV of the Act and Regulation 16(1)(b), Regulation 25 and Regulation 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company (‘the Board’) given at their respective meetings held on 11th August, 2023, Sh. Anand Das Mundhra (DIN: 00167418), who was appointed as an Additional Director of the Company with effect from 11th August, 2023 pursuant to Section 161 of the Act and Articles of Association of the Company and who meets the criteria of independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16 (1) (b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a first term of 3 years effective from 11th August, 2023 to 10th August, 2026.

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

**Item no. 7-Removal of Sh. Adesh Kumar Gupta as a Director/Executive 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 Section 115 read with Section 169 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Sh. Adesh Kumar Gupta (Director Identification Number 00143192) be and is hereby removed from the office of Director/Executive Director of Liberty Shoes Ltd. (‘the Company’) with effect from the date of this Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to settle any question, difficulty, doubt that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

By order of the Board  
For Liberty Shoes Ltd.

Place: Gurugram, Haryana  
Dated: Tuesday, 5th September, 2023

**CS Munish Kakra**  
CFO&Company Secretary  
Membership No. A6262

**NOTES:**

- e-AGM:** In view of the situation arising due to COVID-19 pandemic and resultant restrictions on the movement of persons at several places in the country, the Ministry of Corporate Affairs (the ‘MCA’) vide its General Circulars No. 14/2020, No. 17/2020, No. 20/2020, 02/ 2021, 19/2021, 21/2021, No. 02/2022 and No. 10/2022, dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28,2022 respectively (hereinafter, collectively referred as the ‘MCA Circulars’) read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, dated May 12,2020,SEBI/HO/CFD/CMD2/CIR/P/2021/11, dated January 15 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62, dated May 13, 2022 and SEBI/HO/CFD/POD2/P/CIR/2023/4, dated 5th January 2023 (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 37th 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 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 37TH 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 37th 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. 5 to 7 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**

Pursuant to the MCA Circulars and the SEBI Circulars, the Notice along with the Annual Report of the Company for the financial year ended March 31, 2023, 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, 2023 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.

In accordance with Section 103 of the Companies Act, 2013, the presence of Members partaking in the Annual General Meeting (AGM) by way of Video Conferencing (VC) or Other Audio-Visual Means (OAVM) will be deemed substantive and shall be accounted for, thereby contributing towards the fulfilment of the mandated quorum requirement.

#### 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 In time 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 Saturday, 23rd September, 2023. The remote e-Voting period will commence on Wednesday, 27th September, 2023 (9:00 A.M. IST) and will end on Friday, 29th September, 2023 (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., Saturday, 23rd September, 2023, 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 **Saturday, 23rd September, 2023** 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., Saturday, 23rd September, 2023 should treat this Notice for information purpose only.**

The Board of Directors has appointed Sh. Sukesh Gupta Partner of M/S Sukesh Gupta & Co. (Firm Registration No. 036441N), Chartered Accountant, or failing whom, such other Practicing Company Secretary or Chartered Accountant as the Board of Directors of the Company may appoint, as the Scrutinizer for scrutinizing the process of remote e-Voting and also e-Voting during the Meeting in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of the Meeting, count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-Voting in presence of atleast two witnesses not in employment of the Company and submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than 48 hours after the conclusion of the Meeting. Thereafter, the Results of e-Voting shall be declared forthwith by the Chairman or by any other director/person duly authorised in this regard.

The Results declared along with the Report of the



Scrutinizer shall be placed on the Company's website ([www.libertyshoes.com](http://www.libertyshoes.com)) and on the e-Voting website of Link Intime India Private Limited viz. <https://instavote.linkintime.co.in> immediately after the results are declared and shall simultaneously be communicated to the Stock Exchanges where the equity shares of the Company are listed. The results declared along with the said Report shall also be made available for at least 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., Saturday, 30th September, 2023. 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 Thursday, 28th September, 2023 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 **Sunday, 24th September, 2023 to Saturday, 30th September, 2023** (both days inclusive) for the purpose of the AGM.

#### **11. Nomination Facility**

SEBI vide its Circular dated 16th March, 2023 has mandated furnishing of PAN, KYC details (i.e. Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. On or after 1st October, 2023, in case any of the above cited documents/details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://investor.libertyshoes.com>/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 along with 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. As per the said Rules, the corresponding equity shares in respect of which Dividend remains unclaimed /unpaid for seven consecutive years or more, are required to be transferred to the Demat Account of the IEPF Authority.
- The complete list of said Members whose unclaimed/unpaid Dividend and shares



thereon have been transferred to specified Bank account/Demat account of IEPF Authority is available on the website of the Company, i.e., [www.libertyshoes.com](http://www.libertyshoes.com) under the 'Investor Relations' category.

Members have already informed that once the unclaimed or unpaid dividend is transferred to the specified Bank 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 corresponding Equity 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 and also in this Annual Report. Unclaimed/Unpaid amount of dividend and corresponding Equity Shares for the financial year ended 31st March, 2015 has been transferred to the IEPF on 2nd November, 2022 and 17th November 2022 respectively.

17. Pursuant to Section 72 of the Companies Act, 2013, read in conjunction with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members are provided the opportunity to make nominations concerning the shares held by them. Members who have not yet registered their nominations are hereby urged to do so by submitting Form No. SH 13. This form

can be obtained from the Company's website [www.libertyshoes.com](http://www.libertyshoes.com), specifically under the "Investor Relations" section.

Members who hold shares individually in single name and in physical form are advised to initiate the nomination process regarding their shareholding in the Company. To accomplish this, they must submit the duly completed Form No. SH 13 with the Company's Registrar and Transfer Agent (RTA) for shares in physical form, and with their respective depository for shares in electronic form.

In the event that any Member requires cancellation or modification of their existing nomination pertaining to their Shareholding in the Company, they may download Form ISR-3 or Form SH-14 from the Company's website [www.libertyshoes.com](http://www.libertyshoes.com). After obtaining the appropriate form, they must duly complete it and submit Form ISR-3 with the Company's Registrar and Transfer Agent (RTA) for shares in physical form, or Form SH-14 with their respective depository for shares in electronic form.

18. Non-Resident Indian Members are requested to inform Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Ltd., immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

**19. Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242, dated December 9, 2020:**

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242, dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

**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 is given below:**

| Type of shareholders   | Login Method  |
|--|---|
| <p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p> | <ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL viz... <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</li> </ol> |
| <p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p> | <ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, the option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <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, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>   |





| Type of shareholders  | Login Method  |
|---|---|
| <p><b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b></p>              | <ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful 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 the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ul>   |
| <p><b>Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode</b></p> | <ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></li> <li>Click on <b>"Sign Up"</b> under <b>'SHARE HOLDER'</b> tab and register with your following details:-           <p><b>A. User ID:</b></p> <p>Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.</p> <p><b>B. PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</p> <p><b>C. 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><b>D. Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</p> <p>*Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</p> <p>*Shareholders holding shares in <b>NSDL form</b>, shall provide '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> <li>Click on 'Login' under <b>'SHARE HOLDER'</b> tab.</li> <li>Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.</li> </ol> <p><b>Cast your vote electronically:</b></p> <ol style="list-style-type: none"> <li>After successful login, you will be able to see the notification for e-voting. Select 'View' icon.</li> <li>E-voting page will appear.</li> <li>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 'View Resolution' file link).</li> <li>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 <b>'Custodian/Mutual Fund/Corporate Body'</b>. 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 <b>'Custodian/Mutual Fund/Corporate Body'</b> login for the Scrutinizer to verify the same.</p>  |



| Type of shareholders   | Login Method   |   |
|--|--|---|
| <b>Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:</b> | <ul style="list-style-type: none"> <li>Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at <a href="mailto:enotices@linkintime.co.in">enotices@linkintime.co.in</a> or contact on:- Tel: 022-4918 6000.</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 : 022-4886 7000 and 022-2499 7000                     |
|  | 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 toll free no 1800 22 55 33 |
| <b>Individual Shareholders holding securities in Physical mode has forgotten the password:</b>               | <p>If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></p> <ul style="list-style-type: none"> <li>Click on '<b>Login</b>' under '<b>SHARE HOLDER</b>' tab and further Click '<b>forgot password?</b>'</li> <li>Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".</li> </ul> <p>In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter.</p> <p>User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company</p> |   |
| <b>Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:</b>  | <p>Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.</p> <ul style="list-style-type: none"> <li>▶ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.</li> <li>▶ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.</li> <li>▶ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".</li> </ul>   |   |

**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](https://www.webex.com/downloads.html)/Shareholders also have an option to click on the URL provided to attend the meeting. Please read the instructions carefully and participate in the meeting. For any support, shareholders may also call the RTA on the dedicated number provided in the instructions.

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>



► Select the “**Company**” and ‘**Event Date**’ and register with your following details:-

A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

- Shareholders/members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

- Shareholders/members holding shares in physical form shall provide Folio Number registered with the Company.

B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

C. **Mobile No.:** Enter your mobile number.

D. **Email ID:** Enter your email id, as recorded with your DP/Company.

- Click “**Go to Meeting**” (You are now registered for InstaMeet and your attendance is marked for the meeting).

- Please read the instructions carefully and participate in the meeting. You may also call upon the **InstaMeet Support Desk** for any support on the dedicated number provided to you in the **instruction/InstaMEET website**.

2. Members can log in and join 15 minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 minutes after the scheduled time. The Company shall provide VC/OAVM facility to Members to attend the AGM. The said facility will be available for 1000 Members on first come first served basis. This will not include large Members (i.e. Members with 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, chairpersons of the audit

committee, nomination & remuneration committee and stakeholders’ relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

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

1. Shareholders who would like to speak during the meeting must register their request 7 days in advance with the company by sending their request on the email id at [investocare@libertyshoes.com](mailto:investocare@libertyshoes.com).

2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.

4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.

5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

6. Shareholders are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.

7. Shareholders who would like to ask questions, may send the same in advance mentioning their name, demat account number/folio number, e-mail id, mobile number at [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com), atleast 48 hours prior to the date of AGM i.e. on or before 11:00 A.M. (IST) on Thursday, 28th September, 2023. The same will be replied suitably.

## 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 37th 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, Tablets, or through Laptops connected via Mobile Hotspot may experience Audio/Visual loss due to fluctuations 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. 5 to 7 of the accompanying Notice of AGM pursuant to Section 102 (1) of the companies Act, 2013, as amended)**

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

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

To comply with the above provisions of SEBI LODR Regulations and to have optimum combination of Executive and Non Executive Director including Independent Director, the Board of Directors in their meeting held on 11th August, 2023, on the recommendation of Nomination and Remuneration Committee (NRC), appointed Sh. Piyush Dixit (DIN: 03514223) as an Independent Director of the Company for a first term of 3 years effective from 11th August, 2023 to 10th August, 2026, in



accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 (the 'Act') and Articles of Association of the Company.

Further, the provisions of Regulation 17 (1C) of SEBI LODR Regulations, provides that the listed Company shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

In order to further comply with the aforementioned SEBI LODR Regulations pertaining to seek shareholder approval, the Board of Directors, in their meeting held on 11th August, 2023, authorized the Company Secretary and Compliance Officer to present the resolution before shareholders in the forthcoming Annual General Meeting.

While considering the above appointment the members of the NRC thoroughly evaluated various aspects, including leadership capabilities, administrative knowledge, and managerial experience, as key skills required for the role. Based on their assessment, the NRC and the Board of Directors are of the view that Sh. Piyush Dixit (DIN: 03514223) possesses the requisite skills and capabilities that would be of immense benefit to the Company and hence it is desirable to appoint him as an Independent Director.

As required under Section 160 of the Companies Act, 2013, the Company received a notice in writing from a member proposing the candidature of Sh. Piyush Dixit (DIN: 03514223) for the position of Independent Director of the Company.

In the opinion of the NRC and the Board of Directors, Sh. Piyush Dixit (DIN: 03514223) fulfills the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013, as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for being eligible for appointment.

Sh. Piyush Dixit (DIN: 03514223) is not disqualified from being appointed as a Director in

accordance with Section 164 of the Companies Act, 2013, and has not debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent to act as a Director of the Company. The Company has also received declaration from Sh. Piyush Dixit 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. As required under Regulation 25 (8) of Listing Regulations, Sh. Piyush Dixit has confirmed that he is unaware of any circumstances or situations which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In compliance with Section 150 of the Act and the corresponding Rules, Sh. Piyush Dixit (DIN: 03514223) has duly registered himself with the Indian Institute of Corporate Affairs (IICA) and confirmed his adherence to the requirements Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended), within the prescribed timeline.

A copy of the draft Letter of Appointment for Independent Directors is available for inspection through electronic mode. Members desiring to inspect the same may send their request to [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com) from their registered email address, mentioning their names and folio numbers/demat account numbers, and including a self-attested copy of PAN card or Adhaar Card or Voter ID Card. Sh. Piyush Dixit will be remunerated through sitting fees for attending the Company's Board/Committees Meetings or any other purpose whatsoever, as may be determined by the Board from time to time and within the limits specified under the provisions of the Companies Act, 2013, and Listing Regulations.

Based on the aforementioned considerations and in accordance with the Listing Regulations, the consent of the members is sought by way of a Special Resolution for the appointment of



Sh. Piyush Dixit (DIN: 03514223) as an Independent Director, not liable to retire by rotation, as set forth in the accompanying Notice.

A brief profile of Sh. Piyush Dixit (DIN: 03514223), nature of his expertise in specific functional areas and names of Companies in which he holds directorships or Chairmanships of Board committees, shareholding, and relationships between directors inter se, as stipulated under the Companies Act, 2013, Listing Regulations, and Secretarial Standards, is provided in Annexure-A to this Notice.

Except Sh. Piyush Dixit (DIN: 03514223) being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in the Notice.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, consider that the appointment of Sh. Piyush Dixit (DIN: 03514223) as an Independent Director is in the interest of the Company and therefore, recommends the Special Resolution as set out at item no. 5 of the Notice for approval of the Members.

#### **Item No. 6**

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

To comply with the above provisions of SEBI LODR Regulations and to have optimum combination of Executive and Non Executive Director including Independent Director, the Board of Directors in their meeting held on 11th August, 2023, on the recommendation of Nomination and Remuneration

Committee (NRC), appointed Sh. Anand Das Mundhra (DIN: 00167418) as an Independent Director of the Company for a first term of 3 years effective from 11th August, 2023 to 10th August, 2026, in accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 (the 'Act') and Articles of Association of the Company.

Further, the provisions of Regulation 17 (1C) of SEBI LODR Regulations, provides that the listed Company shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

In order to further comply with the aforementioned SEBI LODR Regulations pertaining to seek shareholder approval, the Board of Directors, in their meeting held on 11th August, 2023, authorized the Company Secretary and Compliance Officer to present the resolution before shareholders in the forthcoming Annual General Meeting.

While considering the above appointment the members of the NRC thoroughly evaluated various aspects, including leadership capabilities, administrative knowledge, and managerial experience, as key skills required for the role. Based on their assessment, the NRC and the Board of Directors are of the view that Sh. Anand Das Mundhra (DIN: 00167418) possesses the requisite skills and capabilities that would be of immense benefit to the Company and hence it is desirable to ,appoint him as an Independent Director.

As required under Section 160 of the Companies Act, 2013, the Company received a notice in writing from a member proposing the candidature of Sh. Anand Das Mundhra (DIN: 00167418) for the position of Independent Director of the Company.

In the opinion of the NRC and the Board of Directors, Sh. Anand Das Mundhra (DIN: 00167418) fulfills the conditions as set out in



Section 149(6) and Schedule IV of the Companies Act, 2013, as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for being eligible for appointment.

Sh. Anand Das Mundhra (DIN: 00167418) is not disqualified from being appointed as a Director in accordance with Section 164 of the Companies Act, 2013, and has not been debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent to act as a Director of the Company. The Company has also received declaration from Sh. Anand Das Mundhra 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. As required under Regulation 25 (8) of Listing Regulations, Sh. Anand Das Mundhra has confirmed that he is unaware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In compliance with Section 150 of the Act and the corresponding Rules, Sh. Anand Das Mundhra (DIN: 00167418) has duly registered himself with the Indian Institute of Corporate Affairs (IICA) and confirmed his adherence to the requirements of Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended), within the prescribed timeline.

A copy of the draft Letter of Appointment for Independent Directors is available for inspection through electronic mode. Members desiring to inspect the same may send their request to [investorcare@libertyshoes.com](mailto:investorcare@libertyshoes.com) from their registered email address, mentioning their names and folio numbers/demat account numbers, and including a self-attested copy of PAN card or Aadhaar Card or Voter ID Card. Sh. Anand Das Mundhra will be remunerated through sitting fees for attending the Company's Board/Committees Meetings or any other purpose whatsoever, as may be determined by the Board from time to time

and within the limits specified under the provisions of the Companies Act, 2013, and Listing Regulations.

Based on the aforementioned considerations and in accordance with the Listing Regulations, the consent of the members is sought by way of a Special Resolution for the appointment of Sh. Anand Das Mundhra (DIN: 00167418) as an Independent Director, not liable to retire by rotation, as set forth in the accompanying Notice.

A brief profile of Sh. Anand Das Mundhra (DIN: 00167418) nature of his expertise in specific functional areas and names of Companies in which he holds directorships or Chairmanships of Board committees, shareholding, and relationships between directors inter se, as stipulated under the Companies Act, 2013, Listing Regulations, and Secretarial Standards, is provided in Annexure-A to this Notice.

Except Sh. Anand Das Mundhra (DIN: 00167418) being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in the Notice.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, consider that the appointment of Sh. Anand Das Mundhra (DIN: 00167418) as an Independent Director is in the interest of the Company and therefore, recommends the Special Resolution as set out at item no. 6 of the Notice for approval of the Members.

#### **Item No. 7**

Sh. Sachin Gupta is a shareholder of the Company and holds 2,24,900 Equity Shares constitute 1.47% of the total paid up share capital of the Company.

Sh. Adesh Gupta is currently Executive Director of the Company and has been acting as such since 2004 with re-appointment from time to time with last re-appointment made as Executive Director for a period of 3 years w.e.f 1st April, 2021 upto 31st March, 2024 by Board of



Directors in its Meeting held on 12th February, 2021 and then further approved by shareholders in its Annual General Meeting held on 28th September, 2021.

Sh. Sachin Gupta has pursuant to the Special Notice dated 2nd September, 2023 under Section 169 read with 115 of the Companies Act, 2013 and in recognition of the legal rights vested in him as a Shareholder, decided to consider and if thought fit, pass an Ordinary Resolution for removal of Sh. Adesh Gupta, Director and thereby Executive Director of the Company and vide his above notice also expressed his intention to move the said resolution at forthcoming Annual General Meeting for shareholder's voting.

The Board of Directors of the Company clarify that a copy of the Special Notice issued by Sh. Sachin Gupta is being sent along with this Notice with a view to provide the relevant background concerning Item no. 7 set out in the Notice to be transacted at the forthcoming Annual General Meeting. A copy of this Special Notice as received by the Company from Sh. Sachin Gupta is enclosed herewith as Annexure B. Consequently, the Company, the Board of Directors of the Company and its Officers do not take any responsibility for the same.

Under Section 169 (4) of the Companies Act, 2013, the

director being sought to be removed has a right to make representation to the members in the manner stated therein. In compliance with the above provisions, the Company vide its communication dated 2nd September, 2023 has sent the said Notice received from Sh. Sachin Gupta to Sh. Adesh Gupta seeking his representation thereon, if any. The representation from Sh. Adesh Gupta has not yet been received and it will be sent to all the shareholder separately if received after dispatch of this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or other wise in Item no. 7 set out in the Notice except Sh. Adesh Gupta.

By order of the Board  
For Liberty Shoes Ltd.

Place: Gurugram, Haryana  
Dated: Tuesday, 5th September, 2023

**CS Munish Kakra**  
CFO & Company Secretary  
Membership No. A6262

**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](mailto:lpm@libertyshoes.com) , Website: [www.libertyshoes.com](http://www.libertyshoes.com)  
CIN: L19201HR1986PLC033185





## ANNEXURE-A

LIBERTY

### 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. Adish Kumar Gupta   | Sh. Ashok Kumar   |
|--|---|---|
| Director Identification Number (DIN)   | 00137612  | 06883514  |
| Category of Director   | Executive Director  | Executive Director  |
| Nationality  | Indian  | Indian  |
| Date of Birth/Age  | 11th January, 1964/59 Years   | 4th April, 1968/55 Years  |
| Date of First appointment as Director  | 12th August, 2011   | 23rd January, 2015  |
| Qualification  | Graduate  | LLB   |
| Profile/Background details/Recognition or awards/Experience/Expertise in specific Functional Areas                                 | <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> | <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> |
| Terms and conditions of appointment/re-appointment   | Re-appointment as Director liable to retire by rotation   | Re-appointment as Director liable to retire by rotation   |
| Details of remuneration to be sought/ remuneration last drawn (2022-23)  | He has drawn remuneration of ₹ 48 Lakh P.A (including all perquisites) during the FY 2022-23.   | He has drawn remuneration of ₹ 33 Lakh P.A. (including all perquisites) during the FY 2022-23   |
| 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  | None  |
| List of directorship held in other Companies as on 31st March, 2023 (excluding foreign Companies)                                  | Geofin Investments Pvt. Ltd.<br>Little World Constructions Pvt. Ltd.<br>Dhati Exports and Manufacturers Pvt. Ltd.   | None  |
| List of Chairmanship/Membership in Committees of the Board of the other Companies on which he is a Director as on 31st March, 2023 | None  | None  |
| No. of shares held in the Company:<br>(a) Own<br>(b) For other persons on a beneficial basis                                       | 189360 Equity Shares*<br>NIL  | NIL<br>NIL  |

\*other than Equity Shares held by his HUF

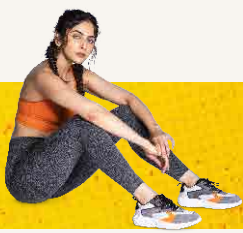


| Name of the Director   | Sh. Piyush Dixit   | Sh. Anand Das Mundhra   |
|--|--|---|
| Director Identification Number (DIN)   | 03514223   | 00167418  |
| Category of Director   | Non-executive Independent Director   | Non-executive Independent Director  |
| Nationality  | Indian   | Indian  |
| Date of Birth/Age  | 03 <sup>rd</sup> December,1972/50 Years  | 14 <sup>th</sup> July,1966/57 Years   |
| Date of First appointment as Director  | 11 <sup>th</sup> August 2023   | 11 <sup>th</sup> August 2023  |
| Qualification  | Bachelor of Engineering  | Commerce Graduate   |
| Profile/Background details/Recognition or awards/Experience/Expertise in specific Functional Areas | <ul style="list-style-type: none"> <li>• He is founder &amp; CEO of Unicel Corporation Pvt. Ltd.</li> <li>• He is having 29 years of Industry experience sprawling in to Core manufacturing, Automobiles, Consumer Durables and Telecom sectors</li> <li>• Being a successful entrepreneur, he is having vast experience, knowledge and administrative and managerial skills.</li> </ul> | <ul style="list-style-type: none"> <li>• He is presently in the business of capital Equipment's like Transformers, HT breakers, Cables, DG sets etc. used for external electrification</li> <li>• He is associated with Shree Nursingsahay Mudungopal Engineers Pvt Ltd, New Delhi, a company established in 1949 and is part of a 140 year old Group.</li> <li>• He is having extensive knowledge and broader experience in Business development.</li> </ul> |
| Terms and conditions of appointment/re-appointment   | Appointed as Independent Director, not liable to retire by rotation, subject to the approval of Shareholders   | Appointed as Independent Director, not liable to retire by rotation, subject to the approval of Shareholders  |
| Details of remuneration to be sought/remuneration last drawn                                       | He will be paid remuneration by way of sitting fee for attending the Board/Committee Meeting of the Company or for any other purpose whatsoever as may be decided by the Board from time to time and within the limits as specified under the provisions of Companies Act, 2013 and listing Regulations  | He will be paid remuneration by way of sitting fee for attending the Board/Committee Meeting of the Company or for any other purpose whatsoever as may be decided by the Board from time to time and within the limits as specified under the provisions of Companies Act, 2013 and listing Regulations   |
| No. of Board Meetings attended during the year   | Not Applicable, since he has been appointed w.e.f. 11 <sup>th</sup> August 2023  | Not Applicable, since he has been appointed w.e.f. 11 <sup>th</sup> August 2023   |
| Relationship with other Directors and other Key Managerial Personnel (KMPs) inter se               | None   | None  |
| List of directorship held in other Companies as on 31st March, 2023 (excluding foreign Companies)  | Unicel Infra Private Limited   | <ol style="list-style-type: none"> <li>1. Shree NM Exim Private Limited</li> <li>2. Shree Nurmud Industries Private Limited</li> <li>3. Electrical Products Company (India) Private Limited</li> <li>4. Shree Nursingsahay Mudungopal Private Limited</li> <li>5. Shree Nursingsahay Mudungopal (Engineers) Private Limited</li> <li>6. Altem Energy Private Limited</li> </ol>   |



|   |                |                |
|---|----------------|----------------|
| <b>List of Chairmanship/Membership in Committees of the Board of the other Companies on which he is a Director as on 31st March, 2023</b> | Not Applicable | Not Applicable |
| <b>No. of shares held in the Company:</b>   |                |                |
| <b>(a) Own</b>  | NIL            | NIL            |
| <b>(b) For other persons on a beneficial basis</b>  | NIL            | NIL            |

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



## ANNEXURE-B

## LIBERTY

2nd September, 2023

The Board of Directors

### LIBERTY SHOES LTD

Corporate Office and Communication Address:

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

Registered Office: 13 th Milestone, G.T. Karnal Road,P.O.  
Bastara, Kutail, Distt. Karnal, Haryana- 132114

Sub: Special Notice under Section 169 and other  
applicable provisions of Companies Act, 2013 for  
Removal of Director

Dear Sirs/Madam,

I am presently an Equity shareholder of Liberty Shoes Limited (herein after "Company"). I am holding 2,49,900 Equity Shares constitute 1.47 % of the total paid up Share Capital of the Company.

In pursuance to the provisions of Section 169(2) of the Companies Act, 2013, I hereby give you a notice, in accordance with Section 115 of the Companies Act, 2013 read with rule 23 of the Companies (Management and Administration) Rule, 2014, of my intention to move at the ensuing Annual General Meeting of the Company the following resolution to be an Ordinary Resolution for removal of Mr. Adesh Kumar Gupta (Director Identification Number 00143192), Director from the post of Directorship in the Company.

I therefore propose to pass the following resolution as an Ordinary Resolution at the forthcoming Annual General Meeting of the Company.

### ORDINARY RESOLUTION

Removal of Mr. Adesh Kumar Gupta as a Director/  
Executive Director of the Company

**"RESOLVED THAT** pursuant to the provisions of Section 115 read with Section 169 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder, Mr. Adesh Kumar Gupta (Director Identification Number 00143192) be and is hereby removed from the office of Director/Executive Director of Liberty Shoes Ltd ("the Company") with effect from the date of this Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to settle any question,

difficulty, doubt that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

It is pertinent to bring the following to the attention of the shareholders for their consideration and taking prudent decision on voting for the proposed removal of Director of the Company:

1. I, Sachin Gupta, am a shareholder of Liberty Shoes Limited ("LSL") and I hold 2,49,900 Ordinary Shares representing 1.47% of the total share Capital of Liberty Shoes Ltd.
2. Mr. Adesh Kumar Gupta (Director proposed to be removed) is under the Promoter Group of Liberty Shoes Limited and holds 95,000 Ordinary shares representing 0.56% of the voting capital of Liberty Shoes Limited in individual Capacity.
3. Mr. Adesh Kumar Gupta has been acting as CEO & Executive Director of the Company since 2004 with re-appointment from time to time with last re-appointment made as CEO & Executive Director for a period of 3 years w.e.f. 1st April, 2021 by Board of Directors in its Meeting held on 12th February, 2021 and then further approved by shareholders in its Annual General Meeting held on 28th September, 2021.
4. I have lost confidence in Mr. Adesh Kumar Gupta for a combination of several factors when I look behind as shareholder of the Company, our Company has not grown at all as compared to its peers.
5. I feel that the removal of Mr. Adesh Kumar Gupta as Director/Executive Director before the expiry of his term is absolutely necessary for the future success of our Company and therefore I am proposing the above resolution for approval of the shareholders at this Annual General Meeting.

Kind request to take further necessary action in this regard.

Yours faithfully,

Sd/-

Sachin Gupta

Equity Shareholder

Demat Account no. IN 30021417572358

PAN: AKCPG6293R



## DIRECTORS' REPORT

LIBERTY

### Dear Shareholders,

Your Directors are presenting the 37th Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2023.

### Financial Highlights:

The highlights of the financial statements are as under:-

(₹in Lakh)

| Particulars                                     | 2022-23          | 2021-22          |
|---|------------------|------------------|
| Gross Sales                                     | 65,432.70        | 48,781.68        |
| Add: Other Income                               | 17.42            | 28.28            |
| <b>Revenue from Operations and Other Income</b> | <b>65,450.12</b> | <b>48,809.96</b> |
| <b>Profit before Tax Expense (PBT)</b>          | <b>1,785.48</b>  | <b>397.95</b>    |
| Less: Tax Expenses                              | 494.35           | 173.65           |
| <b>Net Profit for the year (NP)</b>             | <b>1,291.13</b>  | <b>224.29</b>    |
| Other Comprehensive Income/(Loss)               | 51.47            | 38.43            |
| <b>Total Comprehensive Income</b>               | <b>1,342.60</b>  | <b>262.72</b>    |

### Review of the operations of the Company:

During the financial year 2022-23, your Company achieved its highest-ever turnover in its history, with total revenue reaching to ₹ 65,432.70 Lakh as against ₹ 48,781.68 Lakh during the previous year. This achievement reflects a 34% increase compared to the previous year. Furthermore, your Company's profitability also soared, with net profits reaching to ₹ 1,291.93 Lakh, marking a 476% increase from the previous year of ₹ 224.29 Lakhs. These financial milestones are purely a demonstration of our dedication, thought out plans and the management commitment for continuous improvement.

The Financial results have to be observed keeping in view the fact that the year under consideration has been the first full year of operations without any disruption of impact of COVID-19 which has impacted company's operations in the last 2/3 years.

