

4th September, 2018



<p>The Manager Listing Department The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C/1, Bandra - Kurla Complex, Bandra (E) Mumbai - 400051 Tel. No.: 022-26598100`14 Fax No.: 022-26598273-38</p> <p>Scrip Code: LIBERTSHOE ISIN No. : INE 557B01019</p>	<p>The Manager Listing Department Bombay Stock Exchange Ltd. Phiroza Jeejeebhoy Towers, Dalal Street Mumbai – 400001 Tel: 022 – 22722375, 2066 Fax : 022 – 22722037, 39, 41,61</p> <p>Scrip Code: 526596 ISIN No. : INE 557B01019</p>
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Sub: 32nd Annual Report of Liberty Shoes Ltd.

Reg: Compliance with the provisions of Regulations 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Compliance Officer: Munish Kakra (CFO & Company Secretary)

Contact Address: Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, P. O. Bastara, Distt. Karnal 132114 (Haryana), Ph. 01748 – 251101 – 03, 9313601387

Dear Sir/Madam

With reference to the above subject, we would like to submit Annual Report for the financial year 2017-18 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members in the 32nd AGM held on Friday, 24th August, 2018.

Please take the above information on your records and acknowledge the receipt of the same.

Thanking you

Sincerely yours

For Liberty Shoes Ltd.