E-commerce ( on line portals) played a pivotal role in our success, contributing 15% of our total revenue during the financial year. This channel's growth underscores our commitment to digital transformation and meeting customer preferences of the modern trade. We also strengthened our retail footprint by opening of 55 new stores, reaching 425 exclusive showrooms nationwide including COCO stores. The first half of the financial year 2022-23 saw a surge in pent-up demand across our industry wherein opening

of schools, institutions and offices compelled the consumers to revive their need of essential items like footwear and other related products. Your Company responded promptly to meet this demand, adapting our operations and strategies to capitalize on these opportunities. This resilience and adaptability have been helpful for our continuing growth trajectory in 2nd half as well. Our focus on sound financial management resulted in reducing receivables and the efficient utilization of working capital which contributed to a healthy free cash flow position. This financial strength allows us to explore new growth avenues and also comprehend our investment towards long-term sustainability of the Company.

In line with our commitment to innovation and enhanced customer satisfaction, your Company during the year under consideration has introduced its new range of premium casual footwear with novel identity of LEAP7X which has been very well acknowledged by the consumers. To augment the promotion of this product category, the Company strategically engaged two eminent Bollywood celebrities, Ayushman Khurana and Rakul Preet Singh, as Brand Ambassadors for our athleisure brand, Leap7X. Considering the athleisure-centric nature of the brand, the association with these Bollywood stars perfectly aligns with the message conveyed in Leap7X's latest campaign, "Sitaare Aise Hi Nahi Bante Mehnat



**Karni Padti Hai AM To PM."** Their endorsement creates a compelling connection between the brand and the essence of the campaign, reflecting the contemporary and active lifestyle embraced by Leap7X. Their presence and influence bring credibility and appeal to the brand, further enhancing Company's market position and customer engagement.

During the financial year 2022-23, to enhance our brand presence and customer engagement, we allocated substantial resources to marketing activities and incurred approx. ₹ 25 Crores as against ₹ 5 Crores (approx.) during the previous year. The said advertising expenses comprised almost 30% value done through use of non cash mode against clearance of slow moving stocks as part of strategy of promotions and also reduction of stocks. These efforts have yielded positive results, strengthening our market position and customer loyalty.

Liberty, as members are aware, has always been perceived as Innovative brand and continuing with the same approach has recently introduced new technology of NITPRO to further maintain our competitive edge and staying at the forefront. Your Company during the year also successfully upgraded its proven ERP by implementing the SAP S/4 HANA system, (cloud based) for streamlining its operations and also enhancing efficiency across the organization. This technology upgrade positions us for greater agility and adaptability in the ever-evolving business landscape.

Your Director are of the opinion that Footwear Industry per se has enormous potential to grow in future and Liberty is all set to exploit that potential.

#### **Credit Rating:**

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

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

The Wholly Owned Subsidiary (WOS) in the Middle East has already been discontinued by the Company, as previously announced. No financial statements for the year under review were required to be filed and submitted, as required by Section 129 of the Companies Act, 2013, as this WOS ceased to exist as of 2018.

#### **Appropriations:**

##### **Dividend**

Since your Company is not among top 1000 listed Companies based on market capitalization (calculated as on 31st March, 2023), therefore it is not having dividend distribution policy as provided under Regulation 43 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) herein after referred as "Listing Regulations" in this report). However, your Company will adopt the same as and when it is applicable on it.

The Board considering the Company's performance and financial position for the year under review, approved and paid Interim dividend at the rate of 25% (Rs. 2.50 per equity share) on each fully paid-up equity share of Rs. 10/-. The total outflow on account of Interim Dividend from the company's profits for the financial year that ended on 31st March, 2023 was Rs. 4.26 Cr.(inclusive of applicable T.D.S.). The Interim dividend was paid to the members whose names were listed in the Register of Members as of Friday, September 23, 2022 i.e, which was the Record Date for the purpose of payment of interim dividend.

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

Your Directors proposed to transfer ₹ NIL (Previous Year ₹ NIL) to the General Reserves out of the profits available with the Company for appropriations. Accordingly, an amount of ₹ 1342.60 Lakh (Previous Year ₹ 262.72 Lakh) has been proposed to be retained in the Profit & Loss Account of the Company.

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

In compliance with Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund)



Rules, 2016 ("IEPF Rules") as amended from time to time, a sum of ₹ 3.48 Lakh for FY 2014-15 (Final Dividend) has been deposited into the specified bank account of the IEPF, Government of India, towards unclaimed/unpaid dividend amount for the financial year ended March 31, 2015.

As per the said Rules, the corresponding equity shares in respect of which Dividend remains unclaimed/unpaid for seven consecutive years or more, are required to be transferred to the Demat Account of the IEPF Authority. During the year under review, your Company has transferred 30,561 underlying Equity Shares to the Demat Account of the IEPF Authority, in compliance with the aforesaid Rules.

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

During the year ended 31st March, 2023, 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:**

##### **Re-appointment of Directors to retire by rotation**

Sh. Adish Kumar Gupta & Sh. Ashok Kumar, Directors of the Company will be retiring by rotation at the 37th 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 37th Annual General Meeting.

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

##### **Appointment(s)**

- (a) The members at the 36th Annual General Meeting held on 30th September, 2022 have approved the appointment of Sh. Gautam Baid (DIN: 00021400) as an Independent Directors of the Company for consecutive term effective from 01st April, 2022 to 28th September, 2024.
- (b) On the basis of recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held





on 11th August, 2023 have approved the appointment of Sh. Piyush Dixit (DIN: 03514223) and Sh. Anand Das Mundhra (DIN: 00167418) as Additional Directors as well as Independent Directors of the Company for a first term of 3 years commencing from 11th August, 2023 to 10th August, 2026 subject to the approval of the members in their forthcoming Annual General Meeting. Accordingly, their candidature(s) along with resolution(s) are being placed in the ensuing Annual General Meeting for appointment as an Independent Director 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 directorship/ chairmanships 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:**

After closure of financial year, 2022-23, due to pre-occupations, Sh. Arvind Bali Kumar and Sh. Sanjay Bhatia, Independent Directors have tendered resignation from the position of Directorship of the company with effect from 24th May, 2023. Besides above, there were no other reasons for tendering of their resignations. The Board of Directors of the Company in their meeting held on 30th May, 2023 have placed on record appreciation for the contribution made by the above Directors during their respective tenure(s).

#### **Cessation of Chief Executive officer (CEO)**

Sh. Adesh Gupta has ceased to be a Chief Executive Officer of the Company w.e.f. 5th September, 2023 as per the decision of the Board of Directors of the Company taken in their meeting held on this date.

#### **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 | - 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**

Six meetings of the board were held during the year. The detail of the composition, board meetings held during the year and attendance at the meetings are provided in Corporate Governance Report. The maximum time gap between two meetings did not exceed 120 days.

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

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board is required to monitor and review the Board evaluation framework. In line with the Corporate Governance Guidelines, the Annual Performance Evaluation is conducted for all members as well as the working of the Board and its Committees. This evaluation is with specific focus on the performance and effective functioning of the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The evaluation process also considers the time spent by each of the Board Members, core competencies, personal characteristics, accomplishment of specific



responsibilities and expertise. In addition, the Chairman is also evaluated on the key aspects of his role. The Board evaluation is conducted through questionnaire having qualitative parameters and feedback based on ratings. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The outcome of the Board evaluation for the financial year under consideration was discussed by the Nomination and Remuneration Committee and Board at their respective meeting held on 13th February, 2023, excluding the director being evaluated.

During the year under review, the Company has complied with all the criteria of Evaluation as envisaged in the SEBI Circular on "Guidance Note on Board Evaluation".

In lines with the provisions of the Companies Act, 2013 and Listing Regulations, separate meeting of the Independent Directors of the Company was held on 30th January, 2023 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 prescribe under section 149 of the Companies, Act, 2013 and Regulation 16 of Listing Regulations.

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

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

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

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

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

#### **Statutory Disclosures**

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

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

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

Liberty's internal financial controls are adequate and 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. However, the Company has observed few instances of deviation from the existing Corporate Governance guidelines and immediately coming the same in to information of Board/Management Committee, the necessary remedial measure has been taken including action against the concerned.

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

#### **Declaration by Independent Directors**

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

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

#### **Directors' Responsibility statement**

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

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



vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2022-23.

#### **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, 2023 in respect of matters pertaining to the financial management or any other matter related thereto, were considered and duly accepted by the Board of Directors of the Company.

#### **Statutory Auditors and their Report**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the members at their 36th Annual General Meeting ("AGM") of the Company held on 30th September, 2022 had appointed M/s Pardeep Tayal & Co. Chartered Accountants, Panipat (Firm registration No. 002733N), for a term of 5 (five) consecutive years from the conclusion of 36th Annual General Meeting till the conclusion of 41st Annual General Meeting to be held in the year 2027.

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

Your Company's Directors have examined the Statutory

Auditors' Report issued by M/s Pardeep Tayal & Co, Chartered Accountants on the Annual Accounts of the Company for the financial year ended 31st March, 2023. There is no reservation, qualification or adverse remark made by the Statutory Auditors in their Report and their clarifications, wherever necessary, have been included in the Notes to the Accounts section as mentioned elsewhere in this Annual Report. During the period under consideration, no incident of frauds was reported by the Statutory Auditors pursuant to Section 143 (12) of the Companies Act, 2013.

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

In terms of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), your Board of Directors in their meeting held on 9th August, 2022 appointed M/s JVS & Associates, New Delhi a Practising Company Secretaries for the financial year 2022-23 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, 2023 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, 2023 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 except delay in filing of Corporate Governance Report for the Quarter ended 30th June, 2022.

**Management Response:** *The Company has submitted the said Report on Corporate Governance for the Quarter ended 30th June, 2022 and also complied with the stipulations of the Stock Exchanges related to non-compliance.*

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

##### **Appointment of Internal Auditors**

On the recommendation of Audit Committee, your Board of Directors in their meeting held on 30th May, 2023 had appointed M/s R.C. Kapoor & Co., Chartered Accountants, New Delhi as internal Auditors 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 2023-24 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 above firm have submitted its consent and also confirmation that they are qualified to act as Internal Auditors of the Company.

**Internal Audit 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, 2023 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, 2023 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**

(a) During the year under review, no Corporate Insolvency Resolution application was made or proceeding was initiated, by/against Liberty Shoes Ltd. under the provisions of the Insolvency and Bankruptcy Code, 2016 (as amended), except two applications filed earlier against the Company by its two vendors which were pending for adjudication at National Company Law Tribunal (NCLT), Chandigarh. The Company, in consultation with its legal consultants, has opposed the admission of the above applications before NCLT

and the Hon'ble Tribunal vide its order dated 15th June 2023 have dismissed the said two petitions.

As on date no proceedings are pending for adjudication at NCLT Chandigarh in respect of petitions so filed against the Company.

Sh. Adarsh Gupta, partner of LFC, anticipating the dismissal of IBC petition from Hon'ble NCLT, has approached Hon'ble Delhi High Court at New Delhi and filed a petition under Section 9 of the Arbitration & Conciliation Act, 1996 on behalf of the firm against the Company seeking Ex-parte injunction order against the continuation of Trademark License agreement dated 3rd April 2013 on the similar grounds of its petition at NCLT but further extending the disputes of terms of payment of Royalty and its calculation from financial year 2018-19 to 2022-23 after serving Termination notice on 4th May, 2023. The Company, on the basis of legal opinion available has opposed the petition filed by Sh. Adarsh Gupta, partner of LFC including maintainability thereof before Hon'ble Delhi High Court and the Hon'ble Delhi High Court vide its Order dated 21st August, 2023 has dismissed the above petition being not maintainable.

Since members are aware that the Company has long term arrangements with three firms namely Liberty Group Marketing Division (LGMD), Liberty Enterprises (LE) & Liberty Footwear Co. (LFC), initially executed in 2003 and then last renewed with validity till 31st March 2028 for the exclusive use of complete business of three firms including their IPR & trademarks. Sh. Harish Gupta, one of the partners of LFC and Sh. Arpan Gupta, beneficiary and legal heir of one of the partners of LFC, LE & LGMD have given their termination notice(s) of the Company's arrangements with above firms. It is pertinent to point out here that Sh. Harish Gupta given his termination notice in respect of Company's arrangement with LFC and Sh. Arpan Gupta has given his termination notice(s) in respect of Company's arrangement with three firms i.e. LFC, LE and LGMD and in response to such notice(s), the Company, besides invoking of arbitration clause available under the agreement with LFC, has approached jurisdictional



Court at Karnal under Section 9 of Arbitration & Conciliation Act 1996 and has been granted status quo orders by the Hon'ble Court at Karnal initially against LFC and subsequently against LGMD. Subsequent to that (granting of status quo order against LFC by Karnal Court) the Company has also approached Hon'ble Punjab & Haryana High Court at Chandigarh for appointment of Arbitrator by filing petition against LFC under Section 11 of the said Act. The Company has taken legal opinion from one of the reputed Legal firm in this regard and hopeful of positive proceedings in the matter. Both the petitions filed by the Company against the respective firms under Section 9 and Section 11 of the Arbitration and Conciliation Act, 1996 are pending to be adjudicated by the respective Courts.

Considering the legal opinion available with the Company regarding continuity of arrangements with the above said firms till the end/expiry of the term till 31st March, 2028, the Company does not foresee or assess any pecuniary impact going forward till the time it is settled or otherwise adjudicated by the Hon'ble Court(s) or Arbitrator to be appointed.

- (b) During the year under consideration and till the date of this report, there were no other significant and material orders passed by the regulators or courts or tribunals and no litigation was outstanding as on 31st March, 2023, which would impact the going concern status and Company's operations in future.

#### **Transactions with Related Parties**

During the year 2022-23, 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 2022-23 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 2022-23, no employee, whether employed for whole or part of the year, was drawing remuneration exceeding the limits mentioned under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subsequent



amendments thereto.

### **Extract of Annual Return**

In terms of Sections 92(3) and 134(3)(a) of the Act, annual return is available under the 'Investors' section of the Company's website i.e. [www.libertyshoes.com](http://www.libertyshoes.com).

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

Your Company has been 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 and Women Empowerment**

Liberty, is deeply committed to social responsibility, and this commitment is evident through various initiatives supporting the education and overall development of underprivileged children in the vicinity of its Plants/Offices. Through generous contributions and sponsorships, the company ensures that children from economically disadvantaged backgrounds have access to quality education, healthcare services, and balanced nutrition. Liberty's vision extends beyond academic excellence; it aims to nurture responsible and compassionate citizens who can positively impact society. By empowering these young minds with education, healthcare, and essential resources, the company strives to create a brighter and more equitable future for the underprivileged.

In addition to its focus on education and development, Liberty understands the financial challenges faced by families. To alleviate this burden, the company provides essential items like books, bags, uniforms, and other necessities to schools free of cost, ensuring that no child is deprived of education due to economic constraints. These comprehensive philanthropic efforts reflect Liberty's unwavering dedication to making a significant and lasting impact on the lives of these children, enabling them to overcome obstacles and reach their full potential as responsible and empowered individuals.

Liberty is contributing to the promotion of cultural education through their initiative "**Har Ghar Tiranga Azadi ka Mahotsav.**" This endeavor aims to spread awareness and knowledge about the significance of our national flag, promoting a sense of freedom and unity among the people. By actively participating in this celebration, individuals can embrace their cultural heritage and contribute to the noble cause of education and patriotism.

#### **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.

Your Company is making significant contributions to the Paralympic Association by sponsoring disabled players from Guwahati. Their support aims to prepare these talented athletes to participate in the Olympics. Through this initiative, Liberty is empowering differently-abled individuals and helping them achieve their dreams on the international sports.

#### **3. Contribution towards Water, Sanitation and Hygiene**

Liberty is dedicated to ensuring access to safe drinking water for students in schools across Karnal, Haryana. To achieve this goal, they are actively working on supplying water coolers to the District Child Welfare organization. This initiative will have a positive impact on the health and well-being of students, creating a conducive



learning environment and promoting overall welfare in the region.

The company, in collaboration with the Rotary Foundation of India, remains committed to combating hunger, poverty, and providing aid to the underprivileged during emergencies in New Delhi. Their ongoing efforts are focused on making a positive difference in the lives of those in need, fostering a sense of compassion and support within the community.

The company, in alliance with the Diya Foundation, persistently extends its support to the vulnerable population during emergencies in New Delhi. By maintaining a steadfast commitment, they aim to provide essential aid and assistance to those in dire need, working towards alleviating the impact of crises and fostering a stronger, more compassionate community.

#### **4. Contribution towards COVID 19 (Relief)**

Liberty is committed to continuing its support for COVID-19 relief initiatives by providing Infrared Thermometers in Karnal, Haryana. Collaborating with the District Education Officer, their efforts aim to ensure the safety and well-being of students, teachers, and staff by facilitating non-contact temperature measurements and contributing to the overall health management in educational institutions during these challenging times.

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

Liberty has contributed for the reconstruction of building of National heritage Liberty is making substantial contributions to the restoration and reconstruction of national heritage buildings. Through these donations, the company plays a vital role in safeguarding the country's cultural legacy, ensuring the protection and upkeep of historically significant structures for the benefit of future generations. This commitment underscores Liberty's deep respect for cultural heritage and its dedication to actively contributing to the preservation and celebration of the nation's rich

historical legacy, including in the city of Karnal. Sri Guru Ravidas Sabha is among the beneficiaries of Liberty's commendable support for these endeavors.

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

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

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

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

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

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

During the year ended 31st March, 2023 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 Pradeep Tayal & Co., Chartered Accountants, on compliance with corporate governance norms under the Listing Regulations, is given at page no. 88 to page no. 89 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. 92 to page no. 97 of this Annual report. The Management Disclosure and Analysis Report provides a consolidated prospective of economic, social and environmental aspects material to our strategy and our ability to create and sustain value to our key stakeholders.

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

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

**Compliance with Secretarial Standards:**

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

**Outstanding Share Capital and its Listing:**

Your Company has outstanding Share Capital of

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

**Acknowledgments and Appreciation:**

Your Directors take this opportunity to place on record their sincere gratitude for the consistent cooperation and support received from the shareholders, Bankers, Channel Partners and the Government Authorities. Your Directors place on record their deep appreciation to the employees at all levels for their hard work and dedication.

For and on behalf of the  
Board of Directors

**Shammi Bansal**

Chairman of the Meeting

DIN: 00138792

Place: Gurugram, Haryana

Dated: Tuesday, 5th September, 2023



## ANNEXURE-I TO DIRECTORS' REPORT NOMINATION AND REMUNERATION POLICY

LIBERTY

### OBJECTIVE AND GUIDING PRINCIPLES

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

- ❖ The level and composition of remuneration is reasonable to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives;
- ❖ The relationship of remuneration to performance is clear and meets appropriate performance benchmark;
- ❖ 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; and
- ❖ 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 Director.
- 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

**Shammi Bansal**

Chairman of the Meeting  
DIN: 00138792

Place: Gurugram, Haryana

Dated: Tuesday, 5th September, 2023

**Particulars of employees**

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

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

| <b>Executive Directors</b> | <b>Ratio to median Remuneration</b> |
|----------------------------|-------------------------------------|
| Sh. Adesh Kumar Gupta      | 32.00                               |
| Sh. Shammi Bansal          | 32.00                               |
| Sh. Sunil Bansal           | 32.00                               |
| Sh. Adish Kumar Gupta      | 32.00                               |
| Sh. Ashok Kumar            | 21.00                               |

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

| <b>Directors, Chief Financial Officer, Chief Executive officer, and Company Secretary</b> | <b>% increase in remuneration in the Financial year (%)</b> |
|---|---|
| Sh. Adesh Kumar Gupta, 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: 7%**

d) **The number of permanent employees on the rolls of the Company: 2090**

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 6%, 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.

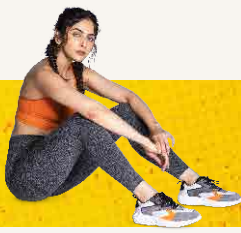
f) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

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

For and on behalf of the Board of Directors

Place: Gurugram, Haryana  
Dated: Tuesday, 5th September, 2023

**Shammi Bansal**  
Chairman of the Meeting  
DIN: 00138792



## ANNEXURE-III TO DIRECTORS' REPORT

**LIBERTY**

### Information of top 10 Employees in terms of remuneration drawn as per Section 197 (12) of the Companies Act, 2013 read with rule 5(2) 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. Ramesh Kumar Sadhu* | CEO - Retail                               | 53.98                           | Permanent  | Graduate, CA (Inter)                                 | 43                    | 1st April, 2004      | 68  | Super House-Sr. Vice President  | NA   |
| 2.     | Sh. Adesh Kumar Gupta   | Executive Director                         | 48.00                           | Permanent  | BSC Engg. (Mechanical) with Hons.                    | 38                    | 28th September, 1990 | 63  | NA  | NA   |
| 3.     | Sh. Adish Kumar Gupta   | Executive Director                         | 48.00                           | Permanent  | Graduate   | 31                    | 12th August, 2011    | 59  | NA  | NA   |
| 4.     | Sh. Shammi Bansal       | Executive Director                         | 48.00                           | Permanent  | Graduate   | 36                    | 28th September, 1990 | 62  | NA  | Brother of Sh. Sunil Bansal, Executive Director of the Company   |
| 5.     | Sh. Sunil Bansal        | Executive Director                         | 48.00                           | Permanent  | Graduate   | 36                    | 28th November, 1990  | 63  | NA  | Brother of Sh. Shammi Bansal, Executive Director of the Company  |
| 6.     | Sh. Munish Kakra        | CFO & Company Secretary                    | 43.16                           | Permanent  | M Com, CS, LLB                                       | 38                    | 28th September, 2001 | 59  | NA  | NA   |
| 7.     | Dr. Namita Anand        | National Head-Institutional Sales          | 39.76                           | Permanent  | Ph. D. in Hindi Literature                           | 27                    | 25th November, 2002  | 57  | Director-Marketing, Essel Engineering Industries Private Limited, New Delhi | NA   |
| 8.     | Sh. Raman Bansal        | Chief Operating Officer                    | 30.00                           | Permanent  | Graduate   | 34                    | 1st April, 2005      | 61  | Head Sales & Distribution of Liberty Shoes Limited                          | Brother of Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company                        |
| 9.     | Sh. Vivek Bansal        | Head Production PVC & non Leather Division | 30.00                           | Permanent  | Graduate   | 31                    | 1st April, 2005      | 58  | Partner, Liberty Group Marketing Division and Liberty Enterprises Kamal     | Brother of Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company                        |
| 10.    | Sh. Anupam Bansal       | Head Retail                                | 30.00                           | Permanent  | Graduate & Diploma in and Shoes Designing from Italy | 26                    | 1st April, 2013      | 51  | M.D., Liberty Retail Revolutions Ltd., New Delhi                            | Brother of Sh. Sunil Bansal, Sh. Shammi Bansal, Executive Directors of the Company                           |

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

For and on behalf of the Board of Directors

Place: Gurugram, Haryana  
Dated: Tuesday, 5th September, 2023

**Shammi Bansal**  
Chairman of the Meeting  
DIN: 00138792





## ANNEXURE- IV TO DIRECTORS' REPORT ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

**LIBERTY**

### 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. As on date the detail of composition of CSR Committee is as under :

| Sr. No | Name of Director      | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|-----------------------|------------------------------------|--|--|
| 1.     | Sh. Shammi Bansal     | Chairman                           | 1  | 1  |
| 2      | Sh. Adish Kumar Gupta | Member                             | 1  | 1  |
| 3      | Dr. Sujata            | 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 2022-23)  | 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.(a) Average net profit of the Company as per section 135 (5) of the Companies Act, 2013: Rs. 905 Lakh** (Amount in ₹Lakh)

|     |   |       |
|-----|---|-------|
| (b) | Two percent of average net profit of the Company as per Section 135 (5) of the Companies Act, 2013  | 18.10 |
| (c) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years | NIL   |
| (d) | Amount required to be set off for the financial year, if any (FY 2022-23)                           | NIL   |
| (e) | Total CSR obligation for the Financial Year [(b)+(c)-(d)]:  | 18.10 |

**6. (a) Details of amount spent on CSR Project (Both ongoing and other than ongoing projects for the financial year)**

| 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-<br>(a) Providing Free of cost Bags, Footwear and Stationary kits to Unprivileged children;<br>(b) Educational Infrastructure Support.<br>(c) contribution for flags to the promotion of education related to culture - "Har Ghar Tiranga Azadi ka Mahotsav " | Promoting Education, including Special Education and Employment enhancing vocation skills especially among Children, women, elderly, and the differently abled and livelihood enhancement projects/ Women empowerment | Both                | Haryana and Delhi       | Karnal and New Delhi | 14.25                                      | Yes                                     | -   | -  |
| 2       | (a) Supporting Haryana's Young Tennis Players.<br>(b) Empowering Guwahati's Paralympic Athletes   | Promoting Sports  | Yes                 | Haryana, Guwahati       | Karnal and Guwahati  | 3.25                                       | Yes                                     | DISTRICT TENNIS ASSOCIATION, PARALYMPIC ASSOCIATION | -  |
| 3       | Contribution for providing water coolers for child welfare -to help the underprivileged peoples in emergency situations   | Promoting Healthcare (Nutrition & Hygiene)  | Yes                 | Haryana, New Delhi      | Karnal and New Delhi | 4.93                                       | Both                                    | ROTARY FOUNDATION<br>DIYA FOUNDATION                | CSR REG NO CSR00008486<br>CSR REG NO CSR00012194 |



|       |   |   |     |          |        |         |     |                            |  |
|-------|---|---|-----|----------|--------|---------|-----|----------------------------|--|
| 4     | Distribution of Infrared Thermometer-sto District Education Officers    | -COVID-19 Initiative  | Yes | Haryana, | Karnal | 2.95    | YES | DISTRICT EDUCATION OFFICER | CSR REG NO<br>CSR00008486<br><br>CSR REG NO<br>CSR00012194 |
| 5     | Donation –restoration & reconstruction of building of National Heritage | Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art | Yes | Haryana, | Karnal | 1-00    | YES | SRI GURU RAVIDAS SABHA     |  |
| Total |   |   |     |          |        | ₹ 26.38 |     |                            |  |

**(b) Amount spent in Administrative Overheads: Nil**

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

**(d) Total amount spent for the Financial Year (a+b+c): ₹ 26.38 Lakh**

**(e) CSR amount spent or unspent for the Financial Year:**

| Total amount spent for the Financial Year (Amount in ₹ Lakh) | Amount Unspent (in ₹Lakh)   |                  |   |        |                  |
|--|---|------------------|---|--------|------------------|
|  | 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 |        |                  |
| ₹ 26.38  | Amount  | Date of transfer | Name of the Fund  | Amount | Date of transfer |
|  | Not Applicable  |                  |   |        |                  |

**(f) 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          | ₹ 18.10          |
| 2     | Total Amount spent for the Financial Year   | ₹ 26.38          |
| 3     | Excess amount spent for the Financial Year [(2)-(1)]  | ₹ 8.28           |
| 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)]  | ₹ 8.28           |

**7 (a) Details of Unspent CSR Amount for the preceding three financial years**

| Sr No | Preceding Financial Year | Amount Transferred to Unspent CSR Account under Section 135 (6) of the Companies Act, 2013 (Amount in ₹ Lakh) | Amount spent in the reporting Financial Year (Amount In ₹ lakh) | Amount Transferred to any fund specified under Schedule VII as per Section 135 (6) of the Companies Act, 2013, if any |                    |                  | Amount remaining to be spent in succeeding financial years. (Amount in ₹ Lakh) |
|-------|--------------------------|---|---|---|--------------------|------------------|--|
|       |                          |   |   | Name of the Fund  | Amount (in ₹ Lakh) | Date of transfer |  |
| 1     | FY-1                     |   |   | N.A   |                    |                  |  |
| 2     | FY-2                     |   |   | N.A   |                    |                  |  |
| 3     | FY-3                     |   |   | N.A   |                    |                  |  |

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** YES NO

If Yes, enter the number of Capital assets created/acquired: NIL

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

| Sr No | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of VSR Amount spent | Details of entity/Authority/beneficiary of the registered owner |      |                    |
|-------|---|-------------------------------------|------------------|----------------------------|---|------|--------------------|
|       |   |                                     |                  |                            | CSR Registration Number, if applicable                          | Name | Registered address |
| NIL   |   |                                     |                  |                            |   |      |                    |

For and on behalf of the Board of Directors

Place: Gurugram, Haryana  
Dated: Tuesday, 5th, September, 2023**Adish Gupta**  
Executive Director  
DIN: 00137612**Shammi Bansal**  
Executive Director & Chairman  
- CSR Committee  
DIN: 00138792



### 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 31 st March, 2023, are given as under:

#### A) CONSERVATION OF ENERGY:

The Company is making all efforts to conserve energy by monitoring energy costs and periodically reviewing the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance/installation/upgradation of energy saving devices.

##### 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, 2023 are given below:

- i. To maintain high levels of efficiency throughout the year, the Company has been carrying out routine maintenance of its machinery and other energy equipment at all plants. Regular reviews are conducted to determine and apply new upgrades wherever required.
- ii. Replacement of all the Conventional lights across the plants as well as Retail Stores viz. Bulbs, Tubelights and HID lights, with LED type Lamps, Batten lights, Street lights, High-bay lights & Flood lights LED.
- iii. The Company is in process to replace its existing pool of diesel vehicles with EV to reduce pollution and maximize economic effectiveness.
- iv. DG sets and compressors are used more effectively because there are numerous sizes of these devices

installed at plants.

- v. The company has introduced advanced machines to complement the existing capacity in regard to its current line of EVA Footwear in order to improve its footwear offers, to boost operational effectiveness, and to minimise power costs.

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

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

The Company has been continuously focusing on installation of solar power plant at its all Plants and in pursuit thereof already installed 700kWp (Roof-top) & 400 kWp (Ground-mount) Solar Photovoltaic Power Plants at its Plant located at Libertypuram and Central House Karnal and site/location & structure has already been finalized & got approved for other plants as well 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 made major capital investment amounting ₹ 344.25 Lakh on energy conservation equipment's such as Installation of Solar Plants at manufacturing Plant & Office situated at Libertypuram and Karnal.

The Company is envisaging to install Solar Energy system at its all plants going forward after analysis of cost savings as against electricity consumption cost from existing sources.

#### B) TECHNOLOGY ABSORPTION:

- I. The efforts made towards technology absorption  
Liberty's team has always focused on technology advancement for end to end solution of operations



relating to production, sales & distribution and accounting and has upgraded its proven ERP by implementing the SAP S/4 HANA system, (cloud based) for streamlining its operations and also enhancing efficiency across the organization.

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

1. Installation of new software/system at Retail stores duly integrating with SAP/ERP system will provide real time access to all departments for their planning and execution.
2. Installation of new machines for supplementing capacities in respect of existing range to improve operational efficiency and leading to reduction in electricity cost

**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 ₹ 60 Lakh as recurring expenditures towards its development activities.

This expenditure constitutes 0.09% of the turnover of the Company for the year under consideration.

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

During the year, the Company has earned foreign exchange of ₹ 3,802.30 Lakh (previous year ₹ 3,016.80 Lakh) and used foreign exchange of ₹ 3090.02 Lakh (previous year ₹ 1,353.57 Lakh).

For and on behalf of the  
Board of Directors

**Shammi Bansal**

Chairman of the Meeting  
DIN: 00138792

Place: Gurugram, Haryana

Dated: Tuesday, 5th September, 2023



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023**

**LIBERTY**

[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 adherence to good corporate practices by Liberty Shoes Limited (hereinafter called "the Company") for the financial year ended on March 31, 2023. 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, 2023 ("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, 2023 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(whenever applicable);
    - (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
      - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
      - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI Insider Trading Regulations");
      - (c) \*The Securities and Exchange Board of India



(Issue of Capital and Disclosure Requirements) Regulations, 2009 & 2018;

- (d) \*The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (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, 2018; and
- (i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015 ("SEBI LODR Regulations").

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

- (vi) The Company is engaged in the business of manufacturing and trading of footwear, accessories and lifestyle products through its retail, E-commerce and wholesale network and is having its plants at Karnal, Libertypuram & Gharaunda in Haryana, Roorkee in Uttarakhand and Ponta Sahib in Himachal Pradesh.

As informed by the Management, there is no sector specific law applicable to the Company.

We 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, except that:

- Non-compliance of Regulation 27(2) of SEBI LODR Regulations, 2015: Delay in filing of Report on Corporate Governance for the Quarter ended 30th June, 2022. However, the Company has

submitted Report on Corporate Governance for the required Quarter and also complied with the stipulations of the Stock Exchanges related to non-compliance.

**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 are carried out with majority consent and the dissenting views were captured and recorded as part of the minutes, where ever given by Board members.

**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.

**We, further report that** during the audit period there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards have taken place.

**Note:** This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

For JVS & Associates  
Company Secretaries

**Jyoti Sharma**

Proprietor

Practicing Company Secretary

FCS No. 8843; CP No.10196

Firm Registration No.: I2011DE848300

UDIN : F008843E000352406

PR No : 851

Place: New Delhi  
Dated: 22.05.2023





## ANNEXURE A

**LIBERTY**

To,

**The Members**

**Liberty Shoes Limited**

**(CIN: L19201HR1986PLC033185)**

**Liberty Puram, 13 Milestone,**

**GT Karnal Road, Kutail,**

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

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

- (1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on my audit.
- (2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for my opinion.
- (3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- (4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

- (6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management as conducted the affairs of the company.

For JVS & Associates  
Company Secretaries

**Jyoti Sharma**

Proprietor

CP No. 10196,

Membership. No. FCS 8843

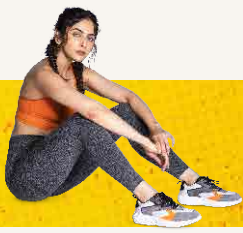
Firm Registration No.: I2011DE848300

(UDIN: F008843E000352406)

PR No:851

Place: New Delhi

Dated: 22nd, May, 2023



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

Liberty's approach to corporate governance revolves around upholding ethical principles and effective management of the organization. The company places significant importance on timely and accurate disclosure of financial information, operational efficiency, and ownership and management aspects.

The Company has always adhered to the fundamentals of sound corporate governance. While respecting the fundamental principles of Quality, Trust, Leadership, and Excellence, the Company continues to concentrate its efforts on achieving the objective of being a leader in its product category. Liberty keeps up with the finest corporate governance standards and regularly evaluates them to strengthen them and boost shareholder confidence.

However, the Company has observed few instances of deviation from the existing Corporate Governance guidelines and immediately coming the same in to information of Board/Management Committee, the necessary remedial measure has been taken including action against the concerned.

Empowering its management team with accountability, Liberty seeks to seize opportunities and turn them into achievements for the benefit of the company and its stakeholders. The Board has instituted robust management practices to foster a responsible environment, ensuring efficient strategic planning, optimal risk management, sound financial planning and budgets, robust internal controls and reporting, transparent communication policies, and comprehensive disclosure of the Company's operations and compliance with statutory and regulatory requirements, not only in letter but also in spirit.

## 2. BOARD OF DIRECTORS

### (a) Composition and Category of Directors

The Board of Directors is entrusted with the

overall responsibility of the management, affairs and performance of the Company and has been authorized with the requisite powers. Liberty Board is a balanced Board, comprising Executive and Non Executive Directors. The Non Executive Directors include independent professionals and entrepreneurs having understanding of diversified Industries and the overall administration. Your Company has also a woman Director which brings diversity on the Board.

In order to effectively discharge its duties, it is necessary that collectively the Board holds the appropriate balance of skills and experience. The Board seeks a complementary diversity of skills and experience across its members. The table below summarizes the key qualifications, skills, expertise and competencies possessed by Directors of the Company.

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.

### Structure of Board:

| Category                                 | Number of directors |
|--|---------------------|
| Executive Directors                      | 5                   |
| Non Executive Independent Directors      | 4                   |
| Non Executive Independent Woman Director | 1                   |
| <b>Total</b>                             | <b>10</b>           |

### Number of Board Meetings

Board convenes quarterly meetings, with a maximum time gap of 120 days between each meeting, to conduct comprehensive

reviews and discussions on various agenda items, including the mandatory information specified in Part A of Schedule II of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In addition to regularly scheduled meetings, the Board holds additional meetings whenever the need arises and is deemed appropriate.

Furthermore, in situations of urgency or emergency, the Board also passes resolutions via circulation.

Under the Chairmanship of Sh. Sunil Bansal, Executive Director, the Board meetings held on 30th May 2022, 9th August 2022, 6th September 2022, 15th September, 2022, and 13th February 2023 whereas Sh. Shammi Bansal, Executive Director of the Company, acted as Chairman of the Board meetings held on 10th November 2022.

Executive Directors carry out their responsibilities in accordance with the authority granted to them and the primary

responsibilities assigned to them in the relevant Service Contracts, and they do so in a way that has been approved by the Company's Members in accordance with the Corporate Governance procedures that the Company uses to carry out the business that has been granted authorization. As a result, the Board of the Company creates yearly operational plans, budgets, and policies in line with the Company's goal for 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<br>Sh. Shammi Bansal<br>Sh. Adish Kumar Gupta<br>Sh. Aditya Khemka<br>Sh. Piyush Dixit<br>Sh. Anand Das Mundhra<br>Sh. Gautam Baid                                  |
| Finance, Legal and Regulatory Compliance                                 | Leadership experience in handling financial management, risk management, development governance practices, Creating value through Intellectual Property Rights, maintaining management accountability, ability to understand commercial, & inancial matters, ability to handle legal issues and regulatory compliances  | Sh. Adesh KumarGupta<br>Sh. Sunil Bansal<br>Sh. Shammi Bansal<br>Sh. Ashok Kumar<br>Sh. Piyush Dixit<br>Sh. Aditya Khemka<br>Sh. Anand Das Mundhra  |
| 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<br>Sh. Shammi Bansal<br>Sh. Sunil Bansal  |
| Sales, Marketing & Branding  | Experience of accomplishing Sales, understanding of market and consumers, Marketing strategies, Understanding of Domestic and International fashion trends, branding strategies, merchandising strategies and business promotion programmes   | Sh. Adesh Kumar Gupta<br>Sh. Shammi Bansal<br>Sh. Adish Kumar Gupta<br>Sh. Aditya Khemka<br>Sh. Gautam Baid<br>Sh. Piyush Dixit<br>Sh. Anand Das Mundhra                                  |
| 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, , Integrity and ethical standards , Mentoring abilities, identifying best Human Resource practices Public Relations and Liasoning and implementation, ability to handle administration and Human Resource related issues and ensuring related regulatory compliances  | Sh. Adesh Kumar Gupta<br>Sh. Shammi Bansal<br>Sh. Adish Kumar Gupta<br>Sh. Ashok Kumar<br>Dr. Sujata<br>Sh. Piyush Dixit<br>Sh. Aditya Khemka<br>Sh. Anand Das Mundhra<br>Sh. Gautam Baid |



### Details of Directors Attendance, Shareholding and other Directorships/ Committee memberships

In accordance with Regulation 26 of the Listing Regulations, it is confirmed that no Director serves on more than ten board-level committees or acts as Chairman for more than five committees (specifically considering the Audit Committee and Stakeholders' Relationship Committee) across all public limited companies (listed or unlisted) in which they hold a directorship. As per Regulation 17A of the Listing Regulations, no Director of the Company holds directorship in over seven listed companies, and if serving as a Whole-Time Director/Managing Director in any listed company, doesn't hold the position of Independent Director in more than three listed companies. All Directors have provided updates on their directorships, committee memberships/chairmanships, and any changes therein.

**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, 2023 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, 2023 | No. of Committee |               | List of Directorship held in other Listed Company & Category |
|---------|--------------------------|--|---------------------------------------|----------------------------|--|------------------|---------------|--|
|         |                          |  |                                       |                            |  | Member-ship      | Chairman-ship |  |
| 1.      | Sh. Adesh Kumar Gupta    | 00143192<br>Promoter & ED                              | 6(3)                                  | YES                        | 3  | -                | -             | -  |
| 2       | Sh. Shammi Bansal        | 00138792<br>Promoter & ED                              | 6(6)                                  | YES                        | 2  | 1                | 1             | -  |
| 3       | Sh. Sunil Bansal         | 00142121<br>Promoter & ED                              | 6(6)                                  | YES                        | 1  | -                | -             | -  |
| 4       | Sh. Adish Kumar Gupta    | 00137612<br>Promoter & ED                              | 6(6)                                  | YES                        | 3  | -                | -             | -  |
| 5       | Sh. Ashok Kumar          | 06883514<br>ED   | 6(6)                                  | YES                        | -  | -                | -             | -  |
| 6       | Sh. Aditya Khemka        | 00514552<br>NED (I)                                    | 6(2)                                  | YES                        | 5  | -                | -             | -  |
| 7       | Sh. Arvind Bali Kumar*   | 02520675<br>NED (I)                                    | 6(5)                                  | YES                        | 1  | -                | -             | -  |
| 8       | Sh. Sanjay Bhatia**      | 0080533/<br>NED (I)                                    | 6(5)                                  | YES                        | 3  | 4                | -             | 1/(MD)   |
| 9       | Dr. Sujata               | 09289128<br>NED (I)                                    | 6(5)                                  | YES                        | -  | -                | -             | -  |
| 10      | Sh. Gautam Baid          | 00021400<br>NED (I)                                    | 6(4)                                  | YES                        | 7  | -                | -             | -  |
| 11      | Sh. Piyus Dixit***       | 03514223<br>NED (I)                                    | 6(-)                                  | NO                         | 1  | -                | -             | -  |
| 12      | Sh. Anand Das Mundhra*** | 00167418<br>NED (I)                                    | 6(-)                                  | NO                         | 6  | -                | -             | -  |

• Note: 'ED' refers to Executive Director, and 'NED (I)' denotes Non-Executive Independent

\* Sh. Arvind Bali Kumar resigned w.e.f 24th May 2023.

\*\*Sh. Sanjay Bhatia resigned w.e.f 24th May 2023.

\*\*\* Sh. Piyush Dixit & Sh. Anand Das Mundhra appointed w.e.f 11th August, 2023



### (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 2022-23, 6 (Six) Board Meetings were held viz. on 30th May 2022, 9th August 2022, 6th September 2022, 15th September 2022, 10th November, 2022, and 13th February 2023. The annual calendar of meetings is broadly determined at the beginning of the year. The Board periodically reviews the compliance reports of all laws applicable to the Company. The maximum interval between any two Board Meeting(s) was not more than 120 days prescribed under Section 173 of the Companies Act, 2013 and Regulation 17(2) of SEBI LODR Regulations, 2015. In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section



8 of the Companies Act, 2013 or act as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. The Audit Committee and Stakeholders' Relationship Committee are only considered in computation of limits. Further all Directors have informed about their Directorships, Committee Memberships/ Chairmanships including any changes in their positions. Necessary disclosures regarding committee positions in other public Companies as on March 31, 2023 have been made by the directors.

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, any of the Whole Time Directors of the Company does not serve as an Independent Director in any listed entity. The Board periodically reviews compliance reports of all applicable laws to the Company, prepared by the Company.

#### **Post-Meeting Follow up system**

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

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

In the opinion of the Board of Directors, all the Independent Directors of the Company are satisfying the requirements as specified under Section 149(6) of the Companies Act, 2013 ('Act') read with Schedule IV of the Act and 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.

#### **Tenure of Independent Directors**

Pursuant to Section 149(10) & (11) of the Act, the terms of service for Independent Directors are outlined as follows:

- Sh. Aditya Khemka (DIN 00514552) was appointed to the Board for a term of five years, commencing from 27th September 2019 and concluding on 28th September, 2024.
- Sh. Gautam Baid (DIN 00021400) was appointed to the Board with effect from 1st April 2022, and his term will end on 28th September, 2024.
- Dr. Sujata (DIN 09289128) was appointed to the Board for a duration of three years, starting from 29th September 2021 and concluding on 28th September, 2024
- Sh. Piyush Dixit (DIN. 03514223) was appointed to the Board for a term of three years commencing from 11th August 2023 and concluding on 10th August, 2026 .
- Sh. Anand Das Mundhra (DIN. 00167418 ) was appointed to the Board for a term of three years commencing from 11th August 2023 and concluding on 10th August, 2026 .

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.

#### **Meeting of Independent Directors**

During the year under consideration a separate meeting of the Independent directors was held on 30th January 2023. In accordance with the Listing Regulations, read with Section 149 (8) and Schedule-IV of the Act, following agenda 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 2022-23, ₹ 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 a fee 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 an Executive Director of Liberty Shoes Ltd. and as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said Regulations, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2023.

**Shammi Bansal**  
Chairman of the Meeting  
DIN: 00138792





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

Sh. Adish Kumar Gupta, approximately 59 years of age, 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 As part of the Company's Promoter Group, Mr. Gupta presently holds 189,360 Equity Shares, excluding those held in HUF.

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

Sh. Ashok Kumar, aged about 55 years, a Law Graduate, has been working with the Company as Executive Director and 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. He neither belongs to the Promoter Group of the Company & nor holds Equity Shares in the Company.

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

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

Sh. Piyush Dixit aged about 50 years, is a Bachelor in Engineering. He is founder & CEO of

Unicel Corporation Pvt. Ltd. He is having 29 years of Industry experience sprawling in to Core manufacturing, Automobiles, Consumer Durables and Telecom sectors. Being a successful entrepreneur, he is having vast experience, knowledge and administrative and managerial skills.

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 resignation tendered by Sh. Arvind Kumar Bali from the position of Directorship of the Company, on the recommendation of the Nomination and Remuneration Committee, the and Board of Directors of the Company in their respective meeting(s) held on 11th August, 2023 have approved the appointment of recommended to the Shareholders of the Company the appointment of Sh. Piyush Dixit as Additional as well as Independent Director of the Company for first term of three years w.e.f 11th August, 2023 to 10th August, 2026 subject to the approval of members in the forthcoming Annual General Meeting.

While proposing the name of Sh. Piyush Dixit, the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held 11th August, 2023 have also considered that Sh. Piyush Dixit is having independent relationship with the Company, its directors, KMPs and promoters and considering his expertise, qualification and experience it. In view of above the Board is of the opinion that it is desirable to avail his service as Independent Director.

While discussing the candidature of Sh. Dixit, the members of Nomination and Remuneration Committee evaluated the requirement of the Company in terms of skill, knowledge, experience, capabilities, role and expertise required for this position and on the basis of such evaluation, the Committee members recorded their satisfaction that Sh. Piyush Dixit is having such required skills, knowledge, experience, capabilities and expertise.

(c) **Brief particulars of Sh. Anand Das Mundhra, whose candidature is proposed for appointment as Independent Directors in the ensuing Annual General Meeting**

Sh. Anand Das Mundhra aged about 57 years, holds a Bachelor's degree in Commerce and is presently in the business of capital Equipment's like Transformers, HT breakers , Cables , DG sets etc. used for external electrification. He is associated with Shree Nursingsahay Mudungopal Engineers Pvt Ltd, New Delhi, a company established in 1949 and is part of a 140 year old Group. He is having extensive knowledge and broader experience in Business development.

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 resignation tendered by Sh. Sanjay Bhatia from the position of Directorship of the Company, on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 11th August, 2023 have approved the appointment of Sh. Anand Das Mundhra as Additional as well as Independent Director of the Company for first term of three years w.e.f 11th August, 2023 to 10th August, 2026 subject to the approval of members in the forthcoming Annual General Meeting.

While proposing the name of Sh. Anand Das Mundhra, the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held 11th August, 2023 have also considered that Sh. Anand Das Mundhra is having independent relationship with the Company, its directors, KMPs and promoters and considering his expertise, qualification and experience. In view of above the Board is of the opinion that it is desirable to avail his service as Independent Director.

While discussing the candidature of Sh. Mundhra, the members of Nomination and Remuneration Committee evaluated the requirement of the Company in terms of skill, knowledge, experience, capabilities, role and expertise

required for this position and on the basis of such evaluation, the Committee members recorded their satisfaction that Sh. Anand Das Mundhra is having such required skills, knowledge, experience, capabilities and expertise.

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

### 3. **Committee(s) of the Board**

In order to comply with the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of Your Company has constituted the following Statutory Committees:

- a. Audit Committee;
- b. Nomination and Remuneration Committee;
- c. Stakeholders' Relationship Committee;
- d. Management Committee; and
- e. Corporate Social Responsibility Committee

The frequency of meetings for these Committees is determined by the Chairman of the Board in consultation with the Company Secretary and the respective Committee Chairpersons subject to the adhering prescribed provisions of Statutory Acts. The Committees, comprising both Executive and Non-Executive Directors, including independent professionals, entrepreneurs and senior Officials of the company with diverse industry knowledge and overall expertise, provide their recommendations to the Board for approval.

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 2022-23 and the related attendance, are prescribed below:

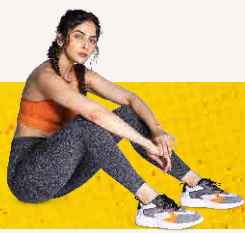
**(a) Audit Committee**

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 there of, 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 a reas 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. Arvind Kumar Bali, Independent Director, acts as Chairman of the Audit Committee Meetings held on 30th May, 2022 and 9th August, 2022, 10th November, 2022 and 13th February, 2023 during the year under consideration. The time interval separating two successive meetings was less than one hundred and twenty days.

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. Arvind Bali Kumar*       | Past Chairman     | NED(I)    | 4(4)                              |
| 2.     | Sh. Sanjay Bhatia**          | Member            | NED(I)    | 4(4)                              |
| 3.     | Sh. Aditya Khemka***         | Chairman          | NED(I)    | 4(1)                              |
| 4.     | Sh. Gautam Baid****          | Member            | NED(I)    | 4(-)                              |
| 5.     | Sh. Sunil Bansal             | Member            | ED        | 4(4)                              |
| 6.     | Sh. Munish Kakra             | Company Secretary | Secretary | 4(4)                              |

\*Ceased to be Chairman w. e. f 11th May 2023

\*\*Ceased to be member w. e. f 24th May 2023

\*\*\* Appointed as Chairman w.e.f. 24th May, 2023

\*\*\*\* Appointed as member w.e.f 24th May, 2023



**Meetings held during the year**

During the financial year 2022-23, 4 (Four) Audit Committee meetings were held on 30th May, 9th August, 10th November, 2022 and 13th February 2023. 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, 2023 were reviewed by the Audit Committee in its Meeting held on 30th May, 2023. 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. During the year under consideration, Sh. Arvind Bali Kumar, Independent Director, was the Chairman of the Nomination and

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

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

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

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

| Sr. No | Name of the Committee Member | Position          | Category    | Meeting Held (Attended) |
|--------|------------------------------|-------------------|-------------|-------------------------|
| 1.     | Sh. Arvind Bali Kumar*       | Past Chairman     | Independent | 1(1)                    |
| 2.     | Dr. Sujata                   | Member            | Independent | 1(1)                    |
| 3.     | Sh. Aditya Khemka**          | Chairman          | Independent | 1(-)                    |
| 4.     | Sh. Gautam Baid***           | Member            | Independent | 1(-)                    |
| 6.     | Sh. Munish Kakra             | Company Secretary | Secretary   | 1(1)                    |

\*Ceased to be Chairman w. e. f 24th May 2023

\*\*Appointed as Chairman w.e.f. 24th May, 2023

\*\*\*Appointed as Member w.e.f 24th May, 2023



### Meetings held during the year

During the financial year 2022-23, the meetings of the members of the Nomination and Remuneration Committee were held on 13th February, 2023.

### Performance Evaluation of Directors and Performance Evaluation criteria for Independent Directors

The details of methodology and criteria adopted for the evaluation of Board, Committees thereof, Individual Directors including Independent Directors have been provided in the Board's Report on page no. 24.

### Nomination and Remuneration policy

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

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

### Remuneration to Directors

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

The Non-executive Directors receives remuneration by way of sitting fee for attending meetings of the Board and Audit Committee thereof. The sitting fee to Non Executive Directors as determined by the Board is presently ₹ 25,000/- for attending each meeting of the Board and Audit Committee thereof.

The Board of Directors may review the amount of sitting fee and decide the same from time to time in terms of the provisions of Companies Act, 2013 and Listing Regulations. In terms of the provisions of Section 197 of the Companies Act, 2013, a Company may pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by other to the maximum of 1% or 3% of the net profits, as the case may be.

Thus, the basis of payment to the NEDs is the net profit of the Company. The Company is



however not obligated to remunerate its NED.

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

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

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

The remuneration paid to Executive Directors are recommended by the Nomination and Remuneration Committee and approved by the Board in the Board Meeting, subject to the subsequent approval by the shareholders at the General Meeting and such authorities, as the case may be. The remuneration is fixed considering the various factors such as qualification, experience, expertise, prevailing remuneration in the industry and financial position of the Company. All the Executive Directors have been paid by way of remuneration on the basis of Company's policy in respect of payment of remuneration which involves the following elements of remuneration package:

**Salary:**

Consolidated monthly remuneration of ₹ 4,00,000/-

per month to Four Executive Directors each and ₹ 2,75,000/- per month to Sh. Ashok Kumar as an Executive Director.

**Perquisites:**

In addition to the aforesaid salary, Executive Directors are also entitled to perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self in accordance with the rules of the Company. However, the monetary value of such perquisites being limited to the Monthly remuneration of ₹ 4,00,000/- and ₹ 2,75,000/- respectively.

Perquisites are evaluated as per Income Tax Rules, 1962 wherever applicable, and in the absence of any such rules, perquisites are evaluated at actual cost; And Use of chauffer driven car for official purpose and telephone/mobile at residence and use of car for private purpose are billed by the Company to the Executive Directors.

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

Accordingly, during the financial year 2022-23, 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 | Executive Director | 48,00,000     | NIL                | NIL           | NIL                      |
| 2.     | Sh. Shammi Bansal     | Executive Director | 48,00,000     | NIL                | NIL           | NIL                      |
| 3.     | Sh. Sunil Bansal      | Executive Director | 48,00,000     | NIL                | NIL           | NIL                      |
| 4.     | Sh. Adish Kumar Gupta | Executive Director | 48,00,000     | NIL                | NIL           | NIL                      |
| 5.     | Sh. Ashok Kumar       | Executive Director | 33,00,000     | NIL                | NIL           | NIL                      |



### Notes:

- No incentives, whether fixed or performance linked, were given to the Executive Directors during the year under consideration.
- The Company has so far not offered Equity Shares under stock option scheme to its Director(s)/ Employee.
- None of the Non-Executive Directors of the Company holds any Equity Shares in the Company.

- **Service Contracts, Severance Fee and Notice period**

The appointment of the executive director is governed by the resolutions passed by the Board and the shareholders of the Company which cover the terms and conditions of such appointment. The Nomination and Remuneration Committee satisfies itself with regard to the experience, qualification, past relationship/association of the Director with the Company etc.

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

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

- Qualification, expertise and experience of the directors in their respective fields,

- Personal, professional or business standing
- Diversity of the Board

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

In case of re-appointment of the Directors, the Committee/Board, besides above, also takes in to consideration the performance evaluation of the directors and their engagement level.

Each of our Executive Directors has signed service agreement containing the terms of their employment. There is no separate provision for payment of severance fee under the resolution and service agreement governing the appointment of Executive Directors. With respect to notice period of directors, besides the provisions of service agreement, the statutory provisions will also apply.

The Service agreement may be terminated by either party after giving three months' notice in writing duly served on the other party.

### c) Stakeholders Relationship Committee

Stakeholders Relationship Committee had been constituted by the Board of Directors and was delegated with the powers to handle all the shares related issues including timely redressal of shareholders and investors' complaints like non receipt of balance sheet, non-receipt of declared dividends etc. The Committee performs all its





duties and discharges its responsibilities as per its charter fixed by the Board, which includes review of the performance of the Registrar and Share Transfer Agent of the Company and recommend measures to the Board for overall improvements in the quality of investors' services wherever required.

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

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non receipt of declared dividends, issue of new/

duplicate certificates, general meetings etc.

- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year, the Committee met Four times on times on 30th May 2022, 8th August 2022, 10th November 2022 and 23rd February, 2023.

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

| Sr. No | Name of the Committee Member | Position          | Category  | Meeting Held (Attended) |
|--------|------------------------------|-------------------|-----------|-------------------------|
| 1.     | Sh. Aditya Khemka            | Chairman          | NED(I)    | 4(4)                    |
| 2.     | Sh. Adish Kumar Gupta        | Member            | ED        | 4(4)                    |
| 3.     | Sh. Sunil Bansal             | Member            | ED        | 4(4)                    |
| 4.     | Sh. Munish Kakra             | Company Secretary | Secretary | 4(4)                    |

**Name and designation of Compliance Officer**

In accordance with the SEBI (LODR) Regulations, 2015, 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, 2023 stood as under:**

| Nature of References/Requests Grievances/Complaints   | No. of Grievances/Requests/Complaints Received | No. of Grievances/Requests/Complaints Resolved | No. of Grievances/Requests/ not resolved to the satisfaction of shareholders | No. of Requests/Pending |
|---|--|--|--|-------------------------|
| Receipt of IEPF Claim   | 1  | 1  | NIL  | NIL                     |
| IEPF Claim/Unclaimed Dividend   | 3  | 3  | NIL  | NIL                     |
| Issue of duplicate/Loss of Certificate Procedure for Issue of Duplicate Share Certificate                     | 2  | 2  | NIL  | NIL                     |
| Change of address/ Name correction  | 2  | 2  | 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                     |
| Registration of Email Id/PAN/Ph. No   | 1  | 1  | NIL  | NIL                     |
| Stop Transfer of Shares/ Removal  | 4  | 4  | NIL  | NIL                     |
| Procedure for claiming the shares from IEPF Account   | 4  | 4  | NIL  | NIL                     |
| <b>Total</b>  | <b>18</b>                                      | <b>18</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, 2023.

**(d) Management Committee**

The Company is having Management Committee

for facilitation of various urgent and day to day discussion relating to operational matters. It also assist to the Board of Directors for various strategic discussion and implementation thereof.

Major risks that have been recognized by the companies and functions are systematically addressed by taking mitigation measures on a regular basis. In sessions of the Management Committee, several topics are covered.

During the year, the Members of the Management Committee met three times on 25th August 2022, 12th October 2022 and 7th February 2023.



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

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

**(e) Corporate Social Responsibility Committee**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and rules made there under, the Corporate Social Responsibility Committee was constituted by the Board of Directors in their meeting held on 29th May, 2014 which has been reconstituted from time to time as per the requirement.

The Board has defined the terms of reference of the Corporate Social Responsibility Committee as under:

- formulating and recommending to the Board,

Corporate Social Responsibility Policy and the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

- recommending the amount of expenditure to be incurred on the activities undertaken;
- reviewing the performance of the Company in the area of Corporate Social Responsibility;
- monitoring Corporate Social Responsibility policy of the Company from time to time;
- such other functions as the Board may deem fit.

The present composition of the Committee is as under:-

| Sr. No | Name of the Committee Member | Position | Category           | Meeting Held (Attended) |
|--------|------------------------------|----------|--------------------|-------------------------|
| 1.     | Sh. Shammi Bansal            | Chairman | Executive Director | 1(1)                    |
| 2.     | Sh. Adish Kumar Gupta        | Member   | Executive Director | 1(1)                    |
| 3.     | Dr. Sujata                   | Member   | NED(I)             | 1(1)                    |

During the year 2022-23, one meeting of the Corporate Social Responsibility Committee were held on 6th September 2022.

**CSR Policy**

The Board of Directors on the recommendation of the

CSR Committee has approved the CSR policy of the Company during the financial year 2014-15 and the same was amended by Board of Directors from time to time as per the requirement. The CSR policy is available on the website of the Company viz. [www.libertyshoes.com](http://www.libertyshoes.com).



**4. Governance through Management process**

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

**5. Subsidiary Monitoring Framework**

As on date of this Report, the company is not having any 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:

| <b>Meeting</b>              | <b>Year/Time</b> | <b>Venue/Deemed Venue</b> | <b>Day &amp; Date</b>           |
|-----------------------------|------------------|---------------------------|---------------------------------|
| 36th Annual General Meeting | 2022/11:00 AM    | Registered Office*        | Friday 30th September, 2022     |
| 35th Annual General Meeting | 2021/11:00 AM    | Registered Office*        | Tuesday, 28th September, 2021   |
| 34th Annual General Meeting | 2020/11:00 AM    | Registered Office*        | Wednesday, 30th September, 2020 |

\* 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 2022-23.