Munish Kakra

CFO & Company Secretary



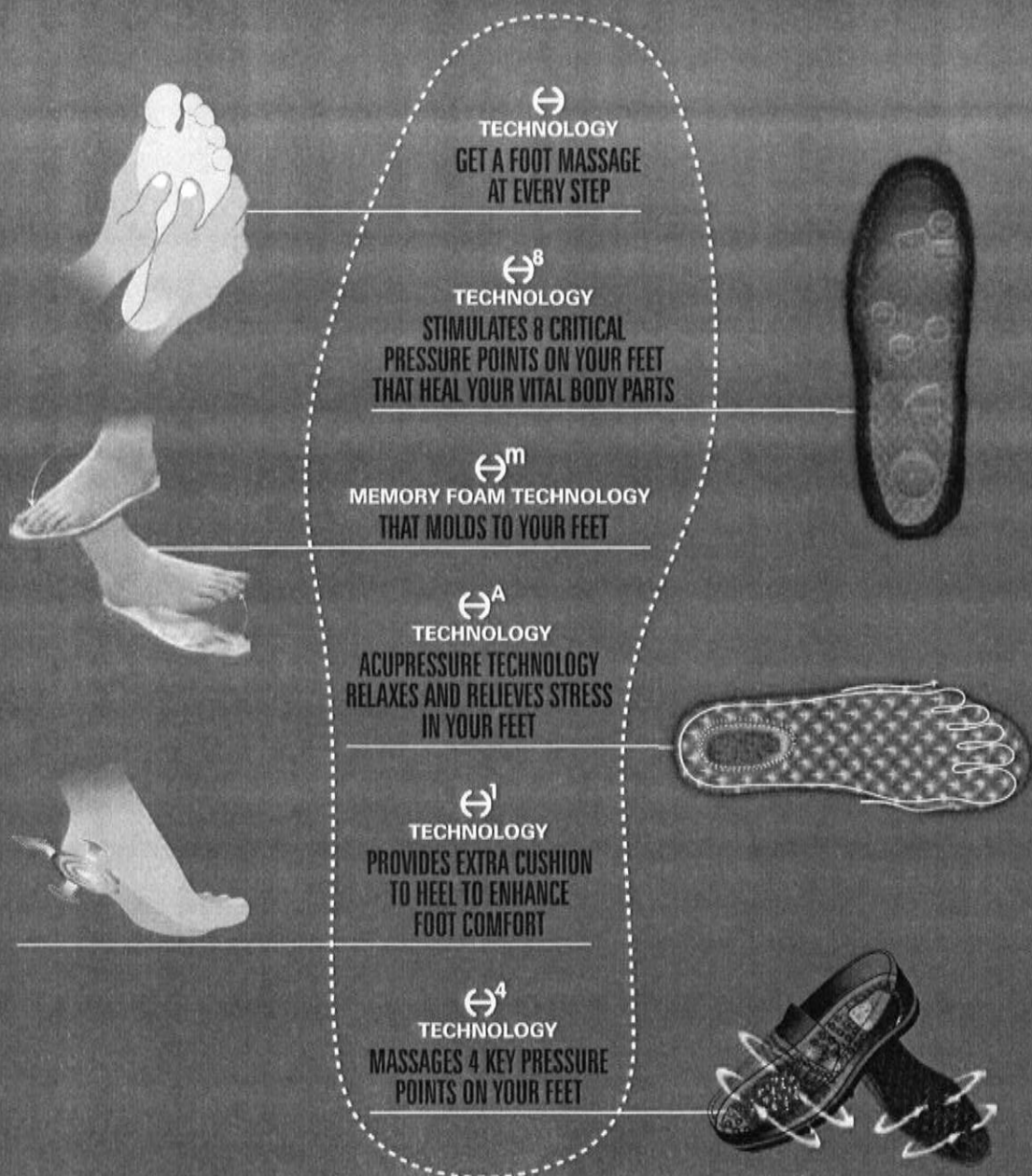
Liberty Shoes Limited,

Corporate Office : Ground Floor, Building No-8, Tower-A, DLF Cyber City, Phase-II, Gurugram-122002, Haryana, India
Ph.: +91-124-4616200, 3856200, Fax: +91-124-4616222. Email: mail@libertyshoes.com www.liberty.in

Registered Office : Libertypuram, 13th Milestone, G.T. Karnal Road, P.O. Box Bastara, Distt. Karnal-132 114, Haryana, India
Tel.: +91-1748-251101~3, Fax: +91-1748-251100. E-mail: lpm@libertyshoes.com
CIN No. L19201HR1986PLC033185

LIBERTY

WEAR THE FUTURE



HEALERS
THE ART OF COMFORT

32nd Annual Report 2017-18

Liberty Shoes Ltd.



C r e d o

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

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COMPANY INFORMATION

Board of Directors

Adeesh Kumar Gupta
CEO & Executive Director
(DIN - 00143192)

Shammi Bansal
Executive Director
(DIN - 00138792)

Sunil Bansal
Executive Director
(DIN - 00142121)

Adeesh Kumar Gupta
Executive Director
(DIN - 00137612)

Ashok Kumar
Executive Director
(DIN - 06883514)

Raghubar Dayal
Independent Director
(DIN - 00481803)

Amitabh Taneja
Independent Director
(DIN - 00031257)

Ramesh Chandra Palhan
Independent Director
(DIN - 05241019)

Pushpinder Singh Grewal
Independent Director
(DIN - 06364475)

Lovelena Mody
Women Independent Director
(DIN - 01279148)

Company Secretary & Compliance Officer

Munish Kakra
Chief Financial Officer & Company Secretary

Audit Committee

Raghubar Dayal
Ramesh Chandra Palhan
Sunil Bansal

Nomination and Remuneration Committee

Raghubar Dayal
Ramesh Chandra Palhan
Pushpinder Singh Grewal

Management Committee

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

Stakeholders Relationship Committee

Sunil Bansal
Adeesh Kumar Gupta
Ramesh Chandra Palhan

Corporate Social Responsibility Committee

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

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.
44, Community Centre, Naraina
Industrial Area Phase-I
New Delhi - 110 028
Tel.: (91) - 11- 41410592 -94
Fax: (91) - 11- 41410591
E-mail: delhi@linktime.co.in

Registered Office

Libertypuram, 13th Milestone,
G. T. Karnal Road, Kutail, P.O. Bastara,
Distt. Karnal - 132114, Haryana
Tel.: (91) - 1748 - 251101 - 03
Fax: (91) - 1748 - 251100
E-mail: lpm@libertyshoes.com
Website: www.libertyshoes.com
CIN: L19201HR1986PLC033185

Corporate Office

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

Bankers

Corporation Bank
DBS Bank Ltd.
HDFC Bank Ltd.
IndusInd Bank Ltd.
State Bank of India

Auditors

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

www.libertyshoes.com

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libertyshoesonline.com

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facebook.com/libertyshoes

ब्रह्मण्याधाय कर्माणि सङ्गं त्यक्त्वा करोति यः ।
लिप्यते न स पापेन पद्मपत्रमिवाम्भसा

One who gives up all attachments and acts by offering all his actions unto the Supreme is never contaminated by any impiety, just as a lotus leaf is never touched by water.

Remembering Babuji on his 90th Birth Anniversary



Shri P.D. Gupta

Aug 24, 1928 - Sep 7, 2003

Founder Chairman: The Liberty Group

FROM THE CEO'S DESK



Adesh Kumar Gupta
Chief Executive Officer



Sh. Adesh Kumar Gupta, CEO, Liberty Shoes Ltd. & Chairman CFLA and other representatives of CFLA with Sh. Arun Jailley, Hon'ble Finance Minister, Govt. of India



Sh. Adesh Kumar Gupta, CEO Liberty Shoes Ltd. at 3rd Retail Conclave, 2018 organised by Confederation of Indian Industry at New Delhi

New Idea. New Success.