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



| <b>36th Annual General Meeting<br/>on 30th September, 2022</b>            | <b>35th Annual General Meeting<br/>on 28th September, 2021</b>  | <b>34th Annual General Meeting<br/>on 30th September, 2020</b>                  |
|---|---|---|
| <b>No. of Special Business: 1</b>   | <b>No. of Special Business: 8</b>   | <b>No. of Special Business: 1</b>   |
| 1. Appointment of Sh. Gautam Baid (DIN: 00021400) as Independent Director | 1. Re-appointment of Sh. Adesh Kumar Gupta (DIN: 00143192) as CEO & Executive Director of the Company and fixation of his remuneration<br>2. Re-appointment of Sh. Shammi Bansal (DIN: 00138792) as Executive Director of the Company and fixation of his remuneration<br>3. Re-appointment of Sh. Sunil Bansal (DIN: 00142121) as Executive Director of the Company and fixation of his remuneration<br>4. Re-appointment of Sh. Adish Kumar Gupta (DIN: 00137612) as Executive Director of the Company and fixation of his remuneration<br>5. Re-appointment of Sh. Ashok Kumar (DIN: 06883514) as Executive Director of the Company and fixation of his remuneration<br>6. Appointment of Sh. Sanjay Bhatia (DIN:0080533) as Independent Director of the Company<br>7. Appointment of Dr. Sujata (DIN:09289128) as Independent Director of the Company<br>8. Appointment of Smt. Nidhi Lal (DIN:01363845) as Independent Director of the Company | 1. Appointment of Sh. Arvind Bali Kumar (DIN: 02520675) as Independent Director |

Sh. Sukesh Gupta of M/s Sukesh Gupta & Co., Chartered Accountant (Firm Registration No. 036441N), was appointed as scrutinizer by the Board and present at the above 36th, 35th and 34th Annual General Meetings for supervising and monitoring the voting through Remote E-voting facilities on the above agenda items and to issue his report on the same.

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

During the year under review, no special resolution has been passed through the exercise of postal

ballot.

Further, none of the items to be transacted at the ensuing Annual General Meeting is required to be passed by postal ballot exercise.

**ii. Group As on 31st March, 2023:**

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, 2023 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 2022 - 23:

**iii) Disclosure on compliance with Corporate Governance Requirements specified in the Listing Regulations**

The Company has adhered to the stipulations outlined in sub-paragraphs (2) to (10) of Part C (corporate governance report) of Schedule V of the Listing Regulations.

Furthermore, the Company has complied with the corporate governance requirements specified in Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46, and Regulation 62 of the Listing Regulations, and the requisite disclosures have been included in this corporate governance report.

**iv) 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. Piyush Dixit      | None                                   |
| 7       | Dr. Sujata            | None                                   |
| 8       | Sh. Aditya Khemka     | None                                   |
| 9       | Sh. Anand Das Mundhra | None                                   |
| 10      | Sh. Gautam Baid       | None                                   |



**Key Managerial Personnel:**

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

**v) 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.

**vi) Compliance with Mandatory requirements**

As on 31st March, 2023 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  |



**vii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).** Not Applicable

**viii. 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. 91 of this Annual Report.

**ix. 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.

**x. 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. 31 to the Financial Statements.

**xi. 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

**xii. 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    |

**xiii. 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, 2023.

### 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, 2022.

### Ministry of Corporate Affairs (MCA)

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

### SEBI Complaints Redress System (SCORES)

A centralized web based complaints redress system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned Companies



and online viewing by the investors of action taken on the complaint and its current status.

**Annual Report**

The Annual Report containing inter-alia the Audited Accounts, Cash Flow Statement, Directors' Report, Auditors' Report and other important information is circulated to the investors. Pursuant to the green initiative launched by the MCA, the Company sends e-copies of the Annual Report to Members

who have registered for the same. The Annual Reports are also available in the Investor Relations section on the Company's website [www.libertyshoes.com](http://www.libertyshoes.com).

**Reminder to Investors**

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

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

- Day, Date & Time : Saturday, 30th September, 2023 at 11.00 A.M.
- Venue : Through Video Conference (VC)/Other Audio Video Means (OAVM), as per the General Circular dated 5th, May 2020, January 13, 2021, May 5, 2022 and December 28, 2022 issued by the MCA read with SEBI Circular dated 12th May 2020, 15th January 2021, 13th May 2022 and 5th January, 2023. 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 : Sunday, 24th September, 2023 to Saturday, 30th September, 2023 (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, 2023 : 11th August, 2023
- Financial Results for the Quarter ended 30th September, 2023 : By 14th November, 2023\*
- Financial Results for the Quarter ended 31st December, 2023 : By 14th February, 2024\*
- Financial Results for the Quarter ended 31st March, 2024 : By 30th May, 2024\*
- Annual General Meeting for the year ended 31st March, 2024 : By August / Sept. 2024\*

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

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

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

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

**Foreign Exchange Risk and hedging activities:**

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

The details of foreign exchange exposures as on 31st March, 2023 are disclosed in Notes to the financial statements.

**i. Dividend Payment Date:**

The Board of Directors has approved and paid an interim dividend at a rate of 25% (Rs. 2.50 per equity share) on each fully paid-up equity share of Rs.10/- each to Members whose names appeared in the Register of Members as of Friday, September 23, 2022 i.e the Record Date for the purpose of Dividend. The said dividend was paid on October 3, 2022.

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

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

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

NSE: LIBERTSHOE.

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

BSE: 526596

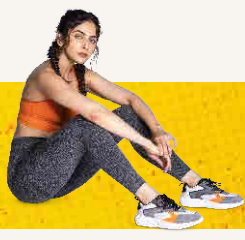
ISIN of Equity Shares of the Company:

INE557B01019

The Annual Listing fee for the financial year 2023-24 has since been paid to both the Stock Exchange(s).

**iii. Stock Market Data:**

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

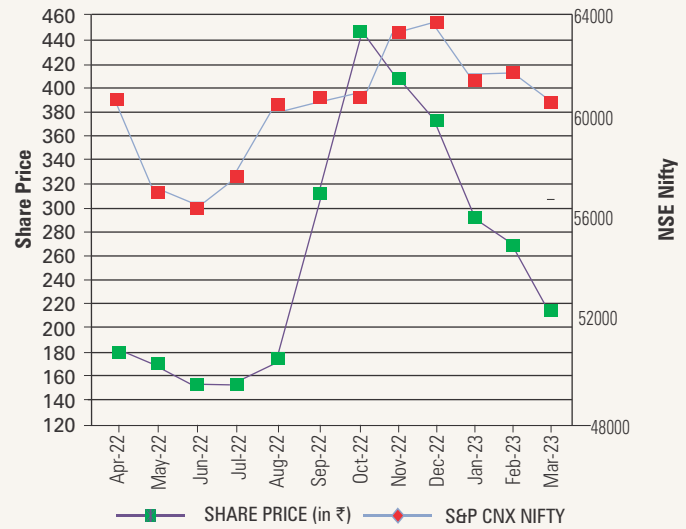


**Performance in Comparison to S & P Nifty**

**Index vs. Share Price**

| S. No. | YEAR (2022-23) | S & P CNX NIFTY | SHARE PRICE (IN ₹) |
|--------|----------------|-----------------|--------------------|
| 1      | April-22       | 18114.65        | 178.00             |
| 2      | May-22         | 17132.85        | 174.30             |
| 3      | June-22        | 16793.85        | 155.85             |
| 4      | July-22        | 16947.65        | 155.00             |
| 5      | August-22      | 17968.45        | 176.35             |
| 6      | September-22   | 18096.15        | 313.95             |
| 7      | October-22     | 18022.8         | 442.00             |
| 8      | November-22    | 18816.05        | 395.60             |
| 9      | December-22    | 18887.6         | 376.00             |
| 10     | January-23     | 18251.95        | 297.40             |
| 11     | February-23    | 18134.75        | 267.25             |
| 12     | March-23       | 17799.95        | 217.60             |

**Liberty Share Price on NSE Vs. NSE Nifty**

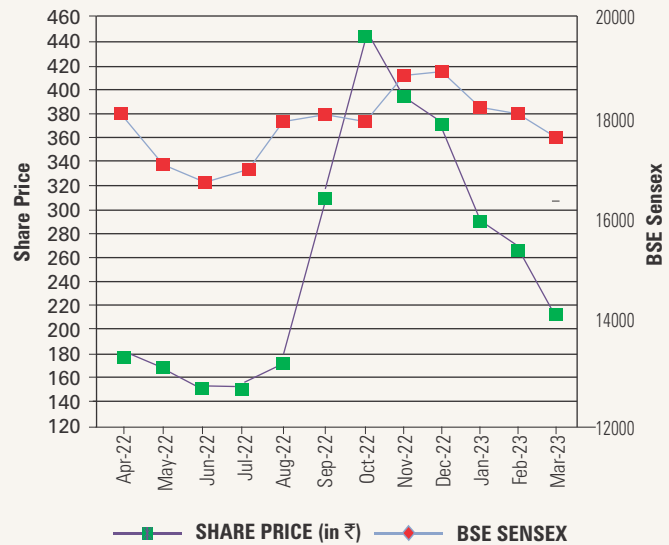


**Performance in Comparison to Sensex**

**Sensex vs. Share Price**

| S. No. | YEAR (2022-23) | S & P BSE SENSEX | SHARE PRICE (IN ₹) |
|--------|----------------|------------------|--------------------|
| 1      | April-22       | 60845.10         | 177.95             |
| 2      | May-22         | 57184.21         | 174.00             |
| 3      | June-22        | 56432.65         | 155.60             |
| 4      | July-22        | 57619.27         | 154.70             |
| 5      | August-22      | 60411.20         | 176.30             |
| 6      | September-22   | 60676.12         | 315.40             |
| 7      | October-22     | 60786.70         | 444.80             |
| 8      | November-22    | 63303.01         | 407.75             |
| 9      | December-22    | 63583.07         | 375.00             |
| 10     | January-23     | 61343.96         | 294.75             |
| 11     | February-23    | 61682.25         | 266.90             |
| 12     | March-23       | 60498.48         | 216.90             |

**Liberty Share Price on BSE Vs. BSE SENSEX**



The monthly high low quotations as well as the volume of shares traded at National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) for the financial year ended 31st March, 2023 are as under:


**KEY INDICATORS:**
**Equity Share Pricemovement on NSE & BSE (April 2022-March 2023)**

|                | (Price in ₹)  |        |               |        | Volume (In No. of Shares) |                |
|----------------|---------------|--------|---------------|--------|---------------------------|----------------|
|                | High          |        | Low           |        | NSE                       | BSE            |
| Year (2022-23) | NSE           | BSE    | NSE           | BSE    |                           |                |
| April-22       | <b>178.00</b> | 177.95 | <b>146.45</b> | 146.80 | <b>4351591</b>            | <b>328526</b>  |
| May-22         | <b>174.30</b> | 174.00 | <b>143.05</b> | 143.00 | <b>2296996</b>            | <b>335863</b>  |
| June-22        | <b>155.85</b> | 155.60 | <b>125.55</b> | 125.35 | <b>1100532</b>            | <b>71439</b>   |
| July-22        | <b>155.00</b> | 154.70 | <b>135.10</b> | 135.90 | <b>886828</b>             | <b>75681</b>   |
| August-22      | <b>176.35</b> | 176.30 | <b>152.60</b> | 153.00 | <b>2850041</b>            | <b>237406</b>  |
| September-22   | <b>313.95</b> | 315.40 | <b>166.50</b> | 163.70 | <b>24659168</b>           | <b>1927021</b> |
| October-22     | <b>442.00</b> | 444.80 | <b>286.85</b> | 286.60 | <b>13016228</b>           | <b>1474871</b> |
| November-22    | <b>395.60</b> | 407.75 | <b>272.00</b> | 271.10 | <b>4883247</b>            | <b>566758</b>  |
| December-22    | <b>376.00</b> | 375.00 | <b>243.75</b> | 243.50 | <b>1801154</b>            | <b>275037</b>  |
| January-23     | <b>297.40</b> | 294.75 | <b>241.10</b> | 240.10 | <b>769289</b>             | <b>146229</b>  |
| February-23    | <b>267.25</b> | 266.90 | <b>201.90</b> | 200.00 | <b>1150079</b>            | <b>119733</b>  |
| March-23       | <b>217.60</b> | 216.90 | <b>181.20</b> | 182.20 | <b>855553</b>             | <b>88989</b>   |
| <b>Total</b>   |               |        |               |        | <b>58620706</b>           | <b>5647553</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](mailto: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 o

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, 2023:

| Shareholding of nominal value of | Number of Shareholders |            | Number of Shares |            | Amount (in ₹)    |
|----------------------------------|------------------------|------------|------------------|------------|------------------|
|                                  | Number                 | % of total | Number           | % of total |                  |
| Up to 500                        | 25014                  | 94.55      | 1788602          | 10.50      | 17886020         |
| 501-1000                         | 876                    | 3.31       | 680482           | 3.99       | 6804820          |
| 1001-2000                        | 285                    | 1.08       | 418834           | 2.46       | 4188340          |
| 2001-3000                        | 93                     | 0.35       | 235991           | 1.38       | 2359910          |
| 3001-4000                        | 41                     | 0.15       | 143342           | 0.84       | 1433420          |
| 4001-5000                        | 29                     | 0.11       | 137616           | 0.81       | 1376160          |
| 5001-10000                       | 44                     | 0.17       | 323476           | 1.90       | 3234760          |
| 10001-50000                      | 75                     | 0.28       | 13311657         | 78.12      | 133116570        |
| <b>Total</b>                     | <b>26457</b>           | <b>100</b> | <b>17040000</b>  | <b>100</b> | <b>170400000</b> |




**Category wise List of Shareholders as on 31st March, 2023**

| Category  | No. of Shares held | Voting Strength (%) |
|---|--------------------|---------------------|
| <b>Promoters Holding:</b>                           |                    |                     |
| A. Individual Promoters                             | 54,95,819          | 32.25               |
| B. Bodies Corporate(s)                              | 44,72,517          | 26.25               |
| <b>Total promoters holding</b>                      | <b>99,68,336</b>   | <b>58.50</b>        |
| <b>Public Holding</b>                               |                    |                     |
| A. FIIs, NRI's & Banks etc.                         | 1,99,901           | 1.17                |
| B. Indian public including Private corporate bodies | 68,71,763          | 40.33               |
| <b>Total Public Holding</b>                         | <b>70,71,664</b>   | <b>41.50</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, 2023, the status of Shares in physical and dematerialized form stood as under:

| S. No | Mode of Equity Share Holding(s) | Number of Shares   | Percentage of total capital |
|-------|---------------------------------|--------------------|-----------------------------|
| 1     | Demat                           | 1,68,95,225        | 99.00                       |
| 2     | Physical                        | 1,44,775           | 1.00                        |
|       | <b>Total</b>                    | <b>1,70,40,000</b> | <b>100</b>                  |

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

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

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

**xii. Plant Locations:**

The Company's plants are located at 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:

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

**xvii. Compliance with Secretarial Standards**

The Institute of Company Secretaries of India, a

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

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

As on date, the Company has also in place code based on SEBI (Prohibition of Insider Trading) Regulations, 2015.

This code is applicable to all Promoters, Directors, designated employees and other connected person.

The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information. The Code has been circulated to all the Promoters, members of the Board, Senior Management and other connected persons and majority of them have affirmed compliance with the code. The code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of Company and cautioning them of the consequences of violations. The code clearly specifies that the Promoters, Directors, designated employees and other connected persons of the Company can trade in the shares of the Company only during the period when 'trading window' is open and when there is no unpublished price sensitive information is in possession of the above persons. The trading window, amongst others, is closed during the time of declaration of financial results and occurrence of any material events as per the code. The above Codes were also adopted by the Board of Directors of the Company and thereafter the same have been posted on Company's website [www.libertyshoes.com](http://www.libertyshoes.com) and also submitted with the Stock Exchanges for their records in compliance with the SEBI guidelines.

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

Pursuant to the provisions of the Investor Education and Protection Fund Authority



(Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") notified by the Ministry of Corporate Affairs effective September 7, 2016, as amended, all shares (eligible FY 2013-14 and FY 2014-2015 Final) in respect of which dividend has remained unpaid/unclaimed by the shareholders for seven consecutive years or more were transferred in the demat account of Investor Education and Protection Fund (IEPF) Authority.

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

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

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

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

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

- (a) Create a login on the website of MCA (<http://www.mca.gov.in/>).
- (b) Login to the MCA website with your login credentials.
- (c) Select Form IEPF-5 under MCA Services.

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

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

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

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

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

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

- II. Original share certificate (in case of securities held in physical form) or copy of transaction statement in case of securities held in demat form.

- III. Self-attested copy of PAN and Aadhaar Card.

- IV. Proof of entitlement/ original share certificate/ dividend warrant (if any).

- V. Original cancelled cheque leaf.

- VI. Copy of Passport, OCI and PIO card in case of foreigners and NRIs.

- VII. Client Master List duly self-attested by the claimant.

- VIII. In case any joint holder is deceased, notarised copy of death certificate is to be attached. In case of NRI, self attested copy of Overseas Indian Card (OIC) issued by MHA or Copy of Passport of PIO card, apostille as per Hague Convention is to be provided.

- (g) Submit all the above and self-attested copy of e-



form along with the other documents as mentioned in the Form IEPF-5, if any, to the Nodal Officer (IEPF) of the Company at its registered office in an envelope marked "Claim for refund from IEPF Authority.

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

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

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

#### xx. Arbitration Mechanism

SEBI issued Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 on May 30, 2022, which outlines the Standard Operating Procedures (SOP) for dispute resolution under the Stock Exchange

arbitration mechanism concerning disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/Investor(s).

For shareholders' information and reference, this information, along with the circular, is available on SEBI's website at [www.sebi.gov.in](http://www.sebi.gov.in)

#### xxi. CIN: L19201HR1986PLC033185

#### xxii. CEO/CFO certification

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

#### xxiii. 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, 2023. 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, 2023 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, 2022 to March 31, 2023:
- (a) Board of Directors;
  - (b) Audit Committee;
  - (c) Nomination and Remuneration Committee;
  - (d) Stakeholders Relationship Committee;
  - (e) Corporate Social Responsibility Committee;
  - and
  - (f) Management Committee;
- v. Obtained necessary representations and declarations from directors of the Company including directors; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from the management. The above mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### **Opinion**

8. Based on the procedures performed by us as referred in paragraph 7 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2023, 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 Pardeep Tayal & Co.  
Firm Registration No. 002733N  
Chartered Accountants

**Pardeep Tayal**  
Partner

Place: Gurugram, Haryana      Membership No. 081643  
Dated: Tuesday , 30th May, 2023      UDIN:23081643BGREE11412



**CEO/CFO CERTIFICATION PURSUANT TO  
THE SECURITIES AND EXCHANGE BOARD OF INDIA  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**LIBERTY**

To the Board of Directors

**Liberty Shoes Ltd.**

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

- a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2023 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, 2023, 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, 2023;
  - 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, 2023; and

- iii. there are no instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Sunil Bansal**  
Executive Director  
DIN-00142121

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

Place: Gurugram, Haryana  
Dated: Tuesday, 30th May, 2023



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

**LIBERTY**

(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 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, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Government of India or any such Statutory Authority.

| Sr. No. | Name of Director      | DIN      | Date of Appointment in Company |
|---------|-----------------------|----------|--------------------------------|
| 1       | Mr. Adesh Kumar Gupta | 00143192 | 16/07/2001                     |
| 2       | Mr. Sunil Bansal      | 00142121 | 28/09/1990                     |
| 3       | Mr. Shammi Bansal     | 00138792 | 01/04/2010                     |
| 4       | Mr. Adish Kumar Gupta | 00137612 | 12/08/2011                     |
| 5       | Mr. Ashok Kumar       | 06883514 | 23/01/2015                     |
| 6       | Mr. Aditya Khemka     | 00514552 | 27/09/2019                     |
| 7       | Dr. Sujata            | 09289128 | 29/09/2021                     |
| 8       | Mr. Gautam Baid       | 00021400 | 01/04/2022                     |

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: F008843E000813011

Peer Review No: 810/2020

Place: New Delhi

Date: 17th August, 2023





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

LIBERTY

The discussion under this head covers the financial results for the year ended 31st March 2023 and other related developments concerning the business of the company.

### **The Footwear Industry-Structure and Development**

Before we present our elaboration for the footwear industry, it would be imperative to understand its importance in the Indian economy through its contribution of employment generation as also foreign exchange earner. For this contribution for number of years the footwear industry has now started gaining attention of the policy makers.

India presently is the 2nd largest producer of footwear globally. The leather and non-leather segments, driven by a robust domestic market, make up the Indian footwear industry. According to Invest India's report on the 'Non-leather footwear Industry in India', the sector in India is projected to increase eight-fold by 2030. Due to changing consumer preferences, 86 percent of footwear consumption has become non-leather by volume globally, and India is witnessing a similar trend. However, leather footwear continues to be a significant part of the industry and is a major export category for India.

The domestic footwear retail market in India estimated at ₹ 72,000 crore in FY 2020 is projected to grow at a CAGR of ~8% to reach ₹ 1,05,000 crore by FY 2025. The unorganized segment still dominates this market which needs to be corrected for the overall improvement in terms of competition, pricing and quality is concerned. In the domestic arena Men's footwear currently dominates market with approximately 48% share, however growth in women's footwear segment will outpace the growth in men's to account for an almost equal share by value in FY 2025 against the current share of 41%. While casual segment is the largest segment accounting for almost 67% of the total market in FY 2020, sports and athleisure is one of the fastest growing segments.

Of late the industry has witnessed encouraging trends wherein higher disposable income is allowing Indians

to move up the value chain and ask for products for different use occasions, further leading to the surfacing of new product segments in footwear in terms of price, performance, and aesthetics. This, in turn, is fuelling growth in individual categories, be it slippers, sandals, or shoes, driving industry leaders to innovate their offerings continually. There has also been a massive shift in consumer perspectives regarding footwear. Consumers no longer look at shoes and footwear to serve just function but are now gradually moving towards footwear for fashion.

Indian consumers increasingly want to buy products and brands that are made in India. Indian brands especially in the value segment have developed distribution capability to address the dispersed demand, product understanding and pricing framework for the Indian micro-markets. Exposure to global trends and fashions have increased overall brand consciousness among Indian consumers, especially the younger generation in urban areas. Aspiration levels have also improved over time with an increase in disposable incomes and appreciation of branded products across segments. Besides the urban India, the rural India is also contributing significantly to the growth of acceptance of branded products. Brand endorsements by celebrities and eminent personalities in sports and cinema have led to an increase in brand awareness among the Indian youth. In the current context, social media has played a critical role in facilitation of faster dissemination of information. Health and wellness have become an important lever to drive premiumization, specially post COVID-19 as the consumer has become more aware about health and fitness. Sports and Athleisure products have benefited from increasing consumer interest in exercise and sporting activity because of the health and wellness trend, as well as the rising demand for comfort. It has become an important differentiator so much so that many businesses have pivoted around this platform.

Liberty regularly study the market trends and timely introduce the new products in the growing market to



further strengthen its position. We also understand that from the existing level of industry the future growth going forward would be predominantly driven by:

- Increasing urbanization, growing aspiration levels to international fashion brands and more focus towards branded footwear and organized retail. The entry of MNC in the Indian market is the classic illustration of that focus.
- Easy availability and assortment width with the advent of online channel and other channels of modern trade. A rise in the percentage of online sales as more and more contemporary retailers use a variety of channels to connect with customers of all ages and income levels.
- Surge in sale of sports and athleisure footwear with increasing focus towards sports and events including adventure trips.
- Increasing middle class population and working population resulting in increasing disposable income of consumer and higher spending on lifestyle products; leading to shift from unbranded to branded play driving the average selling price of the segment.
- Increase in number of working women driving the growth of women's footwear market.
- The transformation of footwear from a utilitarian item to a fashion statement.

### **Opportunities, Risk and Challenges**

#### **Opportunities:**

The Indian footwear market in the last decade or so has expanded as a result of a shift toward high-value goods and people's view for footwear from a functional item to a fashion statement. Consumer preference is gradually shifting away from mass-market Footwear categories toward premium categories, driven by brand awareness and the demand for trendy designs.

The growth in the Indian fashion and lifestyle market has given a spur to the footwear industry as well. It

has developed as a fashion and style category from a basic need-based industry. Currently, a major part of India's fashion market is digitally influenced. Due to the increasing demand, the e-commerce model has penetrated the footwear industry, providing ample opportunities for the industry, especially in tier II and III cities. Further the emergence of the online channel has increased competition because more players can now showcase their product lines to draw customers. The increased competition has forced footwear brands to release new designs and styles more quickly in order to remain relevant and this in turn prove beneficial to the consumers.

On the other hand, the government's efforts to improve the country's infrastructure, including ports, airports, and highways, will improve the country's connectivity and provide a better business environment for the industry. Besides this the Central Govt. has been making rigorous efforts for giving strength to the Indian footwear Industry by introduction of commercial and technical norms for curbing imports from China, employment generation, infrastructure development, promotion of Brand and reputation, setting up institutional facilities, technological upgration through introduction of various sub schemes under IFLADP which has been extended up 2026 and the proposed Production linked incentive scheme for footwear Sector etc. The central Govt. has also been focusing on skilling programs, employment opportunities, tax incentives, and infrastructure development which will also make it easier for overseas companies to set up operations and grow in India. The government's efforts to empower the country's youth and simplify the business process will provide a conducive environment for the industry to thrive.

Liberty is optimistic that going forward the footwear industry is poised to play a key role in the country's economic growth in the coming years, as India becomes a hub for manufacturing and exports.

#### **Threats/Challenges/Risk and concern:**



The footwear Industry has largely been unorganized and scattered in different parts of the Country, though it is moving towards being organized sector and number of unorganized players are plummeting down. The Organised players are pushing themselves for adoption of new technologies and introduction of innovations in their marketing and manufacturing processes to encounter strong price competition from unorganized players and small scale players.

Quality, design technical and aesthetic, relevant pricing inventory turns are becoming lesser-The footwear industry, like other fashion-oriented industries, has a shorter design life span and requires a large number of stock keeping units ("SKU") in terms of varieties in colour, design, sizes, and types. On account of this, key footwear players typically tend to introduce new designs frequently to stay relevant and attract customers. Managing the supply chain to make it more responsive to frequent introductions of new design is a key challenge for retailers

The major threats and challenges are stiff competition from domestic and International brands, rapidly change in customer preferences, disrupting supply chain, non-availability of raw material, inflation, increasing interest rates and its impact on availability of retail space, rate of economic growth, fiscal and monetary policies of governments, geo political tensions, unemployment trends, exchange rate fluctuation, availability and retention of talent, tackling counterfeit goods, product quality management, innovation and new product development, impact of strategic and marketing initiatives, data security, force majeure factors and other matters that influence consumer confidence and spending.

Liberty, recognizing the importance of risk management in a competitive market, has implemented robust processes to identify, assess, and mitigate risks inherent in the business environment. The company's board actively reviews the risk policy, while the audit committee oversees the effectiveness of risk management systems. This proactive approach enables

Liberty Shoes to navigate uncertainties and challenges effectively, ensuring the sustained growth and success of the company in the dynamic footwear industry.

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

During the normal course of business operations, your company has been subjected to several legal cases in connection with or incidental there to. These litigations include civil matters, Direct and indirect tax related cases, old labour law 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 ₹ 2,192.23 Lakh as on 31st March, 2023 as compared to the previous year ₹ 1,335.39 Lakh as on 31st March, 2022.

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

Liberty 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 further strengthen the internal control system and their adequacy and evaluating them from time to time, the Company has appointed reputed firm of Chartered Accountants as Internal Auditors. 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 meetings. However, audit is a continuous process and the findings of the internal auditors, though not very significant, have been resolved in consultation with department's heads and concerned Directors.

During a routine internal audit, a deviation in settlement of one vendor and also purchase of asset has been noted and the audit team, in consultation with the Management Committee, has taken requisite and decisive action to prevent its reoccurrence.

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

### **Discussion on Financial Performance**

The Company's current year operations and financial performance has been remarkable due to company's continuous thrust on improvement and availability of full year of operations without the impact of COVID-19

pandemic. The Company's performance improved to its highest level and reached to pre-covid level and ended with highest ever operating profits during the year. The Earning per share (EPS-Basic & Diluted) of your Company for the financial year ended 31<sup>st</sup> March 2023 remained at ₹ 7.58 as compared to the EPS for the previous financial year ended 31<sup>st</sup> March 2022 at ₹ 1.32.

The EBDITA margin during the year under review attained improvement as compared to previous financial ended 31<sup>st</sup> March 2022.

On account of improved collection from trade receivables, improved inventory turnover and better vendor payment management led to overall improvement in working capital cycle.

The cash flows and internal accruals were efficiently used for working capital and the working capital borrowings despite higher drawing power remained at ₹ 7,579.92 Lakh, during the financial year ended 31<sup>st</sup> March 2023 as compared to ₹ 5,092.41 Lakh during the previous financial year ended 31<sup>st</sup> March 2022. The long term loan availed a Guaranteed Emergency Credit Line 2.0 as per the Scheme of Government of India introduced to counter COVID impact along with some vehicle loans remained at ₹ 1,124.37 Lakh (Including Current Maturities) during the financial year ended 31<sup>st</sup> March, 2023 as compared to ₹ 1,424.03 Lakh during the financial year ended 31<sup>st</sup> March 2022.

Your Company has not availed any particular/specific term loan for funding of its capital expenditure and the entire routine capital expenditure has been funded through internal accruals. The capital expenditure incurred for purchase of furniture & fixtures, new moulds, innovations & technology and supporting machinery at plants as well as towards other normal capital expenditure in furtherance to the business operations of the Company was ₹ 2,349.16Lakh (Other than Leasehold rights) during the year under review as compared to ₹1,083.65 Lakh in the previous year. In



addition to the same, during the year in accordance to the Ind-AS-116, the Company has recognized its leasehold rights at present value aggregating to ₹ 3,693.21 Lakhs on account of addition and adjusted ₹ 879.48 Lakhs on account of termination of earlier recognized contracts and the same have been made part of the Intangible Assets.

The non current investments and other Financial Assets were at ₹ 0.45 Lakh and ₹ 713.10 Lakh during the financial year ended 31 st March 2023 as compared to ₹ 0.45 Lakh and ₹ 726.64 Lakh respectively during the previous financial year ended 31 st March 2022.

The beginning of the year witnessed the pent up demand with the opening of schools, colleges, institutions, offices after evaporation of COVID 19 impact in the Country. The Company managed its all resources of people, technology, available infrastructure in terms of e-commerce and offline stores for maximizing its revenue. In order to remain competitive and also available amongst consumer's mind, the Company has strategically taken the step of major advertising campaign for Company's owned brand LEAP7X.

With the increase of sale during the year under consideration, the overall payout on account of franchise fees/royalty to promoters' partnership firms with whom the Company has arrangements, has also increased by ₹ 346 Lakh as compared to previous year. Despite the substantial expense on account on advertising and franchise/royalty and other overheads, the Company has posted notable operating profits during the year due to better product mix having high margin, leveraging of its fixed cost & manufacturing capacities. The efficient working capital utilization has been the prime focus of the management during the year and despite substantial increase in CAPEX and also relatively higher sales against the previous year, the borrowings/working capital limits have been used to the extent of 65% only against the total sanctioned limits available with the Company.

As highlighted in Directors Report also, your Company has observed & recognised huge potential available in e-commerce segments and has been focusing on expansion of digital footprint through its own website and other market places like Amazon, AJIO & Flipkart.

These market places have yielded product placement for diversified customers all over India. The newly introduced segment of perfume has received overwhelming response embraced confidence trust of overseas customers where these products are available through e-commerce partners in USA, UK, Australia and UAE. The other segments like institutional, retail, franchisee and distribution segment of the Company have shown promising response from the consumer expressing their confidence and loyalty towards the brand.

The other highlights of the financial performance of the Company during the year ended 31st March, 2023 have been stated in the Director's Report for the year ended 31st March, 2023, which appears separately in the Annual Report.

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

Liberty takes immense pride in its diverse and talented workforce, representing multiple geographies and generations. The company acknowledges the pivotal role of its Human Resources in driving excellence across various fields and contributing to the overall growth of the organization. With a strong belief in the value of its employees, Liberty continuously endeavors to upgrade and enhance their skills, keeping them agile and responsive in a dynamic business environment. The HR structure is thoughtfully designed to align with the company's strategic objectives, providing simultaneous support for business growth and employee development. Liberty recognizes that a motivated and skilled workforce is critical for achieving its goals and maintaining competitiveness in the market. Through



various talent retention and development initiatives, the company nurtures leadership capabilities and fosters a culture of continuous learning, ensuring that its Human Capital remains a driving force for long-term value enhancement.

Furthermore, Liberty proudly declares that during the reviewed period, no cases were filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, reaffirming the company’s commitment to providing a safe and respectful work environment. Cordial industrial relations with staff and workers further strengthen the harmonious work atmosphere. Liberty understands that its employees are key to its success, and by investing in their growth and well-being, the company aspires to retain its position as a preferred employer and an industry leader. Upholding ethical standards and fostering an inclusive workplace, Liberty seeks to sustain the dedication and excellence of its workforce in

achieving the organization’s objectives.

As on 31<sup>st</sup> March, 2023, the total employees’s strength of the Company stood at 2090 as compared to previous year’s 1,805.

**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   | 2022-23 | 2021-22 |
|---------|---|---------|---------|
| 1       | Debtors to Sales (in Days)* 1                           | 51      | 77      |
| 2       | Inventory to Turnover (In Days)* 2                      | 101     | 140     |
| 3       | Interest Coverage Ratio*3                               | 2.50    | 1.36    |
| 4       | Current Ratio   | 1.75    | 1.89    |
| 5       | Debt Equity Ratio                                       | 0.44    | 0.34    |
| 6       | Operating Profit Margin (%)                             | 6.64%   | 5.91%   |
| 7       | Net Profit Margin [excluding exceptional items](%)*3    | 2.11%   | 0.60%   |
| 8       | Return on Net Worth [excluding exceptional items] (%)*3 | 6.93%   | 1.55%   |

1. On a/c of higher volume of business/sales/purchases, realizations and payments during the year in comparison to the previous year.
2. On a/c of higher volume of business/sales/purchases, realizations and payments during the year in comparison to the previous year.
3. Yielding of higher Net Profits in comparison to previous year wherein the overall business was recouping from the pressure of Covid-19.

**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.



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, 2023, 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, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis of Opinion

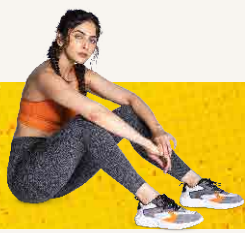
We conducted our audit of the financial

statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter                                     | Addressing the Key Audit Matters  |
|---------|--|---|
| (i)     | Trade Receivables-Outstanding for more than 180 days | <p><b>Principal Audit Procedures followed:</b></p> <p>Our audit procedures based on which we arrived at the conclusion regarding reasonableness of trade receivables outstanding for more than 180 days:</p> <ul style="list-style-type: none"> <li>• Obtained the detail of parties having outstanding for more than 180 days;</li> <li>• Evaluated the facts, terms &amp; conditions, relevant correspondence, status of legal proceedings wherever initiated and management's rationale for the recoverability of the outstanding dues;</li> </ul> |



|              |   |   |
|--------------|---|---|
| <p>(ii)</p>  | <p><b>Recoverability of Input Tax Credit receivable-under the account head 'Other Current Assets-Note No. 11</b></p> <p>As at March 31, 2023, Other Current Assets (Note No. 11) consist of Balance with Statutory Authorities amounting ₹ 677.84Lakhs including unutilized amount of Input Tax Credit of GST of ₹ 436.76 Lakhs.</p>  | <p><b>Principal Audit Procedures followed:</b></p> <p>We reviewed the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.</p>   |
| <p>(iii)</p> | <p><b>Contingent Liabilities – relating to VAT, Service Tax, Labour, Income Tax and TDS (Note 53 [(III) to (XVI)])</b></p> <p>There are certain pending matters relating to VAT for the year financial year 2005-06, 2006-07, 2007-08 &amp; 2008-09 on account of classification of goods at different rate of tax, service tax on GTA services for the period from January 2005 to March 2007, few labour matters pertaining to earlier years and demand on account of non-deduction of tax at source and disallowance of certain business expenditure.</p> <p>These are pending before various judicial forums and consequential and possible impact thereof and provisions/disclosure required have been based on the management’s assessment of the probability of the occurrence of the liability.</p> | <p>Our audit procedures based on which we arrived at the conclusion regarding reasonableness of the related Contingent Liabilities include the following:</p> <ul style="list-style-type: none"> <li>• Obtained the status of the cases from the related department and their view on the matter;</li> <li>• Evaluated the facts and terms and conditions and management’s rationale for the adequacy of the provision so far made and the amount remaining unprovided against the demands made against the Company;</li> <li>• Meeting with management and reading/reviewing the correspondences Memos and Notes on related matters.</li> <li>• Reliance has been placed on the legal views and decisions on similar matters and probability of the liability arising there from pending final judgement/decisions;</li> <li>• Reviewed the appropriateness and adequacy of the disclosure by the management as required in terms of the requirement of IND AS 37 “Provisions, Contingent Liabilities and Contingent Assets”.</li> </ul> |

**Information Other than the Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not

cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report





that fact and we have nothing to report in this regard.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information' and we have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation and presentation of these Ind-AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the financial year ended March 31, 2023 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, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the

operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

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

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

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

(iv) (a) and (iv) (b) contain any material mis-statement.

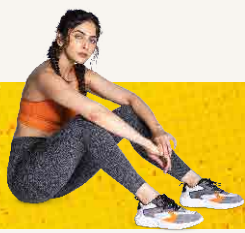
(v.) The Company has declared and paid the Interim Dividend during the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Pardeep Tayal & Co.  
Firm Registration No. 02733N  
Chartered Accountants

**Pardeep Tayal**  
Partner

Place: Gurugram, Haryana      Membership No. 081643  
Dated: Tuesday, May 30, 2023      UDIN: 23081643BGREEI1412



## ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT

LIBERTY

(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, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as

specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external



purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria

established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Pardeep Tayal & Co.  
Firm Registration No. 02733N  
Chartered Accountants

**Pardeep Tayal**  
Partner

Place: Gurugram, Haryana      Membership No. 081643  
Dated: Tuesday, May 30, 2023      UDIN: 23081643BGREEI1412



## ANNEXURE-B TO INDEPENDENT AUDITORS' REPORT

LIBERTY

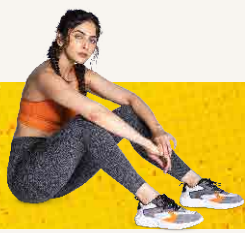
(Referred to in paragraph 2 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Reg.: Liberty Shoes Limited (the Company)

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant & Equipment.
- b) All the Property, Plant & Equipment have not been physically verified by the management during the year but there exists a regular programme of verification of Property, Plant & Equipment which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanation given by the management, the title deeds of the immovable properties included in the property, plant and equipment/fixed assets are held in the name of the Company.
- d) According to the information and explanation given by the management, the Company has not revalued any of its Property, Plant & Equipment and/or intangible assets during the year.
- e) According to the information and explanation given by the management, the Company does not hold any benami property in accordance to the provisions of the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and no proceeding has been initiated against the Company under the said Act.
- 2) a) The management has conducted the physical verification of inventory at reasonable intervals during the year which, in our opinion, is reasonable having regard to the size of the Company and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification.
- b) During the year the Company has been sanctioned/renewed the working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets and according to the information and explanation given by the management, the quarterly returns/statements filed by the Company with such bankers are in agreement with the unaudited books of accounts of the Company of the respective months/quarters and no material discrepancies have been observed.
- 3) According to information and explanations given to us, the Company has not made any investment in nor have provided any guarantee or security or have granted any loans or advances in the nature of loans, secured or unsecured, to the Companies, firms, Limited Liability partnerships or any other parties. Accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act are applicable and hence not commented upon.
- 5) The Company has not accepted any deposits from the public or amounts which are deemed to be deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act. Hence reporting under clause (v) of the paragraph 3 of the Order is not applicable.
- 6) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of Cost Records under sub-section (1) of Section 148 of the Companies Act for the products of the Company.
- 7) According to the information, explanations given to us and on the basis of our examination of records of the Company in respect of statutory dues:
  - a) The Company is regular in depositing the undisputed statutory dues including Goods & Service Tax, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other statutory dues applicable to it with appropriate authorities.
  - b) According to the records of the Company, the statutory dues referred to sub-clause (a) which have not been deposited on account of any dispute, are as follows:



| Nature of Statute                    | Nature of dues  | Amount<br>(in ₹ Lakhs) | Period to which the<br>amount relates               | Forum where the<br>dispute is pending   |
|--------------------------------------|---|------------------------|---|---|
| Service Tax Act, 1994                | Service Tax on<br>GTA Services  | 2.33                   | January 2005 to March 2007                          | Customs, Excise and<br>Service Tax Appellate<br>Tribunal, Chandigarh  |
| Service Tax Act, 1994                | Service Tax on<br>GTA Services  | 2.95                   | April 2005 to March 2007                            | Customs, Excise and<br>Service Tax Appellate<br>Tribunal, Chandigarh  |
| Punjab Value Added<br>Tax, 2005      | Value Added Tax on<br>account of classification<br>of goods at different<br>rate of tax   | 19.13                  | Financial Year 2006-07                              | Remanded back by Deputy<br>Commissioner (Appeals) to<br>Assessing Authority and is<br>pending for assessment. |
| Punjab Value Added<br>Tax, 2005      | Value Added Tax on<br>account of classification<br>of goods at different<br>rate of tax   | 22.30                  | Financial Year 2007-08                              | Deputy Commissioner<br>(Appeals)  |
| Uttarakhand Value<br>Added Tax, 2005 | Value Added Tax on<br>account of classification<br>of goods at different<br>rate of tax   | 45.35                  | Financial Year 2016-17                              | Joint Commissioner<br>(Appeal), Goods<br>Goods & Tax  |
| Income Tax                           | Disallowance of certain<br>expenditure on a/c of<br>non-deduction of tax<br>at source which<br>otherwise are not liable<br>for deduction in terms of<br>applicable provisions of<br>the law. Company's<br>appeal filed against the<br>alleged non-deduction of<br>tax, which was the<br>basic premise for the<br>related disallowances,<br>has been decided by the<br>appellate authority in<br>favour of the Company.<br><br>Further the Company's<br>appeal specifically filed<br>against the referred<br>disallowance during the<br>course of assessment<br>proceedings is pending<br>before the appellate<br>authority. | 172.88                 | Financial Year 2016-17<br>(Assessment year 2017-18) | Commissioner<br>(Appeals)   |



| Nature of Statute | Nature of dues   | Amount<br>(in ₹ Lakhs) | Period to which the<br>amount relates   | Forum where the<br>dispute is pending                  |
|-------------------|--|------------------------|---|--|
| Income Tax        | <p>Disallowance of certain expenditure for the assessment year 2020-21 on a/c of non-allow-ability of certain expenditures, considering some of expenditure as of enduring nature, grossly ignoring the past assessment history of the Company for earlier years and other additions for which Company has preferred an appeal before appellate authority.</p> <p>In addition, the Company has filed a petition before the Grievance Committee constituted by CBDT for such a high-pitch assessment framed under faceless mechanism and are yet to be addressed.</p> | 964.84                 | Financial Year 2019-20<br>(Assessment year 2020-21)   | Commissioner<br>(Appeals)                              |
| Income Tax        | <p>On account of short deduction of Tax at Source in the case of erstwhile subsidiary company M/s Liberty Retail Revolutions Limited for the assessment year 2011-12, 2012-13, 2013-14 &amp; 2014-15, for which Company has filed appeals before the appropriate authority and are pending for adjudication</p>  | 40.03                  | Financial Year 2010-11,<br>2011-12, 2012-13 & 2013-14<br>(Assessment year 2011-12,<br>2012-13, 2013-14 & 2014-15) | ITAT, New Delhi & CIT<br>(Appeals), NFAC,<br>New Delhi |
| Income Tax        | <p>On account of short deduction of Tax at Source for the assessment year 2018-19 which otherwise are not liable for deduction in terms of applicable provisions of the law and for which Company has filed appeals before the appropriate authority and are pending for adjudication.</p>   | 27.51                  | Financial Year 2017-18<br>(Assessment year 2018-19)   | CIT(A), NFAC, New Delhi                                |





| Nature of Statute | Nature of dues  | Amount<br>(in ₹ Lakhs) | Period to which the<br>amount relates               | Forum where the<br>dispute is pending |
|-------------------|---|------------------------|---|---------------------------------------|
| Income Tax        | On account of arbitrary additions made for the assessment year 2014-15 against which partly relief has already been granted by the appellate authority in favour of the Company and the department as well as the Company are in appeal before the Hon'ble ITAT for the same and are pending for adjudication.                | 46.84                  | Financial Year 2013-14<br>(Assessment year 2014-15) | ITAT, New Delhi                       |
| Income Tax        | On account of reduction of deduction u/s 80IC of Income Tax Act, 1961 for the assessment year 2013-14 due to non-considering part of business income as industrial income, for which Company's appeal is pending before Hon'ble Punjab & Haryana High Court duly allowing the interim relief as regard to the related matter. | 59.14                  | Financial Year 2012-13<br>(Assessment year 2013-14) | Hon'ble Punjab & Haryana High Court   |

- 8) According to the information and explanations given to us, during the year the Company has not surrendered or disclosed any transactions not recorded in the books of accounts as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- 9) a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in payment of interest thereon to any lender.
- b) According to the information and explanations given to us, the Company has not been declared as willful defaulter by the bank or financial institution or other lender.
- c) In our opinion and according to the information and explanations given to us, the term loans taken by the Company during the year have been applied for the purpose for which the loan was obtained.
- d) In our opinion and according to the information and explanations given to us, the funds raised on short term basis have not been utilized by the Company for long term purposes.
- e) In our opinion and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.



- f) In our opinion and according to the information and explanations given to us, the Company has not raised loans during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies.
- 10) a) According to the information and explanations given by the management, the Company during the year has not raised any money by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.
- b) According to the information and explanations given by the management, the Company during the year has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- 11) a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the management, we report that no material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the year.
- b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us by the management, we report that the Company has not received any whistle blower complaint during the year.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) (a) to (c) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act wherever applicable and the details have been disclosed in the notes to the Financial Statements as required by the applicable accounting standards.
- 14) a) According to information and explanations given to us the Company has an internal audit system commensurate with the size and nature of its business and
- b) The reports of the internal auditors for the period under audit have duly been considered.
- 15) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act are not applicable.
- 16) According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions of clause 3 (xvi) (a) to (d) of the Order are not applicable to the Company.
- 17) In our opinion and according to the information and explanations given by the management, the Company has not incurred any cash losses during the year and in the immediately preceding financial year.
- 18) During the year there has been no resignation of the statutory auditors of the Company.
- 19) In our opinion on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, knowledge of Board of Directors and management plans, there exists no material uncertainty on the date of the audit report and the



Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within the period of one year from the balance sheet date. However, we state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- 20) In our opinion and according to the information and explanations given by the management, there are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing and other than ongoing projects requiring transfer of funds to a fund specified in Schedule VII to the Companies Act, 2013 in compliance to the second proviso to sub-section (5) of section 135 and sub-section (6) of section 135 of the said Act. Accordingly, the provisions of clause (xx) (a) & (b) of the Order have not been comment upon.
- 21) According to the information and explanations given by the management, the Company does not have any subsidiaries, joint venture or associate companies, so the provisions of clause (xxi) of the Order are not applicable to the Company.

For Pardeep Tayal & Co.  
Firm Registration No. 02733N  
Chartered Accountants

**Pardeep Tayal**  
Partner

Place: Gurugram, Haryana      Membership No. 081643  
Dated: Tuesday, May 30, 2023      UDIN: 23081643BGREE1412



# BALANCE SHEET

# LIBERTY

As at March 31, 2023

(Amount in ₹Lakh)

| Particulars   | Note    | As at March 31, 2023 | As at March 31, 2022 |
|---|---------|----------------------|----------------------|
| <b>Assets</b>   |         |                      |                      |
| <b>Non-current Assets</b>                                       |         |                      |                      |
| Property, Plant & Equipments                                    | 2(a)    | 8,658.48             | 7,591.53             |
| Capital Work in Progress  | 2(c)    | 19.98                | 1.98                 |
| Intangible Assets   | 2(b)    | 40.43                | 51.71                |
| Right of Use Assets   | 2(d)    | 7,311.42             | 5,990.21             |
| <b>Financial Assets</b>   |         |                      |                      |
| Non-current Investments   | 3       | 0.45                 | 0.45                 |
| Other Financial Assets  | 4       | 726.64               | 713.10               |
| Other Non-current Assets  | 5       | 16.39                | 31.51                |
| <b>Total Non Current Assets</b>                                 |         | <b>16,773.79</b>     | <b>14,380.48</b>     |
| <b>Current Assets</b>   |         |                      |                      |
| Inventories   | 6       | 19,427.53            | 16,795.48            |
| <b>Financial Assets</b>   |         |                      |                      |
| Trade Receivables   | 7       | 8,746.54             | 9,608.48             |
| Cash and Cash Equivalents                                       | 8       | 162.38               | 129.44               |
| Bank Balances other than Cash and Cash Equivalents              | 9       | 199.57               | 213.05               |
| Other Financial Assets  | 10      | 109.64               | 146.15               |
| Other Current Assets  | 11      | 1,649.93             | 1,909.98             |
| <b>Total Current Assets</b>                                     |         | <b>30,295.59</b>     | <b>28,802.58</b>     |
| <b>Total Assets</b>   |         | <b>47,069.38</b>     | <b>43,183.06</b>     |
| <b>Equity &amp; Liabilities</b>                                 |         |                      |                      |
| <b>Equity</b>   |         |                      |                      |
| Equity Share Capital  | 12      | 1,704.00             | 1,704.00             |
| Other Equity  | 13      | 18,112.93            | 17,196.33            |
| <b>Total Equity</b>   |         | <b>19,816.93</b>     | <b>18,900.33</b>     |
| <b>Liabilities</b>  |         |                      |                      |
| <b>Non-current Liabilities</b>                                  |         |                      |                      |
| <b>Financial Liabilities</b>                                    |         |                      |                      |
| Borrowings  | 14      | 742.24               | 981.75               |
| Lease Liabilities   | 15      | 7,311.42             | 5,990.20             |
| Other Financial Liabilities                                     | 16      | 1,889.69             | 1,944.89             |
| Provisions  | 17      | 115.64               | 106.27               |
| Deferred Tax Liability (Net)                                    | 18      | -                    | -                    |
| <b>Total Non-current Liabilities</b>                            |         | <b>10,058.99</b>     | <b>9,023.11</b>      |
| <b>Current Liabilities</b>                                      |         |                      |                      |
| <b>Financial Liabilities</b>                                    |         |                      |                      |
| Borrowings  | 19      | 7,962.06             | 5,534.69             |
| Lease Liabilities   |         | -                    | -                    |
| Trade Payables  |         | -                    | -                    |
| a) Total outstanding due of Micro and Small Enterprises         | 20      | 1,347.54             | 1,153.58             |
| b) Total outstanding due other than Micro and Small Enterprises |         | 6,208.06             | 6,784.93             |
| Other Financial Liabilities                                     |         | -                    | -                    |
| Other Current Liabilities                                       | 21      | 1,577.89             | 1,650.49             |
| Provisions  | 22      | 97.91                | 135.93               |
| Current Tax Liabilities (Net)                                   | 23      | -                    | -                    |
| <b>Total Current Liabilities</b>                                |         | <b>17,193.46</b>     | <b>15,259.62</b>     |
| <b>Total Equity and Liabilities</b>                             |         | <b>47,069.38</b>     | <b>43,183.06</b>     |
| Significant Accounting Policies                                 | 1       |                      |                      |
| Notes on Financial Statements                                   | 2 to 78 |                      |                      |

Signed in terms of our Audit Report of even date.

For Pardeep Tayal & Co.  
Firm Registration No. 02733N  
Chartered Accountants

for and on behalf of the Board

**Pardeep Tayal**  
Partner  
Membership No. 081643  
Place: Gurugram, Haryana  
Dated: Tuesday, 30th May, 2023

**Sunil Bansal**  
Executive Director  
DIN-00142121

**Shammi Bansal**  
Executive Director  
DIN - 00138792

**Aditya Khemka**  
Independent Director  
DIN-00514552

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



# STATEMENT OF PROFIT & LOSS

**LIBERTY**

For the year ended March 31, 2023

(Amount in ₹Lakh)

| Particulars  | Note      | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|--|-----------|--------------------------------------|--------------------------------------|
| <b>REVENUE</b>   |           |                                      |                                      |
| Revenue from Operations  | 24        | 65,432.70                            | 48,781.68                            |
| Other Income   | 25        | 17.42                                | 28.28                                |
| <b>Total Revenue</b>   |           | <b>65,450.12</b>                     | <b>48,809.96</b>                     |
| <b>EXPENSES</b>  |           |                                      |                                      |
| Cost of Raw Materials & Components Consumed  | 26(a)&(b) | 25,661.44                            | 17,327.50                            |
| Purchase of Stock-in-trade   | 26(c)     | 9,532.64                             | 4,551.35                             |
| Change in Inventories of Finished Goods, Goods in Process and Stock-in-Trade                         | 27        | (2,721.09)                           | 3,749.55                             |
| Employee Benefit Expenses  | 28&49     | 10,396.12                            | 8,225.66                             |
| Finance Cost   | 29        | 1,208.60                             | 1,221.53                             |
| Depreciation & Amortisations   | 30        | 3,168.62                             | 2,904.62                             |
| Other Expenses   | 31        | 16,388.38                            | 10,402.91                            |
| <b>Total Expenses</b>  |           | <b>63,634.69</b>                     | <b>48,383.11</b>                     |
| <b>Profit before exceptional items and tax</b>   |           | <b>1,815.43</b>                      | <b>426.85</b>                        |
| Exceptional Items  | 32        | 29.95                                | 28.90                                |
| <b>Profit before Tax</b>   |           | <b>1,785.48</b>                      | <b>397.95</b>                        |
| <b>Income Tax Expense:</b>   |           |                                      |                                      |
| Current tax  |           | 471.92                               | 173.66                               |
| Income Tax for Earlier Years   | 33        | 22.43                                | -                                    |
| Deferred Tax Charge/(credit)   |           | -                                    | -                                    |
| <b>Total Tax Expenses</b>  |           | <b>494.35</b>                        | <b>173.66</b>                        |
| <b>Profit for the year</b>   |           | <b>1,291.13</b>                      | <b>224.29</b>                        |
| <b>Other Comprehensive Income</b>  |           |                                      |                                      |
| Items that will not be reclassified to profit or loss in subsequent period                           |           |                                      |                                      |
| Remeasurement Gains/(Losses) on Defined Benefit Plan   | 49        | 68.78                                | 51.36                                |
| Income Tax effect on above   |           | (17.31)                              | (12.93)                              |
| <b>Other Comprehensive Income for the year, net of income tax</b>                                    |           | <b>51.47</b>                         | <b>38.43</b>                         |
| <b>Total Comprehensive Income for the year</b><br>(comprising profit and other comprehensive Income) |           | <b>1,342.60</b>                      | <b>262.72</b>                        |
| Earnings/ (Losses) per equity share (nominal value per share of Rs 10/- Each)                        |           |                                      |                                      |
| Basic  |           | 7.58                                 | 1.32                                 |
| Diluted  |           | 7.58                                 | 1.32                                 |
| Significant Accounting Policies  | 1         |                                      |                                      |
| The accompanying notes are an integral part of these financial statements                            |           |                                      |                                      |

Signed in terms of our Audit Report of even date.

For Pardeep Tayal & Co.  
Firm Registration No. 02733N  
Chartered Accountants

for and on behalf of the Board

**Pardeep Tayal**  
Partner  
Membership No. 081643

**Sunil Bansal**  
Executive Director  
DIN-00142121

**Shammi Bansal**  
Executive Director  
DIN - 00138792

**Aditya Khemka**  
Independent Director  
DIN-00514552

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

Place: Gurugram, Haryana  
Dated: Tuesday, 30th May, 2023



# STATEMENT OF CHANGES IN EQUITY LIBERTY SHOES LIMITED

**LIBERTY**

## A) Equity Share Capital

### 1) Current Reporting Period

(Amount in ₹Lakh)

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

### 2) Previous Reporting Period

(Amount in ₹Lakh)

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

## B) Other Equity

### 1) Current Reporting Period

(Amount in ₹Lakh)

| Particulars   | Reserves & Surplus |                    |                 |                   |                            | Total     |
|---|--------------------|--------------------|-----------------|-------------------|----------------------------|-----------|
|   | Capital Reserve    | Securities Premium | General Reserve | Retained Earnings | Other Comprehensive Income |           |
| Balance at the beginning of the Current reporting period          | 4.00               | 1,127.21           | 12,270.09       | 3,795.03          | -                          | 17,196.33 |
| Changes in accounting policies/prior period errors                | -                  | -                  | -               | -                 | -                          | -         |
| Recasted balance at the beginning of the current reporting period | 4.00               | 1,127.21           | 12,270.09       | 3,795.03          | -                          | 17,196.33 |
| Total Comprehensive Income for the current year                   | -                  | -                  | -               | 1,342.60          | -                          | 1,342.60  |
| Dividends   | -                  | -                  | -               | 426.00            | -                          | 426.00    |
| Transfer to Retained Earnings                                     | -                  | -                  | -               | -                 | -                          | -         |
| Balance at the end of current reporting period                    | 4.00               | 1,127.21           | 12,270.09       | 4,711.64          | -                          | 18,112.93 |

### 2) Previous Reporting Period

(Amount in ₹Lakh)

| Particulars  | Reserves & Surplus |                    |                 |                   |                            | Total     |
|--|--------------------|--------------------|-----------------|-------------------|----------------------------|-----------|
|  | Capital Reserve    | Securities Premium | General Reserve | Retained Earnings | Other Comprehensive Income |           |
| Balance at the beginning of the previous reporting period          | 4.00               | 1,127.21           | 12,270.09       | 3,532.31          | -                          | 16,933.61 |
| Changes in accounting policies/prior period errors                 | -                  | -                  | -               | -                 | -                          | -         |
| Recasted balance at the beginning of the previous reporting period | 4.00               | 1,127.21           | 12,270.09       | 3,532.31          | -                          | 16,933.61 |
| Total Comprehensive Income for the previous year                   | -                  | -                  | -               | 262.72            | -                          | 262.72    |
| Dividends  | -                  | -                  | -               | -                 | -                          | -         |
| Transfer to Retained Earnings                                      | -                  | -                  | -               | -                 | -                          | -         |
| Balance at the end of previous reporting period                    | 4.00               | 1,127.21           | 12,270.09       | 3,795.03          | -                          | 17,196.33 |

Signed in terms of our Audit Report of even date.