Dear Friends

It was a marketing mastermind of the 20th century who once famously remarked: "Products don't sell. Ideas do."

We, at Liberty, have come up with one such winning idea in the form of Healers, footwear that defines the Art of Comfort. I am happy to report that in the marketplace Healers has redefined the Art of Winning Customers and Boosting Sales. News that suggest very bright prospects for your Company.

Credit for this positive development goes to our dynamic Research and Design wing who has successfully harnessed a new technology to give us the edge. With their fingers on the pulse of the consumers they have created footwear that provides definite value addition in today's fast paced world where 3 out of every 5 buyer is battling stress as part of a highly achievement-oriented lifestyle. With aspirations mounting, tensions are rising. In this scenario it's a great idea to come up with footwear that is a natural stress-buster. Healers, that provides foot massage at every step, emerges as a corollary to a stress-free lifestyle.

Yes, if you were to ask me what is the defining feature of today's Liberty my answer would be the feeling of positivity that today permeates every aspect of our functioning.

We are moving ahead light-footed and confident to change the discourse of Footwear purchase. We are doing so by emerging as a technology - driven organization. We are sure this approach will yield rich dividends and further multiply the value of Brand Liberty.

With technology as our driving force we are using innovation to give a new meaning to a product. It is connected to the purpose of "why" a product is used. It is not about "how" it is used. In this sense, innovation emerges as a key differentiator that is connected to a human's new experience of use - rather than to the improvement of an existing performance. This type of innovation builds on people and their interpretation of why a product or service makes sense in their life.

For a people centric organization the future presents very exciting prospects. Globalization, internet - penetration and the rising aspirations of a burgeoning middle class has dramatically changed the way people perceive footwear. From being an accessory it has emerged as one of the principal items of an individual's fashion wardrobe.

Council for Footwear Leather & Accessories (CFLA), set up under the aegis of DIPP, Ministry of Commerce & Industry, Government of India, for the development of domestic footwear industry, has played significant role in representing the Industry with key policy makers.

Furthermore, with the Government identifying footwear as a focus sector of its 'Make in India' mission we can look forward to growing by leaps and bounds. With favorable state support, emphasis on skill-building and capacity development the future can be summed up in three words: ne plus ultra or a state of peak perfection.

With Liberty's entry in to another lifestyle product segment, the future looks evermore promising and the shareholders can continue to enjoy their confidence in the Company.

NOTICE

**LIBERTY**

Notice is hereby given that the 32nd (Thirty Second) Annual General Meeting of the Members of **Liberty Shoes Ltd.** ("the Company") will be held on **Friday, 24th August, 2018 at 11.00 A.M** at the Registered Office of the Company situated at **Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, P.O. Bastara, Distt. Karnal -132114, Haryana** to transact the following businesses:-

ORDINARY BUSINESS:

Item no. 1-Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended March 31, 2018 together with the Reports of the Board of Directors and the Auditors thereon.

Item no. 2-Appointment of Directors

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

SPECIAL BUSINESS

Item no. 3- Re-appointment of Sh. Adesh Kumar Gupta (DIN: 00143192) as CEO & Executive Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 2(18), 2(94), 196, 197 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the re-appointment of Sh. Adesh Kumar Gupta (DIN: 00143192), as the "CEO & Executive Director" of the Company, for a period of 3 years w.e.f. 1st April, 2018 on such remuneration and on such terms and conditions as enumerated in the draft Service Agreement which is to be entered into between the Company and Sh. Adesh Kumar Gupta (DIN: 00143192), salient features of which are specified in the Explanatory Statement under Section 102 of the Companies Act, 2013 annexed to this Notice, with option to the Board of Directors to vary the terms including increase in remuneration within the limits prescribed under the Act or any re-enactment thereof, and as may be mutually agreed between Sh. Adesh Kumar Gupta and the Company from time to time.

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

Item no. 4- Re-appointment of Sh. Shammi Bansal (DIN: 00138792) as Executive Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 2 (18), 2(94), 196, 197 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the re-appointment of Sh. Shammi Bansal (DIN: 00138792), as the "Executive Director" of the Company, for a period of 3 years w.e.f. 1st April, 2018 on such remuneration and on such terms and conditions as enumerated in the draft Service Agreement which is to be entered into between the Company and Sh. Shammi Bansal (DIN: 00138792), salient features of which are specified in the Explanatory Statement under Section 102 of the Companies Act, 2013 annexed to this Notice, with option to the Board of Directors to vary the terms including increase in remuneration within the limits prescribed under the Act or any re-enactment thereof, and as may be mutually agreed between Sh. Shammi Bansal and the Company from time to time.