For Pardeep Tayal & Co.  
Firm Registration No. 02733N  
Chartered Accountants

for and on behalf of the Board

**Pardeep Tayal**  
Partner  
Membership No. 081643

**Sunil Bansal**  
Executive Director  
DIN-00142121

**Shammi Bansal**  
Executive Director  
DIN - 00138792

**Aditya Khemka**  
Independent Director  
DIN-00514552

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

Place: Gurugram, Haryana  
Dated: Tuesday, 30th May, 2023



# STATEMENT OF CASH FLOWS

**LIBERTY**

For the year ended March 31, 2023

(Amount in ₹Lakh)

| Particulars   | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>   |                                      |                                      |
| Profit before Income Tax from   |                                      |                                      |
| Continuing Operations   | 1,785.48                             | 397.95                               |
| Discontinued Operations   | -                                    | -                                    |
| <b>Profit before Income Tax including discontinued operations</b>   | <b>1,785.48</b>                      | <b>397.95</b>                        |
| Adjustments for:  |                                      |                                      |
| Depreciation and amortisation expense   | 3,168.62                             | 2,904.62                             |
| Loss/(Gain) on sale of Non-current Assets   | 29.95                                | 28.90                                |
| Bank & Other Interest classified as investing cash flows  | (17.42)                              | (28.28)                              |
| Finance Cost  | 1,208.60                             | 1,221.53                             |
| Unrealised Foreign Exchange Difference  | (65.18)                              | (50.24)                              |
| Actuarial Gain/(Loss) on Defined Benefit Plan (net of tax effect)   | 51.47                                | 38.43                                |
| Changes in operating assets and liabilities   |                                      |                                      |
| (Increase)/Decrease in Trade Receivables  | 901.33                               | 1,135.63                             |
| (Increase)/Decrease in Inventories  | (2,632.04)                           | 3,555.95                             |
| Increase/(Decrease) in Trade & Other Payables   | 4,731.70                             | (7,173.44)                           |
| (Increase)/Decrease in other non-current assets   | (20.85)                              | 421.99                               |
| (Increase)/Decrease in Loans & Advances   | 36.51                                | 9.18                                 |
| (Increase)/Decrease in other current assets   | 847.02                               | 1,447.57                             |
| Increase/(Decrease) in Provision for doubtful debts   | (39.40)                              | 115.33                               |
| Increase/(Decrease) in other current liabilities  | -                                    | -                                    |
| <b>Cash generated from operations</b>   | <b>9,985.79</b>                      | <b>4,025.11</b>                      |
| Direct Taxes Paid   | 586.97                               | 237.25                               |
| <b>Net Cash Flow from Operating Activities</b>  | <b>9,398.81</b>                      | <b>3,787.86</b>                      |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>   |                                      |                                      |
| Payments for Purchase/Accrual of Non-current Assets (including capitalisation of leasehold rights in accordance to IndAS 116 - Refer to Note No. 2(d) & 42) | (6,060.38)                           | (1,953.59)                           |
| Proceeds from Sale of Non-current Assets  | 466.92                               | 744.94                               |
| (Increase)/Decrease in Fixed Deposits with Banks for Margin Money against Bank and Other Interest   | 8.14                                 | 309.60                               |
|   | 17.42                                | 28.28                                |
| <b>Net Cash outflow from Investing Activities</b>   | <b>(5,567.91)</b>                    | <b>(870.77)</b>                      |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>   |                                      |                                      |
| Payment of Lease Liabilities  | (1,934.24)                           | (1,737.36)                           |
| Proceeds from long term borrowings  | 172.23                               | 73.75                                |
| Repayment of long term borrowings   | (471.89)                             | (156.33)                             |
| Interest paid   | (1,208.60)                           | (1,221.53)                           |
| Dividend paid   | (426.00)                             | -                                    |
| <b>Net Cash inflow/outflow from Financing Activities</b>  | <b>(3,868.50)</b>                    | <b>(3,041.46)</b>                    |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>   | <b>(37.59)</b>                       | <b>(124.37)</b>                      |
| <b>Cash &amp; Cash Equivalents (Opening Balance)</b>  | <b>140.06</b>                        | <b>214.20</b>                        |
| <b>Unrealised Foreign Exchange Difference</b>   | <b>65.18</b>                         | <b>50.24</b>                         |
| <b>Cash &amp; Cash Equivalents (Closing Balance)</b>  | <b>167.66</b>                        | <b>140.06</b>                        |
| <b>Components of Cash &amp; Cash Equivalents</b>  |                                      |                                      |
| Cash in hand including imprest  | 97.96                                | 96.75                                |
| Balance with Scheduled Banks  | -                                    | -                                    |
| Current Accounts  | 26.98                                | 43.31                                |
| Cheques on hand   | 42.72                                | -                                    |
| <b>Total</b>  | <b>167.66</b>                        | <b>140.06</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 Pardeep Tayal & Co.

Firm Registration No. 02733N

Chartered Accountants

for and on behalf of the Board

**Pardeep Tayal**

Partner

Membership No. 081643

**Sunil Bansal**

Executive Director

DIN-00142121

**Shammi Bansal**

Executive Director

DIN - 00138792

**Aditya Khemka**

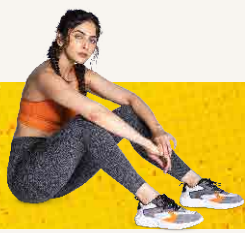
Independent Director

DIN-00514552

**Munish Kakra**

CFO & Company Secretary

M. No. ACS 6262



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

**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 and do not include the cost of materials used for captive consumption.





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

- Export Incentives are accounted on accrual basis and include the estimated value of incentives receivable under the DEPB Scheme, the Duty Drawback Scheme, the Focus Product Scheme and the Merchandise Export from India Scheme. Any difference at the time of actual receipt is accounted for in the year of receipt. The amount of export incentives has been adjusted with the cost of raw materials consumed.
- Gain/Loss on transfer of Duty Credit Entitlements received under the DEPB Scheme is accounted for in the year of transfer.

**d) Inventory Valuation**

Inventories are valued at the lower of cost and net realisable value. Cost of inventories, other than for manufactured finished goods and goods in process, is determined on Weighted Average Cost Method (net of CENVAT/Input Tax credit availed) of stock accounting. Cost of manufactured finished goods and goods in process include cost of raw materials consumed on weighted average basis and appropriate portion of allocable overheads and Taxes, wherever applicable. Scrap, if any, at the year-end does not form part of the closing inventory.

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

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

following depending upon the age of related debtors/advances:

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

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

Property, Plant & Equipment and Intangible Assets are stated at original cost (net of CENVAT/Input Tax credit availed, wherever eligible) but including freight inward, duties, taxes and other incidental expenses relating to acquisition and installation thereof. Capital work in progress includes cost of property, plant & equipment under installation and other incidental expenses. Items of property, plant & equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains and losses arising from disposal of Property, Plant & Equipment which are carried at cost are recognized in the Statement of Profit and Loss.

**g) Depreciation**

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| <b>Assets</b>                      | <b>Useful Life</b> |
|------------------------------------|--------------------|
| 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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 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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

reviews its Trade Payables and other long term and short term financial liabilities on time to time basis and manages the resources availability of cash and cash equivalents and credit lines and borrowing facilities from banks.

Market Risk:

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

Price Risk:

Key raw materials used in the manufacturing of footwear are EVA, PU material etc. are subject to price volatility depending upon the fluctuation in the price of crude oil and its derivatives. To mitigate the pricerisk the Company takes several measures 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.


**2 (a) Property, plant and equipment**

(Amount in ₹Lakh)

| Particulars                      | Freehold Land   | Buildings       | Plant & Equipments | Furniture & Fixture | Vehicles        | Office Equipments | Moulds          | Total            |
|----------------------------------|-----------------|-----------------|--------------------|---------------------|-----------------|-------------------|-----------------|------------------|
| <b>Gross carrying amount</b>     |                 |                 |                    |                     |                 |                   |                 |                  |
| <b>As at 31st March 2021</b>     | <b>1,226.76</b> | <b>2,588.09</b> | <b>8,810.26</b>    | <b>4,152.73</b>     | <b>2,237.47</b> | <b>1,951.00</b>   | <b>3,763.22</b> | <b>24,729.52</b> |
| Additions                        | -               | 48.95           | 327.92             | 69.17               | 188.31          | 93.68             | 328.22          | 1,056.25         |
| Disposals/Adjustments            | -               | -               | 284.07             | 320.31              | 119.24          | 32.22             | 84.24           | 840.08           |
| <b>As at 31st March 2022</b>     | <b>1,226.76</b> | <b>2,637.04</b> | <b>8,854.11</b>    | <b>3,901.59</b>     | <b>2,306.54</b> | <b>2,012.46</b>   | <b>4,007.19</b> | <b>24,945.69</b> |
| Additions                        | -               | 142.10          | 858.99             | 478.31              | 354.85          | 204.16            | 299.40          | 2,337.81         |
| Disposals/Adjustments            | -               | -               | 357.48             | 452.96              | 59.14           | 93.10             | -               | 962.68           |
| <b>As at 31st March 2023</b>     | <b>1,226.76</b> | <b>2,779.14</b> | <b>9,355.62</b>    | <b>3,926.94</b>     | <b>2,602.25</b> | <b>2,123.53</b>   | <b>4,306.59</b> | <b>26,320.82</b> |
| <b>Accumulated Depreciation</b>  |                 |                 |                    |                     |                 |                   |                 |                  |
| <b>As at 31st March 2021</b>     | <b>-</b>        | <b>1,231.39</b> | <b>7,201.60</b>    | <b>2,581.81</b>     | <b>1,494.65</b> | <b>1,600.89</b>   | <b>2,685.07</b> | <b>16,795.41</b> |
| Depreciation Charge for the year | -               | 86.54           | 278.72             | 285.31              | 176.78          | 122.03            | 188.53          | 1,137.91         |
| Disposals/Adjustments            | -               | -               | 202.20             | 226.66              | 104.89          | 29.27             | 16.13           | 579.15           |
| <b>As at 31st March 2022</b>     | <b>-</b>        | <b>1,317.93</b> | <b>7,278.12</b>    | <b>2,640.47</b>     | <b>1,566.54</b> | <b>1,693.64</b>   | <b>2,857.47</b> | <b>17,354.17</b> |
| Depreciation Charge for the year | -               | 88.88           | 280.62             | 284.11              | 190.57          | 127.85            | 239.71          | 1,211.74         |
| Disposals/Adjustments            | -               | -               | 350.94             | 403.26              | 57.95           | 91.43             | -               | 903.57           |
| <b>As at 31st March 2023</b>     | <b>-</b>        | <b>1,406.80</b> | <b>7,207.80</b>    | <b>2,521.32</b>     | <b>1,699.15</b> | <b>1,730.07</b>   | <b>3,097.18</b> | <b>17,662.34</b> |
| <b>Net carrying amount</b>       |                 |                 |                    |                     |                 |                   |                 |                  |
| As at 31st March 2022            | 1,226.76        | 1,319.11        | 1,575.99           | 1,261.13            | 740.00          | 318.82            | 1,149.72        | 7,591.53         |
| <b>As at 31st March 2023</b>     | <b>1,226.76</b> | <b>1,372.33</b> | <b>2,147.82</b>    | <b>1,405.61</b>     | <b>903.09</b>   | <b>393.46</b>     | <b>1,209.41</b> | <b>8,658.48</b>  |

**2(b) Intangible Assets**

(Amount in ₹Lakh)

| Particulars                      | Patents     | Software      | Total         |
|----------------------------------|-------------|---------------|---------------|
| <b>Gross Carrying Amount</b>     |             |               |               |
| <b>As at 31st March 2021</b>     | <b>0.16</b> | <b>336.95</b> | <b>337.11</b> |
| Additions                        | -           | 27.40         | 27.40         |
| Disposals/Adjustments            | -           | -             | -             |
| <b>As at 31st March 2022</b>     | <b>0.16</b> | <b>364.35</b> | <b>364.50</b> |
| Additions                        | -           | 11.35         | 11.35         |
| Disposals/Adjustments            | -           | 26.71         | 26.71         |
| <b>As at 31st March 2023</b>     | <b>0.16</b> | <b>348.99</b> | <b>349.14</b> |
| <b>Accumulated Depreciation</b>  |             |               |               |
| <b>As at 31st March 2021</b>     | <b>0.04</b> | <b>283.40</b> | <b>283.44</b> |
| Amortisation Charge for the year | -           | 29.36         | 29.36         |
| Disposals/Adjustments            | -           | -             | -             |
| <b>As at 31st March 2022</b>     | <b>0.04</b> | <b>312.76</b> | <b>312.80</b> |
| Amortisation Charge for the year | -           | 22.63         | 22.63         |
| Disposals/Adjustments            | -           | 26.71         | 26.71         |
| <b>As at 31st March 2023</b>     | <b>0.04</b> | <b>308.67</b> | <b>308.71</b> |
| <b>Net carrying amount</b>       |             |               |               |
| As at 31st March 2022            | 0.12        | 51.59         | 51.71         |
| <b>As at 31st March 2023</b>     | <b>0.12</b> | <b>40.31</b>  | <b>40.43</b>  |


**2 (c) Capital work in progress**

(Amount in ₹Lakh)

| Particulars                  | Building Under Construction | Assets under Installation | Total        |
|------------------------------|-----------------------------|---------------------------|--------------|
| <b>Gross carrying amount</b> |                             |                           |              |
| <b>As at 31st March 2021</b> | 10.13                       | 1.39                      | <b>11.52</b> |
| Additions                    | -                           | -                         | -            |
| Capitalised                  | 9.54                        | -                         | <b>9.54</b>  |
| <b>As at 31st March 2022</b> | <b>0.59</b>                 | <b>1.39</b>               | <b>1.98</b>  |
| Additions                    | 18.00                       | -                         | 18.00        |
| Capitalised                  | -                           | -                         | -            |
| <b>As at 31st March 2023</b> | <b>18.59</b>                | <b>1.39</b>               | <b>19.98</b> |

**Ageing of CWIP**

| As at 31st March 2023                             | Amount in CWIP for a period of |             |           |                   | Total        |
|---|--------------------------------|-------------|-----------|-------------------|--------------|
|   | Less than 1 year               | 1-2 Years   | 2-3 years | More than 3 years |              |
| Building under construction                       | 18.00                          | 0.60        | -         | -                 | 18.60        |
| Assets under Installation (Temporarily suspended) | -                              | -           | -         | 1.39              | 1.39         |
| <b>Total</b>                                      | <b>18.00</b>                   | <b>0.60</b> | <b>-</b>  | <b>1.39</b>       | <b>19.98</b> |
| As at 31st March 2022                             | Amount in CWIP for a period of |             |           |                   | Total        |
|   | Less than 1 year               | 1-2 Years   | 2-3 years | More than 3 years |              |
| Building under construction                       | 0.60                           | -           | -         | -                 | 0.60         |
| Assets under Installation (Temporarily suspended) | -                              | -           | -         | 1.39              | 1.39         |
| <b>Total</b>                                      | <b>0.60</b>                    | <b>-</b>    | <b>-</b>  | <b>1.39</b>       | <b>1.98</b>  |

**2 (d) Right -of-use Assets**

(Amount in ₹Lakh)

| Right- of -use Assets (ROU Assets) | As at 31st March, 2023 | As at 31st March, 2022 |
|------------------------------------|------------------------|------------------------|
|                                    | <b>Buildings</b>       |                        |
| <b>Opening Balance</b>             | <b>5,990.21</b>        | <b>7,360.99</b>        |
| Additions for the new leases       | 3,693.21               | 879.48                 |
| Depreciation Expenses for the year | (1,934.24)             | (1,737.35)             |
| Deletions for terminated leases    | (437.76)               | (512.91)               |
| <b>Closing Balance</b>             | <b>7,311.42</b>        | <b>5,990.21</b>        |
| <b>Refer note no. 41</b>           |                        |                        |


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Amount in ₹Lakh)

|   | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| <b>3 Non-current Investments (Non-Trade)</b>  |                        |                        |
| <b>Investments in Government Securities (Valued at Cost)</b><br>(6 Years National Saving Certificates VIII Issue)                     | 0.45                   | 0.45                   |
| <b>Total Non-current Investments</b>  | <u>0.45</u>            | <u>0.45</u>            |
| Aggregate amount of Quoted Investments  | -                      | -                      |
| Aggregate amount of Unquoted Investments  | 0.45                   | 0.45                   |
| Aggregate Market Value of Quoted Investments  | -                      | -                      |
| <b>4 Other Financial Assets -Non Current</b><br>(Unsecured and considered good unless stated otherwise)                               |                        |                        |
| Security Deposits   |                        |                        |
| to Related Parties  | 60.00                  | 60.00                  |
| to Others   | 690.41                 | 651.38                 |
| Bank Deposits having maturity for more than 12 months   | 6.01                   | 31.49                  |
|   | <u>756.41</u>          | <u>742.87</u>          |
| Less: Provision for doubtful security deposits to others  | 29.78                  | 29.78                  |
| <b>Total Other Financial Assets- Non Current</b>  | <u>726.64</u>          | <u>713.10</u>          |
| <b>5 Other Non-current Assets</b><br>(Unsecured and considered good unless stated otherwise)  |                        |                        |
| Capital Advance   | 16.39                  | 31.51                  |
| <b>Total Other Non-current Assets</b>   | <u>16.39</u>           | <u>31.51</u>           |
| <b>6 Inventories (As valued and certified by the Management)</b>  |                        |                        |
| Raw Materials   | 4,191.44               | 4,339.17               |
| Goods in Process  | 2,207.38               | 1,820.83               |
| Finished Goods  |                        |                        |
| Manufactured  | 10,803.29              | 8,997.58               |
| Traded  | 1,405.16               | 876.32                 |
| Packing Materials   | 342.31                 | 317.96                 |
| Stores & Spares   | 450.13                 | 428.29                 |
| Oil & Lubricants  | 27.82                  | 15.32                  |
| <b>Total Inventories</b>  | <u>19,427.53</u>       | <u>16,795.48</u>       |
| <b>7 Trade Receivables</b>  |                        |                        |
| Trade Receivables, Unsecured  |                        |                        |
| Trade receivables-Considered Good   | 8,346.02               | 9,374.43               |
| Trade receivables-from Related Parties -Considered Good   | 400.53                 | 234.05                 |
| Credit Impaired   | 343.49                 | 382.89                 |
|   | <u>9,090.04</u>        | <u>9,991.37</u>        |
| Less: Allowance for Doubtful Trade Receivables (Expected Credit Loss Allowance)   | 343.49                 | 382.89                 |
| <b>Total Trade Receivables</b>  | <u>8,746.54</u>        | <u>9,608.48</u>        |
| There are no trade receivables which have significant increase in credit risk.<br>For ageing of trade receivables- refer note no. 37) |                        |                        |
| <b>8 Cash and Cash Equivalents</b>  |                        |                        |
| Balances with banks:  |                        |                        |
| In Current Accounts   | 21.70                  | 32.69                  |
| Cheques on hand   | 42.72                  | -                      |
| Cash in hand including imprest  | 97.96                  | 96.75                  |
| <b>Total Cash &amp; Cash Equivalents</b>  | <u>162.38</u>          | <u>129.44</u>          |


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Amount in ₹Lakh)

|   | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| <b>9 Bank Balances other than Cash and Cash Equivalents</b>   |                        |                        |
| Earmarked balances with Banks-Unpaid Dividend Accounts  | 5.28                   | 10.62                  |
| Deposits with Banks with original maturity of more than 3 months and having remaining maturity up to 12 months*                 | 194.29                 | 202.43                 |
| <b>Total Bank Balances other than Cash and Cash Equivalents</b>   | <b>199.57</b>          | <b>213.05</b>          |
| * includes deposit held as lien with banks for bank guarantee of ₹ 194.29 Lakh (Previous year ₹ 202.43 Lakh)                    |                        |                        |
| <b>10 Other Financial Assets-Current</b><br>(Unsecured and considered good unless stated otherwise)                             |                        |                        |
| Security Deposit for less than 12 Months<br>to Related Parties  | -                      | -                      |
| to Others   | 5.50                   | 49.95                  |
| Loans and advances to employees   | 104.14                 | 96.20                  |
| <b>Total Other Financial Assets-Current</b>   | <b>109.64</b>          | <b>146.15</b>          |
| <b>11 Other Current Assets</b><br>(Unsecured and considered good unless stated otherwise)                                       |                        |                        |
| Advances recoverable in cash or in kind or for the value to be received<br>(Refer to note 40)                                   |                        |                        |
| Considered good   | 700.79                 | 758.77                 |
| Considered doubtful (Credit Impaired)   | 23.36                  | 23.36                  |
| Balances with Statutory or Government Authorities<br>(including GST, VAT recoverable and taxes paid under protest)              | 691.83                 | 932.31                 |
| Prepaid Expenses  | 257.30                 | 218.90                 |
|   | 1,673.29               | 1,933.34               |
| Less: Allowance for Doubtful Advances (Expected Credit Loss Allowance)<br>(Refer to Note 38)                                    | 23.36                  | 23.36                  |
| <b>Total Other Current Assets</b>   | <b>1,649.93</b>        | <b>1,909.98</b>        |
| <b>Equity</b>   |                        |                        |
| <b>12 Equity Share Capital</b>  |                        |                        |
| <b>Authorised Share Capital</b>   |                        |                        |
| 63500000 (Previous year 63500000 Equity Shares) of ₹ 10 each  | 6,350.00               | 6,350.00               |
| <b>Issued, Subscribed &amp; Fully Paid Up Capital</b>   |                        |                        |
| 17040000 (Previous year 17040000) Equity Shares of ₹ 10 each<br>fully paid up.  | 1,704.00               | 1,704.00               |
|   | <b>1,704.00</b>        | <b>1,704.00</b>        |
| <b>12(a) Reconciliation of Number of Shares</b>   |                        |                        |
| <b>Equity Shares</b>  |                        |                        |
| <b>Balance at the beginning of the year</b><br>17040000 (Previous year 17040000) Equity Shares of Rs. 10 each<br>fully paid up. | 1,704.00               | 1,704.00               |
| Add: Shares issued during the year  | -                      | -                      |
| <b>Balance at the end of the year</b>   | <b>1,704.00</b>        | <b>1,704.00</b>        |




**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

12 (b) Terms/Rights attached to Equity Shares: The Company has one class of equity shares having a par value of ₹ 10/- each. Each shareholder is eligible for one vote per share held in the Company. The dividend proposed by the Board of Directors of the Company, if any, is subject to approval of the members in the ensuing general meeting, except in the case of interim dividend, if declared. In the event of liquidation of the Company, equity shareholders shall be entitled to receive the remaining assets, after the distribution to preferred shareholders, if any, in proportionate of their shareholding.

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

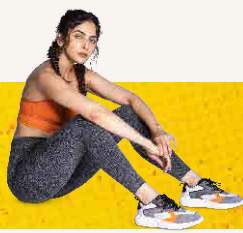
| Equity Shares                      | As at 31st March, 2023 |                   | As at 31st March, 2022 |                   |
|------------------------------------|------------------------|-------------------|------------------------|-------------------|
|                                    | No. of Shares          | % of Shareholding | No. of Shares          | % of Shareholding |
| Geofin Investments Private Limited | 4472517                | 26.25             | 4472517                | 26.25             |
| <b>Total</b>                       | <b>4472517</b>         | <b>26.25</b>      | <b>4472517</b>         | <b>26.25</b>      |

12(d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the five years immediately preceding the reporting date

|               |     |     |
|---------------|-----|-----|
| Equity Shares | Nil | Nil |
|---------------|-----|-----|

**12(e) Shareholding of Promoters**

| Sr. No. | Name of Promoter                              | Shareholding at the beginning of the year 01.04.2022 |                                  |  | Shareholding at the end of the year 31.03.2023 |                                  |  | % 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                             | 492885   | 2.89                             | -  | 492885   | 2.89                             | -  | -  |
| 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                             | -  | -  | -                                | -  | (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                             | -  | -  |
| 20      | Smt. Rehti Devi                               | 83360  | 0.49                             | -  | 83360  | 0.49                             | -  | -  |
| 21      | Smt. Kamlawati                                | 13600  | 0.08                             | -  | 13600  | 0.08                             | -  | -  |
| 22      | Sh. Adarsh Gupta                              | 11000  | 0.06                             | -  | -  | -                                | -  | 0.06   |
| 23      | Sh. Anmol Gupta                               | 6132   | 0.04                             | -  | 6132   | 0.04                             | -  | -  |
| 24      | M/s Geofin Investments Private Limited        | 4472517  | 26.25                            | -  | 4472517  | 26.25                            | -  | -  |
|         | <b>Total</b>                                  | <b>10118900</b>                                      | <b>59.38</b>                     | <b>-</b>                                       | <b>9968336</b>                                 | <b>58.50</b>                     | <b>-</b>                                       | <b>(0.88)</b>                                |


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Amount in ₹Lakh)

|  | As at 31st March, 2023 | As at 31st March, 2022 |
|--|------------------------|------------------------|
| <b>Other Equity</b>  |                        |                        |
| <b>13 Reserves &amp; Surplus</b>   |                        |                        |
| a) <b>Capital Reserve</b>  | <b>4.00</b>            | <b>4.00</b>            |
| b) <b>Securities Premium Account</b>   |                        |                        |
| Balance at the beginning of the year   | 1,127.21               | 1,127.21               |
| Add:Additions/(Utilisations) during the year   | -                      | -                      |
| <b>Balance at the end of the year</b>  | <b>1,127.21</b>        | <b>1,127.21</b>        |
| c) <b>General Reserve*</b>   |                        |                        |
| Balance at the beginning of the year   | 12,270.09              | 12,270.09              |
| Add:Transfer from surplus in the Statement of Profit & Loss                            | -                      | -                      |
| <b>Balance at the end of the year</b>  | <b>12,270.09</b>       | <b>12,270.09</b>       |
| d) <b>Retained Earnings**</b>  |                        |                        |
| Balance at the beginning of the year   | 3,795.03               | 3,532.31               |
| Add:Profit for the year  | 1,342.60               | 262.72                 |
|  | 5,137.63               | 3,795.03               |
| Less:Transfer to General Reserve   | -                      | -                      |
| Interim Dividend on Equity Shares (Dividend per share ₹ 2.50/-<br>(Previous year Nil)) | 426.00                 | -                      |
| <b>Balance at the end of the year</b>  | <b>4,711.63</b>        | <b>3,795.03</b>        |
| <b>Total Reserves &amp; Surplus</b>  | <b>18,112.93</b>       | <b>17,196.33</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. Further, under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net profit at a specified

percentage in accordance with applicable regulations. Consequent to the introduction of the Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn. Hence, no amount has been transferred to general reserve while declaring and paying the interim dividend during the year."

\*\*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 ₹Lakh)

| <b>Long Term Borrowings</b>                                | <b>As at 31st March, 2023</b> |                           | <b>As at 31st March, 2022</b> |                           |
|--|-------------------------------|---------------------------|-------------------------------|---------------------------|
|  | <b>Non Current</b>            | <b>Current Maturities</b> | <b>Non Current</b>            | <b>Current Maturities</b> |
| <b>14 Secured measured at amortised cost</b>               |                               |                           |                               |                           |
| Term Loans   |                               |                           |                               |                           |
| Rupee Term Loans from Banks                                | 742.24                        | 382.14                    | 981.75                        | 442.28                    |
| Less: Amount disclosed under Borrowings<br>(Refer note 19) | -                             | 382.14                    | -                             | 442.28                    |
| <b>Net Long Term Borrowings</b>                            | <b>742.24</b>                 | <b>-</b>                  | <b>981.75</b>                 | <b>-</b>                  |


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

| Particulars of Loan   | Detail of Security   | Outstanding Balance as at 31.03.2023 | Repayment Terms   |
|---|--|--------------------------------------|---|
| From Banks  |  |                                      |   |
| Guaranteed Emergency Credit Line 2.0 from State Bank of India | Extension of charge (2nd charge) over the existing Primary securities created in favour of the Bank on pari-passu basis. | 888.81                               | 36 Monthly installments of ₹24.79 Lakhs each from April 2023 onwards.   |
| Vehicle Loans from HDFC Bank                                  | Hypothecation of Vehicles  | 234.28                               | 35% in Monthly Installment during Apr-23 to Mar-24<br>28% in Monthly Installment during Apr-24 to Mar-25<br>16% in Monthly Installment during Apr-25 to Mar-26<br>15% in Monthly Installment during Apr-26 to Mar-27<br>and 6% in Monthly Installment during the period Apr-27 to Mar-28" |
| Vehicle Loans from Axis Bank                                  | Hypothecation of Vehicles  | 1.28                                 | 100% in Monthly installment during Apr-23 to Sept-23  |
| <b>Vehicle Loans from Axis Bank</b>                           |  | <b>1,124.37</b>                      |   |

(Amount in ₹Lakh)

|   | As at 31st March, 2023 | As at 31st March, 2022 |
|---|------------------------|------------------------|
| <b>15 Lease Liabilities</b>                           |                        |                        |
| Lease Rental Obligations (refer to Note 42)           | 7,311.42               | 5,990.20               |
| <b>Total Lease Liabilities</b>                        | <b>7,311.42</b>        | <b>5,990.20</b>        |
| <b>16 Other Financial Assets</b>                      |                        |                        |
| Security Deposits                                     | 1,889.69               | 1,944.89               |
| <b>Total Other Financial Assets</b>                   | <b>1,889.69</b>        | <b>1,944.89</b>        |
| <b>17 Provisions-Non Current</b>                      |                        |                        |
| Provision for Gratuity                                | 115.64                 | 106.27                 |
| <b>Total Provisions-Non Current</b>                   | <b>115.64</b>          | <b>106.27</b>          |
| <b>18 Deffered 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>19 Borrowings-Current</b>                          |                        |                        |
| <b>Secured</b>  |                        |                        |
| Loans repayable on demand*                            |                        |                        |
| From Banks  | 7,579.92               | 5,092.41               |
| Current Maturities of Long Term Debts (refer Note 14) |                        |                        |
| From Banks  | 382.14                 | 442.28                 |
| <b>Total Borrowings-Current</b>                       | <b>7,962.06</b>        | <b>5,534.69</b>        |


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

\*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 pariassu charge on Plant & Machinery.