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

Item no. 5- Re-appointment of Sh. Ashok Kumar (DIN: 06883514) as Executive Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 2 (18), 2 (94), 196, 197 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the re-appointment of Sh. Ashok Kumar (DIN: 06883514), as the "Executive Director" of the Company, for a period from 1st June, 2018 to 31st March, 2021 on such remuneration and on such terms and conditions as enumerated in the draft Service Agreement which is to be entered into between the Company and Sh. Ashok Kumar (DIN: 06883514), salient features of which are specified in the Explanatory Statement under Section 102 of the Companies Act, 2013 annexed to this Notice, with option to the Board of Directors to vary the terms including increase in remuneration within the limits prescribed under the Act or any re-enactment

thereof, and as may be mutually agreed between Sh. Ashok Kumar and the Company from time to time.

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

Item no. 6- Re-appointment of Sh. Adeesh Kumar Gupta (DIN: 00137612) as Executive Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 2 (18), 2(94), 196, 197 and 203 read with schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the re-appointment of Sh. Adeesh Kumar Gupta (DIN: 00137612), as the "Executive Director" of the Company, for a period from 1st October, 2018 to 31st March, 2021 on such remuneration and on such terms and conditions as enumerated in the draft Service Agreement which is to be entered into between the Company and Sh. Adeesh Kumar Gupta (DIN: 00137612), salient features of which are specified in the Explanatory Statement under Section 102 of the Companies Act, 2013 annexed to this Notice, with option to the Board of Directors to vary the terms including increase in remuneration within the limits prescribed under the Act or any re-enactment thereof, and as may be mutually agreed between Sh. Adeesh Kumar Gupta and the Company from time to time.

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

Item no. 7- Re-appointment of Smt. Lovelena Mody (DIN: 01279148) as Independent Director of the Company

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

RESOLVED THAT Pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Smt. Lovelena Mody (DIN: 01279148), who was appointed as an Independent Director and who holds office as an Independent Director up to 28th September, 2018 and

being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company w.e.f. 29th September, 2018, not liable to retire by rotation and to hold office for a second term of 3 (three) consecutive years i.e. up to 28th September, 2021.

Item no. 8- Alteration/Substitution of Memorandum of Association of the Company

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

"RESOLVED THAT pursuant to provisions of Section 13, Section 4 and other applicable provisions, if any, of the Companies Act, 2013, ("Act") including any statutory modifications or re-enactment thereof for the time being in force and rules made there under and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, and agreed to by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include any Committee or one or more Directors), the consent of the members of the Company be and is hereby accorded for alteration of the Objects Clause of the Memorandum of Association ("MOA") of the Company such that:

- (a) the existing sub clause 2 under Part-A of Clause III (Objects Clause) of the Memorandum of Association of the Company, be and is hereby altered by substituting the same with the following new sub clause:
 - '2 To prepare, import, export, buy, sell, market and carry on business as manufacturers, dealers in all kinds of footwear, components and accessories, lasts, moulds, boot-trees, laces, buckles, rivets, eyelets, shanks, shoe hams, leggings, boot polishes, toe cap, shoe tacks, zips, thread, bindings, adhesive, colour batches, lubricants, leather, rubber and plastic goods.
- (b) the Clause III (Objects Clause) of the Memorandum of Association of the Company, be and is hereby altered by inserting the following new sub-clause under Part - A of Clause III, after the existing sub-clause 3 and the remaining sub-clauses be re-numbered accordingly:
 - 4 To carry on business as Manufacturers, retailers, on-line sales, supplier, importer, exporter, wholesaler, franchise, distributors or otherwise deal in Perfumes and essences, fine-fragrances, deodorants, body sprays, fresheners, soaps, aerosol, essential and other oils, all kinds of Cosmetic and proprietary products, lotions, extracts, creams, greases, salves, ointments, pomades, powders, cologne, toiletries, toilet requisites and preparations, cleansing compounds, hair, skin, nail and other beauty preparations, baby products, all kinds of bath products, all kinds of perfumery and other compounds, preparations, materials and products, care products, hair dyes, pigments, detergents, Clothings, Garments and Garment accessories, wearing apparel, belts,

wallets, headgear, time wear, eye wear, Jewellery and all kinds of gifts and lifestyle products, beauty specialties, preparations, aids and accessories thereof.

- (c) the existing sub clause 4 under Part-A of Clause III (Objects Clause) of the Memorandum of Association of the Company, be and is hereby altered by substituting the same with the following new and renumbered sub clause:

'5 To fabricate, prepare, import, export, buy, sell, market and carry on business as manufacturers and dealers of leather, leather board, textile, jute, rubber, PU, PVC, leather cloth, polyurethane, thermoplastic rubber, chemicals and all other raw materials, plant, machinery, lasts, moulds, equipments for manufacturing footwear components, leather goods, rubber goods, plastic goods and accessories thereof.