(Amount in ₹Lakh)

|   | As at 31st March, 2023                       | As at 31st March, 2022                       |
|---|--|--|
| <b>20 Trade Payables</b>  |  |  |
| Trade Payables for goods & services<br>(Includes sundry creditors)                              |  |  |
| a) Total outstanding due of Micro and Small Enterprises   | 1,347.54                                     | 1,153.58                                     |
| b) Total outstanding due other than Micro and Small Enterprises                                 | 6,208.06                                     | 6,784.93                                     |
| <b>Total Trade Payables</b>   | <b>7,555.60</b>                              | <b>7,938.51</b>                              |
| For ageing of trade payable and details of MSME disclosure, refer to note 43 & 44               |  |  |
| <b>21 Other Current Liabilities</b>   |  |  |
| <b>Other Payables</b>   |  |  |
| Advances from Customers   | 357.33                                       | 606.57                                       |
| Expenses Payable  | 878.68                                       | 767.85                                       |
| Other Liabilities   | 341.88                                       | 276.07                                       |
| <b>Total Other Current Liabilities</b>  | <b>1,577.89</b>                              | <b>1,650.49</b>                              |
| <b>22 Provisions-Current</b>  |  |  |
| Provision for Gratuity  | 97.91  | 135.93                                       |
| <b>Total Provisions-Current</b>   | <b>97.91</b>                                 | <b>135.93</b>                                |
| <b>23 Current Tax Liabilities</b>   |  |  |
| Provision for taxation (Net of Advance Tax, Tax Deducted at Source and Tax Collected at Source) | -  | -  |
| <b>Total Short Term Provisions</b>  | <b>-</b>                                     | <b>-</b>                                     |
|   |  |  |
|   | <b>For the year ended<br/>March 31, 2023</b> | <b>For the year ended<br/>March 31, 2022</b> |
| <b>24 Revenue from Operations</b>   |  |  |
| <b>(a) Sale of Products</b>   |  |  |
| Footwear & Other Products, Accessories etc  | 65,149.04                                    | 48,503.61                                    |
| <b>Total</b>  | <b>65,149.04</b>                             | <b>48,503.61</b>                             |
| <b>(b) Other Operating Income</b>   |  |  |
| Freight   | 48.42  | 71.00  |
| Miscellaneous Income  | 100.61                                       | 120.73                                       |
| Gain on Exchange Rate Fluctuations  | 86.26  | 35.12  |
| Bad Debts Recovered   | 48.37  | 51.22  |
| <b>Total</b>  | <b>283.66</b>                                | <b>278.07</b>                                |
| <b>Total Revenue from Operations</b>  | <b>65,432.70</b>                             | <b>48,781.68</b>                             |
| <b>25 Other Income</b>  |  |  |
| Bank and Other Interest (Tax deducted at Source ₹ 1.16 Lakhs<br>[Previous Year ₹ 2.12 Lakhs])   | 17.42  | 28.28  |
| <b>Total Other Income</b>   | <b>17.42</b>                                 | <b>28.28</b>                                 |


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Amount in ₹Lakh)

|  | <b>For the year ended<br/>March 31, 2023</b> | <b>For the year ended<br/>March 31, 2022</b> |
|--|--|--|
| <b>26 Cost of Materials consumed and Finished Goods Purchased</b>                      |  |  |
| <b>a) Raw Materials (Refer to Note 45 &amp; 46)</b>                                    |  |  |
| Stock at the beginning of the year   | 4,339.17                                     | 4,189.50                                     |
| Add: Purchases   | 22,996.82                                    | 15,669.07                                    |
|  | <b>27,335.99</b>                             | <b>19,858.57</b>                             |
| Less: Stock at the end of the year   | 4,191.44                                     | 4,339.17                                     |
| <b>Raw Materials Consumed</b>  | <b>23,144.55</b>                             | <b>15,519.40</b>                             |
| <b>b) Packing Materials (Refer to Note 46)</b>   |  |  |
| Stock at the beginning of the year   | 317.96                                       | 312.71                                       |
| Add: Purchases   | 2,541.23                                     | 1,813.34                                     |
|  | <b>2,859.19</b>                              | <b>2,126.06</b>                              |
| Less: Stock at the end of the year   | 342.31                                       | 317.96                                       |
| <b>Packing Materials Consumed</b>  | <b>2,516.88</b>                              | <b>1,808.10</b>                              |
| <b>c) Finished Goods Purchased (Refer to Note 46)</b>                                  | <b>9,532.64</b>                              | <b>4,551.35</b>                              |
| <b>Total Cost of Materials consumed and Finished Goods Purchased (a+b+c)</b>           | <b>35,194.07</b>                             | <b>21,878.85</b>                             |
| <b>27 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  | 12,208.45                                    | 9,873.90                                     |
| Goods in Process   | 2,207.38                                     | 1,820.83                                     |
| Total  | <b>14,415.83</b>                             | <b>11,694.74</b>                             |
| <b>b) Inventories at the beginning of the year</b>                                     |  |  |
| Finished Goods/Stock-in-Trade  | 9,873.90                                     | 13,202.95                                    |
| Goods in Process   | 1,820.83                                     | 2,241.34                                     |
| Total  | <b>11,694.74</b>                             | <b>15,444.28</b>                             |
| <b>(Increase)/Decrease in Inventories (b - a)</b>                                      | <b>(2,721.09)</b>                            | <b>3,749.55</b>                              |
| <b>28 Employee Benefits Expense</b>  |  |  |
| Salaries, Wages and Bonus  | 9,559.16                                     | 7,522.22                                     |
| Directors' Remuneration  | 223.62                                       | 214.53                                       |
| Contribution to Provident and Other Funds (Refer to Note 49)                           | 409.51                                       | 366.74                                       |
| Staff Welfare Expenses   | 135.04                                       | 70.81  |
| <b>Total Employee Benefits Expense</b>   | <b>10,327.33</b>                             | <b>8,174.30</b>                              |
| <b>29 Finance Cost</b>   |  |  |
| Interest Expense   |  |  |
| to Banks   | 563.95                                       | 739.75                                       |
| to others (Refer to Note 36)   | 481.66                                       | 365.98                                       |
| Bank Charges   | 162.98                                       | 115.80                                       |
| <b>Total Finance Cost</b>  | <b>1,208.60</b>                              | <b>1,221.53</b>                              |
| <b>30 Depreciation and Amotisation Expenses</b>  |  |  |
| Depreciation on Property, Plant & Equipments- Refer to note 2(a)                       | 1,211.74                                     | 1,137.91                                     |
| Amortisation of Instangible Assets- Refer to note 2 (b)                                | 22.63  | 29.36  |
| Depreciation on Right-of- use Assets - Refer to note 2(d)                              | 1,934.24                                     | 1,737.35                                     |
| <b>Total Depreciation and Amortisation Expenses</b>                                    | <b>3,168.62</b>                              | <b>2,904.62</b>                              |


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Amount in ₹Lakh)

|   | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| <b>31 Other Expenses</b>  |                                      |                                      |
| <b>a) Manufacturing Expenses</b>  |                                      |                                      |
| Freight Inwards   | 254.68                               | 175.49                               |
| Upper Production Charges  | 1,351.02                             | 792.95                               |
| Oil & Lubricants  | 132.03                               | 106.03                               |
| Electricity Charges   | 817.27                               | 709.99                               |
| Repairs to Machinery  | 526.31                               | 373.68                               |
| Land Lease Rent   | 3.88                                 | 3.52                                 |
| Franchise Fee   | 125.00                               | 125.00                               |
| <b>Total</b>  | <b>3,210.18</b>                      | <b>2,286.66</b>                      |
| <b>b) Administration, Selling and Other Expenses</b>                        |                                      |                                      |
| Printing & Stationery   | 54.08                                | 41.78                                |
| Claims  | 699.56                               | 146.04                               |
| Tour, Travelling and Conveyance   | 892.00                               | 572.17                               |
| Insurance Charges   | 182.29                               | 155.63                               |
| Fees and Taxes  | 138.16                               | 180.70                               |
| Postage, Telegram, Telephone and Telex                                      | 115.18                               | 87.28                                |
| Subscriptions   | 17.28                                | 19.25                                |
| Advertisements  | 2,588.59                             | 585.93                               |
| Rent (refer to Note 42)   | (120.46)                             | (319.24)                             |
| Donations   | 32.69                                | 27.40                                |
| Export CIF Expenses   | 208.68                               | 254.83                               |
| Freight Outward   | 1,313.20                             | 928.31                               |
| Samples   | 0.79                                 | 2.82                                 |
| Auditors' Remuneration:   |                                      |                                      |
| Statutory Audit Fee   | 10.25                                | 8.00                                 |
| GST & Tax Audit Fee   | 6.00                                 | 6.00                                 |
| Certification Fee   | 1.00                                 | 1.00                                 |
| Cost Audit Fee  | -                                    | -                                    |
| Miscellaneous Expenses  | 361.13                               | 286.53                               |
| Royalty   | 2,039.00                             | 1,693.14                             |
| Entertainment Expenses  | 53.92                                | 48.60                                |
| Commission  | 2,561.41                             | 1,555.54                             |
| Sales Promotion Expenses  | 799.83                               | 404.34                               |
| Newspapers & Periodicals  | 1.17                                 | 1.02                                 |
| Debts written off (Refer to Note 39)  | 85.55                                | 11.82                                |
| Allowance for Doubtful Trade Receivables & Advances (refer to Note 38)      | (39.40)                              | 115.33                               |
| Consultancy & Professional Charges  | 638.20                               | 944.77                               |
| Repairs & Maintenance Expenses-Building                                     | 262.11                               | 175.43                               |
| Repairs & Maintenance Expenses-Others                                       | 275.99                               | 181.84                               |
| Exchange Rate Fluctuations  | -                                    | -                                    |
| <b>Total</b>  | <b>13,178.20</b>                     | <b>8,116.25</b>                      |
| <b>Total Other Expenses (a + b)</b>   | <b>16,388.38</b>                     | <b>10,402.91</b>                     |
| <b>32 Exceptional Items:</b>  |                                      |                                      |
| Profit on Sale of Fixed Assets  | (22.01)                              | (68.55)                              |
| Loss on sale of Fixed Assets  | 51.96                                | 97.45                                |
| <b>Total Exceptional Items</b>  | <b>29.95</b>                         | <b>28.90</b>                         |
| <b>33 Tax Expenses</b>  |                                      |                                      |
| Current Tax   | 471.92                               | 173.66                               |
| Deferred Tax  | -                                    | -                                    |
| Tax for earlier years   | 22.43                                | -                                    |
| <b>Total Tax Expenses</b>   | <b>494.35</b>                        | <b>173.66</b>                        |
| <b>Reconciliation of Tax Expenses</b>                                       |                                      |                                      |
| Profit before Tax   | 1,785.48                             | 397.95                               |
| Domestic Tax Rate   | 25.168%                              | 25.168%                              |
| Tax using the Company's domestic tax rate                                   | 449.37                               | 100.16                               |
| <b>Increase/reduction in taxes on account of</b>                            |                                      |                                      |
| Deductions/exemptions in taxable income/other non deductible expenses (net) | 22.55                                | 73.50                                |
| Tax for earlier years   | 22.43                                | -                                    |
| <b>Income tax expenses charged to statement of profit and loss</b>          | <b>494.35</b>                        | <b>173.66</b>                        |
| effective tax rate  | 27.69%                               | 43.64%                               |


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**34. Details of Managerial Remuneration:**

(Amount in ₹Lakh)

| Particulars                                | 31.03.2023 | 31.03.2022 |
|--|------------|------------|
| Payment and provision for remuneration to: |            |            |
| • Executive Director(s)                    | 223.62     | 214.53     |

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

| Particulars   | 31.03.2023     | 31.03.2022    |
|---|----------------|---------------|
| Profit before tax as per Statement of Profit & Loss             | 1854.26        | 449.31        |
| Add:  |                |               |
| Directors' Remuneration   | 223.62         | 214.53        |
| (Profit)/Loss on sale of Fixed Assets (Net)                     | 29.95          | 28.90         |
| Directors' Sitting Fees   | 7.50           | 8.25          |
| (Profit)/Loss on sale of Investments                            | -              | -             |
| <b>Net Profit as per Section 198 of the Companies Act, 2013</b> | <b>2115.33</b> | <b>700.99</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 ₹ 7.50Lakh (Previous year ₹ 8.25 Lakh) to Independent Directors.

35. 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.

36. 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 was 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 ₹ 2,682.88 Lakhs on account of procedural compliances/clearances. The Company was in consistent follow up with the concerned authorities and during the year 2022-23 has received the payment aggregating to ₹ 2,246.32 Lakhs as full & final net of certain arbitrary deductions/claims on a/c of shortages, late delivery etc. The Company has preferred a

representation before the appropriate authority against such arbitrary deductions and is in process of filing a petition before the Hon'ble High Court of Andhra Pradesh for appointment of an Arbitrator in this regard. Irrespective of these remedial action, in furtherance to Company's policy and assuming its non-recoverability in shorter period of time the Company has charged off the remaining outstanding balance of ₹ 436.56 Lakhs, net of share of respective vendors to the extent of proportionate supplies made by them to the Company aggregating to ₹ 268.82 Lakhs, to profit & loss account for the year ended on 31st March, 2023 and Net Profits of the Company for the year are lower to the extent of ₹ 167.74 Lakhs.

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


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Amount in ₹Lakh)

| Particulars  | Outstanding for following periods from date of Invoice/due date |                        |                       |                        |               | Total           |
|--|---|------------------------|-----------------------|------------------------|---------------|-----------------|
|  | < 6 Months  | > 6 Months<br>< 1 Year | > 1 Year<br>< 2 Years | > 2 Years<br>< 3 Years | < 3 Years     |                 |
| <b>As at March 31, 2023</b>  |   |                        |                       |                        |               |                 |
| (I) Undisputed Trade receivables-considered good                                 | 8,084.76  | 431.71                 | 204.61                | 25.26                  | 0.20          | <b>8,746.54</b> |
| (ii) Undisputed Trade Receivables-which have significant increase in credit risk | -   | -                      | -                     | -                      | -             | -               |
| (iii) Undisputed Trade Receivables-credit impaired                               | -   | -                      | 22.74                 | 10.82                  | 309.93        | <b>343.49</b>   |
| (iv) Disputed Trade Receivables-considered good                                  | -   | -                      | -                     | -                      | -             | -               |
| (v) Disputed Trade Receivables-which have significant increase in credit risk    | -   | -                      | -                     | -                      | -             | -               |
| (vi) Disputed Trade Receivables-credit impaired                                  | -   | -                      | -                     | -                      | -             | -               |
| <b>Total</b>   | <b>8,084.76</b>   | <b>431.71</b>          | <b>227.35</b>         | <b>36.08</b>           | <b>310.13</b> | <b>9,090.03</b> |
| <b>As at March 31, 2022</b>  |   |                        |                       |                        |               |                 |
| (I) Undisputed Trade receivables-considered good                                 | 6,175.17  | 344.30                 | 171.69                | 2,502.26               | 415.06        | 9,608.58        |
| (ii) Undisputed Trade Receivables-which have significant increase in credit risk | -   | -                      | -                     | -                      | -             | -               |
| (iii) Undisputed Trade Receivables-credit impaired                               | -   | -                      | 19.08                 | 79.67                  | 284.14        | 382.89          |
| (iv) Disputed Trade Receivables-considered good                                  | -   | -                      | -                     | -                      | -             | -               |
| (v) Disputed Trade Receivables-which have significant increase in credit risk    | -   | -                      | -                     | -                      | -             | -               |
| (vi) Disputed Trade Receivables-credit impaired                                  | -   | -                      | -                     | -                      | -             | -               |
| <b>Total</b>   | <b>6,175.17</b>   | <b>344.30</b>          | <b>190.77</b>         | <b>2,581.93</b>        | <b>699.20</b> | <b>9,991.37</b> |





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

**38. Provision for doubtful debts:**

The Company has considered debts for ₹ 366.85 Lakh (Previous year ₹ 406.26 Lakh) as doubtful debts/advances/securities and also has withdrawn ₹ 22.96 Lakh (Previous year ₹ Nil) out of the provisions made in the earlier years for the

same and written off as bad debts ₹ 33.92 Lakh (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 & Loss**

(Amount in ₹Lakh)

| Particulars  | 31.03.2023 | 31.03.2022 |
|--|------------|------------|
| Provision for the year                                   | 396.63     | 436.03     |
| Less: Provision made for doubtful debts in earlier years | 436.03     | 320.71     |
| Net debited/(credited) to Statement of Profit & Loss     | (39.40)    | 115.33     |

**Balance Sheet**

| Particulars                                       | 31.03.2023 | 31.03.2022 |
|---|------------|------------|
| Opening Balance                                   | 436.03     | 320.71     |
| Add/(Less): Provision for the year                | (16.44)    | 115.33     |
| Total   | 419.59     | 436.03     |
| Less: Amount withdrawn during the year            | 22.96      | -          |
| Closing balance                                   | 396.63     | 436.03     |
| Trade Receivables (Refer to Note No. 7)           | 343.49     | 382.89     |
| Other Current Assets (Refer to Note No. 11)       | 23.36      | 23.36      |
| Security Deposits to Others (Refer to Note No. 4) | 29.78      | 29.78      |

39. 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 ₹ 51.64 Lakh(Previous year ₹ 11.82 Lakh).


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**40. Ageing Schedule of Other Current Assets**

(Amount in ₹Lakh)

| Particulars   | Outstanding for following periods from date of Invoice/due date |                        |                       |                        |              | Total         |
|---|---|------------------------|-----------------------|------------------------|--------------|---------------|
|   | < 6 Months  | > 6 Months<br>< 1 Year | > 1 Year<br>< 2 Years | > 2 Years<br>< 3 Years | < 3 Years    |               |
| <b>As at March 31, 2023</b>   |   |                        |                       |                        |              |               |
| (I) Undisputed Advances-considered good                                 | 639.77  | -                      | 61.02                 | -                      | -            | <b>700.79</b> |
| (ii) Undisputed Advances-which have significant increase in credit risk | -   | -                      | -                     | -                      | -            | -             |
| (iii) Undisputed Advances-credit impaired                               | -   | -                      | -                     | -                      | 23.36        | <b>23.36</b>  |
| (iv) Disputed-considered good   | -   | -                      | -                     | -                      | -            | -             |
| (v) Disputed Advances-which have significant increase in credit risk    | -   | -                      | -                     | -                      | -            | -             |
| (vi) Disputed Advances-credit impaired                                  | -   | -                      | -                     | -                      | -            | -             |
| <b>Total</b>  | <b>639.77</b>   | <b>-</b>               | <b>61.02</b>          | <b>-</b>               | <b>23.36</b> | <b>724.16</b> |
| <b>As at March 31, 2022</b>   |   |                        |                       |                        |              |               |
| (I) Undisputed Advances-considered good                                 | 758.77  | -                      | -                     | -                      | -            | <b>758.77</b> |
| (ii) Undisputed Advances-which have significant increase in credit risk | -   | -                      | -                     | -                      | -            | -             |
| (iii) Undisputed Advances-credit impaired                               | -   | -                      | -                     | -                      | 23.36        | <b>23.36</b>  |
| (iv) Disputed-considered good   | -   | -                      | -                     | -                      | -            | -             |
| (v) Disputed Advances-which have significant increase in credit risk    | -   | -                      | -                     | -                      | -            | -             |
| (vi) Disputed Advances-credit impaired                                  | -   | -                      | -                     | -                      | -            | -             |
| <b>Total</b>  | <b>758.77</b>   | <b>-</b>               | <b>-</b>              | <b>-</b>               | <b>23.36</b> | <b>782.13</b> |

41. 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.


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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.

42. The Company implemented the Ind-AS-116 with effect from 1st April, 2019 and accordingly is considering all the persisting leasehold rights having maturity for more than 12 months including entered during the year 2022-23 at its present value as Intangible Rights in Schedule of Fixed Assets and is amortizing the leasehold right on year on year basis. During the year 2022-23 the Company has capitalized/(adjusted) the present value of leasehold rights entered during the year

(net of terminated) for ₹ 3,255.46 Lakhs (Previous year ₹ 366.57 Lakhs) and has amortized the leasehold rights (net of terminated) for ₹ 1,934.24 Lakhs (Previous year ₹ 1737.35 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 ₹120.46 Lakhs (Previous year ₹ 319.24 Lakhs) has been passed on through Profit & Loss account for the year.

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

(Amount in ₹Lakh)

| Particulars                 | Outstanding for following periods from due date of payment |                 |                       |                       |                   | Total           |
|-----------------------------|--|-----------------|-----------------------|-----------------------|-------------------|-----------------|
|                             | Not Due  | Within 1 Year   | Between 1 and 2 Years | Between 2 and 3 Years | More than 3 Years |                 |
| <b>As at March 31, 2023</b> |  |                 |                       |                       |                   |                 |
| Undisputed dues:            |  |                 |                       |                       |                   |                 |
| Micro and Small Enterprises | 1,347.54   | -               | -                     | -                     | -                 | <b>1,347.54</b> |
| Others                      | 4,591.74   | 1,410.24        | 49.17                 | 82.37                 | 74.54             | <b>6,208.06</b> |
| ii) Disputed Dues:          |  |                 |                       |                       |                   |                 |
| Micro and Small Enterprises |  |                 |                       |                       |                   |                 |
| Others                      |  |                 |                       |                       |                   |                 |
| <b>Total</b>                | <b>5,939.28</b>  | <b>1,410.24</b> | <b>49.17</b>          | <b>82.37</b>          | <b>74.54</b>      | <b>7,555.60</b> |
| <b>As at March 31, 2022</b> |  |                 |                       |                       |                   |                 |
| Undisputed dues:            |  |                 |                       |                       |                   |                 |
| Micro and Small Enterprises | 1,153.58   | -               | -                     | -                     | -                 | <b>1,153.58</b> |
| Others                      | 3,981.23   | 724.19          | 857.79                | 1,055.83              | 165.89            | <b>6,784.93</b> |
| ii) Disputed Dues:          |  |                 |                       |                       |                   |                 |
| Micro and Small Enterprises | -  | -               | -                     | -                     | -                 | -               |
| Others                      |  |                 |                       |                       |                   |                 |
| <b>Total</b>                | <b>5,134.82</b>  | <b>724.19</b>   | <b>857.79</b>         | <b>1,055.83</b>       | <b>165.89</b>     | <b>7,938.51</b> |

44. 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, 2023 as Micro or Small Enterprise. Disclosure is hereby given in pursuant to requirement of section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Amount in ₹Lakh)

| Particulars  | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 |
|--|------------------------------|------------------------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year   |                              |                              |
| Principal Amount   | 1,347.54                     | 1,153.58                     |
| interest Due   | Nil                          | Nil                          |
| The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year  | Nil                          | Nil                          |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.  | Nil                          | Nil                          |
| The amount of interest accrued and remaining unpaid at the end of accounting year.   | Nil                          | Nil                          |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | Nil                          | Nil                          |

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**45. Detail of Raw Materials consumed [Refer to Note 26 (a)]:**

(Amount in ₹Lakh)

| Description                       | 2022-23          | 2021-22          |
|-----------------------------------|------------------|------------------|
| PVC Compound                      | 1,027.12         | 814.20           |
| Laminated Leather Fabric          | 2,778.09         | 1,764.79         |
| PU Chemicals                      | 2,562.86         | 2,231.70         |
| Leather                           | 2,461.51         | 1,546.14         |
| PU Soles                          | 2,623.53         | 1,641.03         |
| EVA Resin                         | 729.39           | 479.81           |
| Shoe Uppers/Components            | 4,540.51         | 2,763.10         |
| Others                            | 6,573.40         | 4,435.22         |
| Total                             | 23,296.41        | 15,675.99        |
| Less: Amount of Export Incentives | 151.86           | 156.59           |
| <b>Net Consumption</b>            | <b>23,144.55</b> | <b>15,519.40</b> |

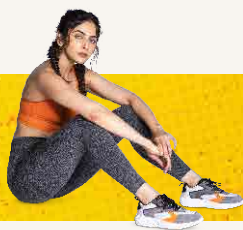

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**46. Consumption/Purchase of Imported and Indigenous Materials and percentage thereof:**

(Amount in ₹Lakh)

| Description   | 2022-23          |               | 2021-22          |               |
|---|------------------|---------------|------------------|---------------|
|   | Amount           | %             | Amount           | %             |
| <b>Raw Materials Consumed</b> [Note 26 (a)]         |                  |               |                  |               |
| Imported  | 887.95           | 3.84          | 707.28           | 4.56          |
| Indigenous  | 22,256.60        | 96.16         | 14,812.12        | 95.44         |
| <b>Total</b>  | <b>23,144.55</b> | <b>100.00</b> | <b>15,519.40</b> | <b>100.00</b> |
| <b>Packing Materials Consumed</b> [Note 26 (b)]     | -                |               | -                |               |
| Imported  | 13.29            | 0.53          | 2.72             | 0.15          |
| Indigenous  | 2,503.59         | 99.47         | 1,803.38         | 99.85         |
| <b>Total</b>  | <b>2,516.88</b>  | <b>100.00</b> | <b>1,808.10</b>  | <b>100.00</b> |
| <b>Finished Goods Purchased</b> [Note 26 ( C )]     | -                |               | -                |               |
| Imported  | 1,196.29         | 12.55         | 166.98           | 3.67          |
| Indigenous  | 8,336.35         | 87.45         | 4,384.37         | 96.33         |
| <b>Total</b>  | <b>9,532.64</b>  | <b>100.00</b> | <b>4,551.35</b>  | <b>100.00</b> |
| <b>Consumable Stores &amp; Spares</b> [Note 30 (a)] | -                |               | -                |               |
| Imported  | 62.55            | 11.89         | 38.39            | 10.27         |
| Indigenous  | 463.76           | 88.11         | 335.29           | 89.78         |
| <b>Total</b>  | <b>526.31</b>    | <b>100.00</b> | <b>373.68</b>    | <b>100.00</b> |

**47. 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 2023 | March 2022 | Purpose  |
|----------------------------------|----------|------------|------------|--|
| Purchase                         | USD      | 5416687.17 | 499348.14  | To hedge the Trade Payables and Short Term Bank Borrowings |
| Sales                            | USD      | 50000.00   | 319231.27  | To hedge the Trade Receivables                             |


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date:**

(Amount in ₹Lakh)

| Particulars of Unhedged Foreign Currency Exposure | Amount in Foreign Currency |            |            | Amount in Indian Currency (₹ In Lakh) |            |
|---|----------------------------|------------|------------|---------------------------------------|------------|
|   | Currency                   | March 2023 | March 2022 | March 2023                            | March 2022 |
| Trade Payables                                    | USD                        | 445634.54  | 220057.50  | 365.92                                | 167.02     |
|   | EURO                       | 19521.92   | 39166.00   | 17.43                                 | 32.98      |
| Advance for Import Purchases                      | USD                        | 18363.45   | 21364.20   | 15.08                                 | 16.10      |
|   | EURO                       | -          | 7870.74    | -                                     | 6.64       |
| Advance from Customers                            | USD                        | 54033.17   | 15743.40   | 44.37                                 | 11.77      |
|   | EURO                       | 19217.02   | 3459.67    | 17.15                                 | 2.88       |
|   | GBP                        | 13255.50   | 34189.00   | 13.46                                 | 34.50      |
| Trade Receivables                                 | USD                        | 1216259.08 | 1236805.96 | 998.70                                | 888.45     |
|   | EURO                       | 51641.43   | 40186.13   | 52.45                                 | 33.89      |
|   | GBP                        | 29873.81   | 74110.84   | 26.67                                 | 74.12      |

**48. Expenditure & Earnings in Foreign Currency:**

(Amount in ₹Lakh)

| Description                        | 2022-23  | 2021-22  |
|------------------------------------|----------|----------|
| a) CIF Value of Imports            |          |          |
| Raw Materials & Others             | 2,214.18 | 978.11   |
| Capital Goods                      | 594.62   | 222.63   |
| Stores & Spares                    | 43.21    | 49.12    |
| b) Expenditure in Foreign Currency |          |          |
| Travelling Expenses                | 3.18     | -        |
| Export Commission                  | 197.46   | 103.09   |
| Customer Claims                    | 0.44     | -        |
| Advertisement                      | 15.92    | 0.62     |
| CIF Expenses                       | 4.69     | -        |
| Fee & Taxes                        | 15.10    | -        |
| Legal & Professional Charges       | 1.23     | -        |
| c) FOB Value of Exports of         |          |          |
| Finished Goods                     | 3,802.30 | 3,016.80 |

**49. 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 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**Statement of Profit & Loss:**
**a) Net Employee Benefit Expense (recognized in Employee Cost):**

(Amount in ₹Lakh)

| Sr. No. | Particulars                         | Gratuity (Funded) |            |
|---------|-------------------------------------|-------------------|------------|
|         |                                     | 31.03.2023        | 31.03.2022 |
| 1.      | Current Service Cost                | 103.04            | 108.08     |
| 2.      | Interest Cost on Benefit Obligation | 60.20             | 56.40      |
| 3.      | Expected return on Plan Assets      | (46.32)           | (41.81)    |
| 4.      | Actuarial Loss/(Gain)               | (68.78)           | (51.36)    |
| 5.      | Net Benefit Expenses                | 48.14             | 71.32      |

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

| Sr. No. | Particulars                                 | Gratuity (Funded) |            |
|---------|---|-------------------|------------|
|         |   | 31.03.2023        | 31.03.2022 |
| 1.      | Present Value of Defined Benefit Obligation | 870.74            | 849.56     |
| 2.      | Fair value of Plan Assets                   | 693.86            | 627.88     |
| 3.      | Surplus/(Deficit)                           | (176.88)          | (221.68)   |
| 4.      | Net Asset/(Liability)                       | (176.88)          | (221.68)   |

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

| Sr. No. | Particulars   | Gratuity (Funded) |            |
|---------|---|-------------------|------------|
|         |   | 31.03.2023        | 31.03.2022 |
| 1.      | Defined Benefit Obligation at the beginning of the year | 849.56            | 802.58     |
| 2.      | Current Service Cost                                    | 103.04            | 108.08     |
| 3.      | Interest Cost   | 60.20             | 56.40      |
| 4.      | Actuarial (Gain)/Loss on Obligation*                    | (68.78)           | (51.36)    |
| 5.      | Benefits paid   | (73.28)           | (66.15)    |
| 6.      | Defined Benefit Obligation at the end of year           | 870.74            | 849.56     |

\*recognized in other comprehensive income/(expense)

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

| Sr. No. | Particulars                       | Gratuity (Funded) |            |
|---------|-----------------------------------|-------------------|------------|
|         |                                   | 31.03.2023        | 31.03.2022 |
| 1.      | Opening Fair Value of Plan Assets | 627.88            | 560.61     |
| 2.      | Expected Return                   | 46.32             | 41.81      |
| 3.      | Contribution by employer          | 92.94             | 79.68      |
| 4.      | Benefits paid                     | (73.28)           | (54.23)    |
| 5.      | Actuarial (Gain)/Loss             | -                 | -          |
| 6.      | Closing Fair Value of Plan Assets | 693.86            | 627.88     |


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**e) The principle assumptions used in determining Gratuity Obligations are as follows:**

| Sr. No. | Particulars                            | Gratuity (Funded)           |                             |
|---------|--|-----------------------------|-----------------------------|
|         |  | 31.03.2023                  | 31.03.2022                  |
| 1.      | Discount Rate                          | 7.25%                       | 7.00%                       |
| 2.      | Expected Rate of Return on Plan Assets | 7.00%                       | 7.00%                       |
| 3.      | Salary escalation rate                 | 8.00%                       | 8.00%                       |
| 4.      | Attrition Rate                         | 1% to 3% depending upon age | 1% to 3% depending upon age |

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

| Sr. No. | Particulars                                | Gratuity (Funded) |            |
|---------|--|-------------------|------------|
|         |  | 31.03.2023        | 31.03.2022 |
| 1.      | Defined Benefit Obligation                 | (870.74)          | (849.56)   |
| 2.      | Plan Assets                                | 693.86            | 627.88     |
| 3.      | Surplus/(Deficit)                          | (176.88)          | (221.68)   |
| 4.      | Experience adjustments on Plan Liabilities | (176.88)          | (221.68)   |
| 5.      | Experience adjustments on Plan Assets      | -                 | -          |

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

(₹ in Lakh except EPS and nominal value of Share)

| Description                                  | 2022-23     | 2021-22     |
|--|-------------|-------------|
| <b>Basic &amp; Diluted</b>                   |             |             |
| Profit after Taxation (A)                    | 1,342.60    | 262.72      |
| 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)     | 7.88        | 1.54        |

51. In light of Section 135 of the Companies Act, 2013, the Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹ 26.38 Lakh (Previous year ₹ 24.93 Lakh) for CSR activities: (Amount in ₹ Lakh)

| Particulars   | Year ended March 31, 2023 | or the year ended March 31, 2022 |
|---|---------------------------|----------------------------------|
| a) Gross amount required to be spent by the Company during the year | 18.10                     | 23.60                            |
| 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                                | 26.38                     | 24.93                            |





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

52. Contemplating the long-term benefits for unlocking the shareholders’ value through acquisition of the tangible and intangible assets including business rights of two partnership firms, in which few Directors of the Company are interested as partners, namely Liberty Enterprises (LE) & Liberty Group Marketing Division (LGMD), the Company had entered into a Memorandum of Understanding (MOU) on March 31, 2015, with these two Partnership Firms for acquisition of their respective business of footwear. Since then, due to certain technical reasons, this MOU and the subsequent MOU for the related matter have not been materialized to the envisaged extent. The Company, keeping in view the protection of its shareholders interest and also to ensure long term continuance of the arrangements with these partnership firms till materialization of the acquisition of their respective business of footwear have extended the validity of earlier executed agreements and is assessing the business rights of the two firms with its availability till March 2028. During the year in terms of above referred arrangements, the Company has paid/provided for franchise fee of ₹115 Lakh (Previous year ₹115 Lakh) to LE and ₹786 Lakh (Previous year ₹704.60 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 trademarks “LIBERTY”, for granting exclusive rights of usage of the trademark “LIBERTY” for a

period of fifteen years from April 1, 2013 onwards, the Company has paid/provided for trademark license fee of ₹1263 Lakh (Previous year ₹998.54 Lakh) to LFC.

The Company is vehemently contesting the legal disputes raised by few partner(s) before respective authorities/NCLT/courts, challenging either the validity of the arrangements of one of the firm or interpretation of meeting the financial obligation by the Company with regard discharge of its commercial liability towards LGMD & LFC as regards to the referred agreements. In addition, during the year 2022-23, few of the partners of LE, LGMD and LFC have served notices to the Company for termination of the ongoing franchise/trade mark license arrangements w.e.f. 01/04/2023 onwards. The same have been suitably replied by the Company duly reemphasizing its right of usage of tangible and intangible assets of these firms till March 2028 by virtue of the above referred agreements and is also exploring the other legal remedies available to protect its rights.

The Company has also invoked arbitration clause of the agreement with LFC and has filed petition under Section 9 of The Arbitration and Conciliation Act, 1996 before the appropriate court at Karnal against LFC and keeping in view the submission, the Hon’ble court vide its order dated 16/03/2023 has directed both the parties to maintain status-quotill further order.

**53. Contingent Liabilities**

(Amount in ₹Lakh)

|      | <b>Particulars</b>   | <b>2022-23</b> | <b>2021-22</b> |
|------|--|----------------|----------------|
| I.   | Bank Guarantees issued on behalf of the Company submitted with various institutional customers in terms of their orders.   | 214.87         | 429.27         |
| II.  | Letter of Credits (LCs) issued in favour of the Domestic and Overseas vendors for supply of materials/goods are for ₹ 227.40 Lakh out of which liabilities for ₹ 137.95 Lakh have been part of Trade Payables as on 31st March, 2023 | 89.45          | -              |
| III. | Value Added Tax <sup>1</sup> for the financial year 2005-06, 2006-07, 2007-08 & 2008-09 on account of classification of goods at different rate of tax.  | 55.70          | 55.70          |
| IV.  | Value Added Tax <sup>2</sup> for the financial year 2016-17 on account of classification of goods at different rate of tax.  | 45.35          | 45.35          |
| V.   | Service Tax on GTA Services for the period from January 2005 to March 2007   | 5.29           | 5.29           |
| VI.  | On account of compliance relating to obligations under EPCG Licenses   | -              | 10.56          |


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Amount in ₹ Lakh)

|       | <b>Particulars</b>  | <b>2022-23</b> | <b>2021-22</b> |
|-------|---|----------------|----------------|
| 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.  | 210.00         | 210.00         |
| VIII. | Disallowance of certain expenditure on a/c of non-deduction of tax at source <sup>3</sup> which otherwise are not liable for deduction in terms of applicable provisions of the law and for which Company is under appeal. Company has also preferred an appeal against the same before the appropriate authority and is pending for adjudication.  | 172.88         | 172.88         |
| IX.   | Disallowance of certain expenditure for the assessment year 2020-21 on a/c of non-allow-ability and some of enduring nature, grossly ignoring the past assessment history of the Company for earlier years, for which Company is under appeal. In addition, the Company has filed a petition before the Grievance Committee constituted by CBDT for such a high-pitch assessment framed under faceless mechanism and are yet to be addressed. | 964.84         | -              |
| X.    | On account of litigation initiated by some of the vendors and third parties for disputed claims before respective authorities   | 75.00          | 75.00          |
| XI.   | On account of short deduction of Tax at Source <sup>4</sup> in the case of erstwhile subsidiary company M/s Liberty year 2011-12, 2012-13, 2013-14 & 2014-15, for which Company has filed appeals before the appropriate authority and are pending  | 40.03          | 40.03          |
| XII.  | On account of short deduction of Tax at Source for the assessment year 2018-19 which otherwise are not liable for deduction in terms of applicable provisions of the law and for which Company has filed appeals before the appropriate authority and are pending for adjudication.   | 27.51          | 27.51          |
| XIII. | On account of arbitrary additions made for the assessment year 2014-15 against which partly relief has already been granted by the appellate authority in favour of the Company and the department as well as the Company are in appeal before the Hon'ble ITAT for the same and are pending for adjudication.  | 46.84          | 46.84          |
| XIV.  | On account of reduction of deduction u/s 80IC of Income Tax Act, 1961 for the assessment year 2013-14 due to non-considering part of business income as industrial income, for which Company's appeal is pending before Hon'ble Punjab & Haryana High Court duly allowing the interim relief as regard to the related matter.   | 59.14          | 59.14          |
| XV.   | On account of disallowance made in accordance to the provisions of section 14A of the Income Tax Act, 1961 and disallowance of certain legitimate expenses of business for the assessment year 2012-13, which has been decided by the appellate authority in favour of the Company and the department has preferred a further appeal before the Hon'ble ITAT, Delhi.  | 70.93          | 70.93          |
| XVI.  | On account of disallowance made in accordance to the provisions of section 14A of the Income Tax Act, 1961 and disallowance of certain legitimate expenses of business for the assessment year 2014-15, which has been decided by the appellate authority in favour of the Company and the department has preferred a further appeal before the Hon'ble ITAT, Delhi.  | 114.40         | 114.40         |

<sup>1</sup>Including amount deposited under protest ₹ 13.82 Lakh (Previous year ₹ 14.26 Lakh)

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

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

<sup>4</sup>Amount deposited under protest ₹ 2.32 Lakh (Previous year ₹ Nil)

54. The assessment of the Company in respect of Income Tax is completed up to the Assessment Year 2020-21 vide order dated 27.03.2023 with an assessed income for ₹ 4038.41 Lakhs as against returned income for ₹ 2014.05 Lakhs on account of

arbitrary disallowance of certain legitimate expenses and additions made and the Company has preferred an appeal before the appropriate authorities. Further the assessment for the Assessment Year 2016-17 has also been reopened



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

vide order dated 05.04.2023 for want of certain clarifications alleging escaped income for ₹ 1557.99 Lakhs on the basis of information uploaded on Insight Systems of the Income Tax Department.

- 55. 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.
- 56. During the year, the Company has capitalized the borrowing cost of ₹ Nil (Previous year ₹ Nil) as part of the cost of the qualifying assets.

- 57. Capital commitments not provided for are estimated at ₹ 25 Lakh (Previous year ₹ 15 Lakh).
- 58. The Board of Directors of the Company presently considers and maintains "Footwear" as the main business segment of the Company. Further the Company's Lifestyle division has also formally commenced its operations w.e.f. October 17, 2018, however the same has not been considered as separate business segment because of its insignificant contribution to revenue during the financial year 2022-23 on account of Sales and Net Profits for ₹ 471.82 Lakhs and ₹ 34.79 Lakhs respectively.

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

**A) Name of Related Parties and description of relationship:**

(I) Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Key Management Personnel (KMP):

| <b>Name</b>           | <b>Designation</b>       |
|-----------------------|--------------------------|
| Sh. Adesh Kumar Gupta | CEO & Executive Director |
| Sh. Adish Kumar Gupta | Executive Director       |
| Sh. Sunil Bansal      | Executive Director       |
| Sh. Shammi Bansal     | Executive Director       |

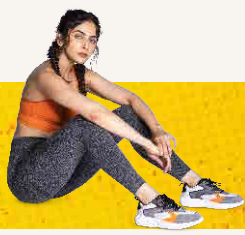
**(ii) Key Management Personnel (KMP):**

| <b>Name</b>      | <b>Designation</b>      |
|------------------|-------------------------|
| Sh. Ashok Kumar  | Executive Director      |
| Sh. Munish Kakra | CFO & Company Secretary |

**(iii) Entities where Individuals and Key Management Personnel (KMP) as defined in I (i) above exercise significant influence:**

- Liberty Enterprises
- Liberty Footwear Co.
- Liberty Group Marketing Division
- Anything Skool Limited (formerly known as Liberty Innovative Outfits Limited)
- Little World Constructions Private Limited

- LFO
- A.P. Packaging
- Total Print & Packing
- Sanjeev Bansal Charitable Trust
- (iv) Relatives of Individuals owning directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and Relatives of Key Management Personnel (KMP):


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

| <b>Name</b>            | <b>Designation</b>            |
|------------------------|-------------------------------|
| Sh. Harish Kumar Gupta | Brother of Executive Director |
| Sh. Raman Bansal       | Brother of Executive Director |
| Sh. Vivek Bansal       | Brother of Executive Director |
| Sh. Anupam Bansal      | Brother of Executive Director |
| Sh. Ayush Bansal       | Son of Executive Director     |
| Sh. Manan Bansal       | Son of Executive Director     |
| Sh. Akshat Gupta       | Son of Executive Director     |

**(v) Independent Directors**

Sh. Raghubar Dayal  
 Sh. Ramesh Chandra Palhan  
 Smt. Lovelena Mody  
 Sh. Aditya Khemka  
 Sh. Arvind Bali Kumar  
 Sh. Sanjay Bhatia  
 Ms. Nidhi Lal  
 Dr. Sujata

**B) Related Party Transactions**

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

**C) Disclosure of significant transactions with related parties:**

(Amount in ₹Lakh)

| <b>Sr. No.</b> | <b>Nature of Transaction</b>   | <b>Related Party</b>  | <b>For the year ended 31st March 2023</b> | <b>For the year ended 31st March 2022</b> |
|----------------|--|---|---|---|
| (i)            | Rent   | Little World Constructions Private Limited                                    | 4.79                                      | 2.97                                      |
|                |  | Liberty Footwear Co.  | 0.71                                      | 0.71                                      |
|                |  | Sanjeev Bansal Charitable Trust   | 5.31                                      | 5.31                                      |
|                |  | Sh. Adesh Kumar Gupta   | 0.83                                      | 0.75                                      |
|                |  | Sh. Sunil Bansal  | 1.20                                      | 1.20                                      |
|                |  | Sh. Harish Kumar Gupta  | 3.05                                      | 2.77                                      |
|                |  | <b>Total</b>  | <b>15.88</b>                              | <b>13.71</b>                              |
| (ii)           | Purchase of Goods & Business Promotional Materials (inclusive of GST)      | LFO   | 678.19                                    | 426.75                                    |
|                |  | Total Print & Packing   | 684.12                                    | 433.19                                    |
|                |  | A.P. Packaging  | 6.06                                      | 3.09                                      |
|                |  | <b>Total</b>  | <b>1,368.36</b>                           | <b>863.03</b>                             |
| (iii)          | Sales of Goods manufactured and dealt in by the Company (inclusive of GST) | Anything Skool Limited (formerly known as Liberty Innovative Outfits Limited) | 2,107.76                                  | 510.76                                    |
|                |  | <b>Total</b>  | <b>2,107.76</b>                           | <b>510.76</b>                             |
| (iv)           | Franchise/License Fee (including GST) <sup>1</sup>                         | Liberty Group Marketing Division  | 927.48                                    | 821.89                                    |
|                |  | Liberty Footwear Co.  | 1,490.34                                  | 1,165.31                                  |
|                |  | <b>Total</b>  | <b>2,553.52</b>                           | <b>2,122.45</b>                           |


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

(Amount in ₹Lakh)

| Sr. No. | Nature of Transaction   | Related Party            | For the year ended 31st March 2023 | For the year ended 31st March 2022 |
|---------|---|--------------------------|------------------------------------|------------------------------------|
| (v)     | Remuneration to Directors and Other Key Managerial Personnel (KMP) <sup>2</sup> | Sh. Adesh Kumar Gupta    | 48.00                              | 46.00                              |
|         |   | Sh. Sunil Bansal         | 48.00                              | 46.00                              |
|         |   | Sh. Shammi Bansal        | 48.00                              | 46.00                              |
|         |   | Sh. Adish Kumar Gupta    | 48.00                              | 46.00                              |
|         |   | Sh. Ashok Kumar          | 31.62                              | 30.53                              |
|         |   | Sh. Munish Kakra         | 47.86                              | 42.74                              |
|         |   | <b>Total</b>             | <b>271.48</b>                      | <b>211.27</b>                      |
| (vi)    | Remuneration to Relatives of KMP  | Sh. Raman Bansal         | 30.00                              | 28.75                              |
|         |   | Sh. Vivek Bansal         | 30.00                              | 28.75                              |
|         |   | Sh. Anupam Bansal        | 30.00                              | 28.75                              |
|         |   | Sh. Ayush Bansal         | 2.10                               | 2.03                               |
|         |   | Sh. Manan Bansal         | 2.10                               | 2.03                               |
|         |   | <b>Total</b>             | <b>94.20</b>                       | <b>90.31</b>                       |
| (vii)   | Commission (including GST) to relative of KMP                                   | Sh. Akshat Gupta         | 29.50                              | 27.66                              |
|         |   | <b>Total</b>             | <b>29.50</b>                       | <b>27.66</b>                       |
| (viii)  | Directors' Sitting Fee <sup>3</sup>   | Sh. RaghubarDayal        | -                                  | 1.00                               |
|         |   | Sh. Ramesh ChanderPalhan | -                                  | 1.00                               |
|         |   | Smt. LovelenaMody        | -                                  | 0.25                               |
|         |   | Sh. Aditya Khemka        | 0.75                               | 0.75                               |
|         |   | Sh. Arvind Kumar Bali    | 2.25                               | 2.00                               |
|         |   | Sh. Sanjay Bhatia        | 2.25                               | 1.50                               |
|         |   | Ms. Nidhi Lal            | -                                  | 1.00                               |
|         |   | Dr. Sujata               | 1.25                               | 0.75                               |
|         |   | Mr. GautamBaid           | 1.00                               | -                                  |
|         |   | <b>Total</b>             | <b>7.50</b>                        | <b>8.25</b>                        |

<sup>1</sup>Taking note of the ongoing dispute among the partners of related partnership firms as regards to its business operations, on the request of majority of the partners besides making the statutory payments of the related partnership firms on time to time basis, the Company, in accordance to the terms of respective agreements, had been discharging its contractual liability towards respective partnership firms till September 2022 by making the payment to respective partners in accordance to the details provided by majority of

partners. However thereafter due to serving of notices for termination of these arrangements with respective firms by few of the partners, the Company has, based upon the legal opinion available, stopped following the same practice for want of fresh mandate of majority of the partners and accordingly has now been discharging its contractual liability on timely basis in the name of respective firms only.

<sup>2</sup>As the liabilities for provident fund, gratuity and compensated absences are provided on an actuarial


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

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”.

**Balance Outstanding at the end of the year**

(Amount in ₹Lakh)

| Sr. No. | Nature of Balance                    | Related Party   | As at 31st March, 2023 | As at 31st March, 2022 |
|---------|--------------------------------------|---|------------------------|------------------------|
| (i)     | Trade Receivables                    | Anything Skool Limited (formerly known as Liberty Innovative Outfits Limited) | 400.53                 | 234.05                 |
|         |                                      | <b>Total</b>  | <b>400.53</b>          | <b>234.05</b>          |
| (ii)    | Long Term Loans & Advances           | Liberty Enterprises   | 10.00                  | 10.00                  |
|         |                                      | Liberty Group Marketing Division  | 50.00                  | 50.00                  |
|         |                                      | <b>Total</b>  | <b>60.00</b>           | <b>60.00</b>           |
| (iii)   | Short Term Loans and Advances        | Liberty Enterprises   | -                      | 2.46                   |
|         |                                      | <b>Total</b>  | <b>-</b>               | <b>2.46</b>            |
| (iv)    | Trade Payables                       | Liberty Footwear Co.  | 0.62                   | 203.53                 |
|         |                                      | Liberty Group Marketing Division  | 3.17                   | 191.54                 |
|         |                                      | Liberty Enterprises   | 2.57                   | -                      |
|         |                                      | LFO   | 155.37                 | 144.62                 |
|         |                                      | A.P. Packaging  | -                      | 2.15                   |
|         |                                      | Total Print & Packing   | 125.78                 | 104.53                 |
|         |                                      | Little World Constructions Private Limited                                    | 0.50                   | -                      |
|         |                                      | Sanjeev Bansal Charitable Trust   | -                      | 1.22                   |
|         |                                      | <b>Total</b>  | <b>288.00</b>          | <b>647.58</b>          |
| (v)     | Expenses Payable-Current Liabilities | Sh. Adesh Kumar Gupta   | 2.89                   | 2.06                   |
|         |                                      | Sh. Harish Kumar Gupta  | 0.23                   | 0.21                   |
|         |                                      | Sh. Akshat Gupta  | 5.94                   | 11.88                  |
|         |                                      | <b>Total</b>  | <b>9.06</b>            | <b>14.14</b>           |

60. There are no dues payable to the Investor Education and Protection Fund as at 31st March, 2023.


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**
**61. Financial Ratios:**

| Sr. No. | Particulars                                    | 2022-23 | 2021-22 | Variation | Reason for change by more than 25% in comparison to previous year |
|---------|--|---------|---------|-----------|---|
| a)      | Current Ratio                                  | 1.75    | 1.89    | (7%)      |   |
| b)      | Debt-Equity Ratio                              | 0.44    | 0.34    | 29%       | 1   |
| c)      | Debt Service Coverage Ratio                    | 4.57    | 2.43    | 89%       | 2   |
| d)      | Return on Equity Ratio                         | 14.21%  | 1.40%   | 915%      | 2   |
| e)      | Inventory Turnover Ratio                       | 3.60    | 2.61    | 38%       | 3   |
| f)      | Trade Receivables Turnover Ratio               | 7.10    | 4.74    | 50%       | 3   |
| g)      | Trade Payable Turnover Ratio                   | 7.80    | 3.90    | 100%      | 3   |
| h)      | Net Capital Turnover Ratio                     | 4.97    | 3.58    | 39%       | 2   |
| i)      | Net Profit Ratio (excluding Exceptional Items) | 2.11%   | 0.60%   | 250%      | 2   |
| j)      | Return on Capital Employed                     | 8.37%   | 4.88%   | 72%       | 2   |
| k)      | Return on Investment                           | NA      | NA      |           |   |

<sup>1</sup>Due to substantial increase in Inventories to bring it back to the pre-Covid levels in comparison to previous year and maintaining of creditors level at reduced levels resulting in corresponding increase in overall debt of the Company during the year.

<sup>2</sup>Yielding of higher Net Profits in comparison to previous year wherein the overall business was recouping from the pressure of Covid-19.

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

Formulas for computation of above ratios are as follows:

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

62. As per Company's assessment about recoverability and carrying values of its assets comprising of receivables, inventories, plant and equipment, intangible assets, it expects to recover the carrying amount of these assets. However, the Company will continue to monitor any material changes to future economic conditions due to uncertainties linked to COVID -19.
63. The Company has regrouped/reclassified/rearranged the previous year figures in accordance with the requirements applicable in the current year as well as for appropriate presentation of the accounts detailed as under:
- I. Packing Materials Consumed has been regrouped/ rearranged from Schedule No. 31 (b) to Schedule 26 (b) under the head "Cost of Materials consumed and Finished Goods Purchased" and impact of such regrouping/ rearranging on the Net Profits of the Company is Nil.
64. The current year and previous year figures have been rounded off to the nearest rupee.
65. The Company does not hold any benami property and no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.
66. The Company has duly filed Quarterly returns or statements, Unaudited and Audited as the case may be, of its current assets with the banks and are in agreement with its books of accounts.
67. The Company is not declared as willful defaulter by any bank in accordance with the guidelines on wilful defaulters issued by the RBI.
68. The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013. This is determined to the extent of such parties have been identified on the basis of information available with the Company.
69. The Company has duly registered all the charges or satisfaction thereof with Registrar of Companies (ROC) within the statutory period.
70. The number of layers prescribed under clause (87) section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company
71. During the year, no scheme of arrangements has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013.
72. The Company has not advanced or loaned or invested funds to any other persons (intermediaries) with the understanding that the intermediary shall directly or indirectly lend or invest in other persons or provide any guarantee in any manner whatsoever on behalf of the Company (ultimate beneficiary). The Company has also not received any fund from any persons with the understanding that the Company shall directly lend or invest or provide any guarantee to any other persons on behalf of the funding party.
73. The Company does not have any transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
74. During the year, the Company has not traded or invested in crypto currency or virtual currency.
75. The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year.
76. **Fair Value Measurements**
- Fair value of financial assets and liabilities is normally determined by references to the transaction price or market price and in case of non-reliably determinable, the Company determines the same using valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs as per the following:
- a. Foreign exchange forward contracts are valued using market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period.





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- b. Unquoted equity instruments where most recent information to measure fair value is not determinable, cost has been considered as best estimate of fair value.
- c. The carrying amount of other financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate any

significant difference that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**Fair Value Hierarchy**

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed as per IndAS 113 "Fair Value Measurement":

|         |  |
|---------|--|
| Level 1 | Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.   |
| Level 2 | Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. |
| Level 3 | Unobservable inputs for the asset or liability.  |

The below table provides comparison by class of carrying amount and fair value of the Company's financial instruments along with fair value hierarchy:

(Amount in ₹Lakh)

| Particulars   | Note No. | As at March 31, 2023 |                 |                      | As at March 31, 2022 |                  |                      |
|---|----------|----------------------|-----------------|----------------------|----------------------|------------------|----------------------|
|   |          | Carrying Amount      | Fair Value      | Fair Value Hierarchy | Carrying Amount      | Fair Value       | Fair Value Hierarchy |
| <b>Financial Assets carried at Amortised Cost</b>     |          |                      |                 |                      |                      |                  |                      |
| <b>Non-Current Assets</b>                             |          |                      |                 |                      |                      |                  |                      |
| Financial Assets                                      |          |                      |                 |                      |                      |                  |                      |
| Non-Current Investments                               | 3        | 0.45                 | 0.45            | Level2               | 0.45                 | 0.45             | Level2               |
| Other Financial Assets                                | 4        |                      |                 |                      |                      |                  |                      |
| Security Deposits                                     |          | 720.63               | 750.41          | Level 3              | 681.60               | 681.60           | Level 3              |
| Bank deposits having maturity for more than 12 months |          | 6.01                 | 6.01            | Level 2              | 31.49                | 31.49            | Level 2              |
| <b>Current Assets</b>                                 |          |                      |                 |                      |                      |                  |                      |
| Trade Receivables                                     | 7        | 8,746.54             | 8,746.54        | Level 3              | 9,608.48             | 9,608.48         | Level 3              |
| Cash and Cash Equivalents                             | 8        | 162.38               | 162.38          | Level 1              | 129.24               | 129.24           | Level 1              |
| Bank Balances other than Cash and Cash Equivalents    | 9        | 199.57               | 199.57          | Level 2              | 213.05               | 213.05           | Level 2              |
| Security Deposits                                     | 10       | 5.50                 | 5.50            | Level 3              | 49.95                | 49.95            | Level 3              |
| Loans and advances to Employees                       |          | 104.14               | 104.14          | Level 3              | 96.20                | 96.20            | Level 3              |
| <b>Total</b>  |          | <b>9,945.22</b>      | <b>9,945.22</b> |                      | <b>10,810.46</b>     | <b>10,810.46</b> |                      |


**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023**

| Particulars  | Note No. | As at March 31, 2023 |                  |                      | As at March 31, 2022 |                  |                      |
|--|----------|----------------------|------------------|----------------------|----------------------|------------------|----------------------|
|  |          | Carrying Amount      | Fair Value       | Fair Value Hierarchy | Carrying Amount      | Fair Value       | Fair Value Hierarchy |
| <b>Financial Liabilities carried at Amortised Cost</b> |          |                      |                  |                      |                      |                  |                      |
| <b>Non-Current Liabilities</b>                         |          |                      |                  |                      |                      |                  |                      |
| Lease Liabilities                                      | 15       | 7,311.42             | 7,311.42         | Level 3              | 5,990.20             | 5,990.20         | Level 3              |
| Other Financial Liabilities                            | 16       |                      |                  |                      |                      |                  |                      |
| Security Deposits                                      |          | 1,889.69             | 1,889.69         | Level 3              | 1,944.89             | 1,944.89         | Level 3              |
| <b>Current Liabilities</b>                             |          |                      |                  |                      |                      |                  |                      |
| Borrowings   | 19       | 7,962.06             | 7,962.06         | Level 2              | 5,534.69             | 5,534.69         | Level 2              |
| Trade Payables   | 20       |                      |                  |                      |                      |                  |                      |
| Micro and Small Enterprises                            |          | 1,347.54             | 1,347.54         | Level 3              | 1,153.58             | 1,153.58         | Level 3              |
| Other than Micro and Small Enterprises                 |          | 6,208.06             | 6,208.06         | Level 3              | 6,784.93             | 6,784.93         | Level 3              |
| Other Financial Liabilities                            | 21       |                      |                  |                      |                      |                  |                      |
| Advance from Customer                                  |          | 357.33               | 357.33           | Level 3              | 606.57               | 606.57           | Level 3              |
| Expenses Payable                                       |          | 878.68               | 878.68           | Level 3              | 767.85               | 767.85           | Level 3              |
| Other Liabilities                                      |          | 341.88               | 341.88           | Level 3              | 276.07               | 276.07           | Level 3              |
| <b>Total</b>   |          | <b>26,296.66</b>     | <b>26,296.66</b> |                      | <b>23,058.78</b>     | <b>23,058.78</b> |                      |

**77. Disclosure as per Ind AS 115 "Revenue from Contracts with Customers"**
**Reconciliation of revenue (footwear) as per contract price and as recognized in statement of profit and loss:**

(Amount in ₹Lakh)

| Particulars  | 31.03.2023       | 31.03.2022       |
|--|------------------|------------------|
| Revenue as per Contract Price                      | 66,263.93        | 49,607.72        |
| Less:  |                  |                  |
| Rebate, Discounts and Incentives                   | 1,114.89         | 1,104.11         |
| <b>Revenue as per Statement of Profit and Loss</b> | <b>65,149.04</b> | <b>48,503.61</b> |



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

**78. Sensitivity Analysis****a. Foreign Currency Sensitivity**

The following table demonstrate the sensitivity analysis on profit before tax due to change in USD exchange rate, with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is given below:

(Amount in ₹Lakh)

| Particulars   | 31.03.2023 | 31.03.2022 |
|---|------------|------------|
| Impact on Profit Before Tax due to change in USD rate |            |            |
| Increase by 2%  | 15.99      | 22.26      |
| Decrease by 2%  | (15.99)    | (22.26)    |

**b. Interest Rate sensitivity**

The sensitivity analysis below has been determined based on exposure to interest rate for both Term Loans & Working Capital loans. The following table demonstrates the sensitivity in interest rates on that portion of loans and borrowings which are not hedged, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amount in ₹Lakh)

| Particulars  | 31.03.2023 | 31.03.2022 |
|--|------------|------------|
| Impact on Profit Before Tax due to change in Rate of Interests |            |            |
| Increase by 0.50%  | 42.34      | 31.52      |
| Decrease by 0.50%  | (42.34)    | (31.52)    |

Signed in terms of our Audit Report of even date.  
For Pardeep Tayal & Co.  
Firm Registration No. 02733N  
Chartered Accountants

for and on behalf of the Board

**Pardeep Tayal**  
Partner  
Membership No. 081643

**Sunil Bansal**  
Executive Director  
DIN-00142121

**Shammi Bansal**  
Executive Director  
DIN - 00138792

**Aditya Khemka**  
Independent Director  
DIN-00514552

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

Place: Gurugram, Haryana  
Dated: Tuesday, 30th May, 2023

# LIBERTY

Liberty Shoes Ltd.

Regd. Office: Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, P.O. Bastara, Distt. Karnal, Haryana-132114

Tel. + (91)-1748-251101-03 Fax No.: + (91)-1748-251100

CIN:L19201HR1986PLC033185

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

## E-COMMUNICATION REGISTRATION FORM

37<sup>th</sup> ANNUAL GENERAL MEETING - SATURDAY, 30<sup>th</sup> SEPTEMBER, 2023 AT 11.00 A.M.

Folio No. (For Physical Shares) : .....

Name of 1st Registered Holder : .....

Name(s) of Joint Holder(s) : .....

: .....

: .....

Registered Address : .....

: .....

E-mail ID (to be registered) : .....

I, shareholder of Liberty Shoes Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail in your records for sending communication through e-mail.

Date: .....

Signature: .....

(First Holder)

### **Notes:**

1. Shareholder(s) is/are requested to keep the Company informed as and when there is any change in the e-mail address.
2. In case, shares are in electronic form/ kindly register your e-mail particulars with your Depository Participant.

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

## **LIBERTY**

**Liberty Shoes Ltd.**

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

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