- (d) the existing sub clauses 5 & 6 under Part-A of Clause III (Objects Clause) of the Memorandum of Association of the Company be and are hereby deleted.

- (e) the existing Clause III (A), Clause III (B) and Clause III (C) of the MOA of the Company be altered by replacing and substituting the same with the following new clauses viz. Clause III (A) and Clause (III) (B) as under;

"Clause III (A) The objects to be pursued by the Company on its Incorporation are:-

1. To carry on the business of manufacturers, retailers, on-line sales, wholesalers, exporters & importers of all types of footwear and footwear accessories and to establish, maintain, manage and acquire retail stores, chain stores, exclusive stores and to enter into tie ups and other arrangements for selling, marketing, distributing and retailing of all types of footwear and footwear accessories and other consumer products of similar nature and description.
2. To prepare, import, export, buy, sell, market and carry on business as manufacturers, dealers in all kinds of footwear, components and accessories, lasts, moulds, boot-trees, laces, buckles, rivets, eyelets, shanks, shoe hams, leggings, boot polishes, toe cap, shoe tacks, zips, thread, bindings, adhesive, colour batches, lubricants, leather, rubber and plastic goods.
3. To carry on the business of manufacturers, dealers, wholesalers, on-line sales, retailers, exporters and importers of all types of leather and other bags including luggage and travel goods, leather goods, leather furnishings & other home furnishings accessories including blankets, leather & other jackets, leather & other garments including sweaters, clothing accessories and all types of socks, fashion accessories and other consumer products of similar nature and description.
4. To carry on business as Manufacturers, retailers, on-line sales, supplier, importer, exporter, wholesaler, franchise, distributors or otherwise deal in Perfumes and essences, fine-fragrances, deodorants, body sprays, fresheners, soaps,

aerosol, essential and other oils, all kinds of Cosmetic and proprietary products, lotions, extracts, creams, greases, salves, ointments, pomades, powders, cologne, toiletries, toilet requisites and preparations, cleansing compounds, hair, skin, nail and other beauty preparations, baby products, all kinds of bath products, all kinds of perfumery and other compounds, preparations, materials and products, care products, hair dyes, pigments, detergents, Clothings, Garments and Garment accessories, wearing apparel, belts, wallets, headgear, time wear, eye wear, Jewellery and all kinds of gifts and lifestyle products, beauty specialties, preparations, aids and accessories thereof.

5. To fabricate, prepare, import, export, buy, sell, market and carry on business as manufacturers and dealers of leather, leather board, textile, jute, rubber, PU, PVC, leather cloth, polyurethane, thermoplastic rubber, chemicals and all other raw materials, plant, machinery, lasts, moulds, equipments for manufacturing footwear components, leather goods, rubber goods, plastic goods and accessories thereof.

Clause III (B) Matters which are necessary for furtherance of the objects specified in clause III(A) are:

1. To acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm or company carrying on or proposing to carry on any business which this company is authorised to carry on and as part of the consideration for such acquisition, to undertake all or any of the liabilities of such person, firm or company or to acquire an interest in, amalgamate with or enter into any arrangements for sharing profits or for cooperation or for mutual assistance with any such person, firm or company and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired by any shares, debentures, debenture - stock or securities, that may be agreed upon and to hold, and to retain or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received in connection with the business of the Company.
2. To acquire, build, construct, alter, maintain, enlarge, pull down, remove or replace and to work, manage and control any buildings, offices, factories, mills, shops, machinery, engine, roadways, tramways, railways, branches or sidings, bridges, reservoirs, water courses, wharves, electric works and such other works and conveniences which may seem necessary to advance the interests of the Company and to join with any other person or company in doing any of these things.
3. To expend money in experimenting on and testing and improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the Company or which the Company may acquire or purpose to acquire.
4. To enter into arrangements with any Government or

Authorities, Municipal, local or otherwise, that may appear to the Company conducive to the Company's main objects or any of them and to obtain from any such Government or Authorities, any rights, privileges and concessions which the Company may think desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.

5. To purchase, take on lease, in exchange, hire or otherwise acquire any movable or immovable property including land, buildings, basements, stock-in-trade, plant and machinery of every kind and any right or privileges which the Company may think necessary or convenient for the purpose of its business.
6. Subject to Section 73, 179 and 180 of the Companies Act, 2013 and Regulations made there under and the directions issued by Reserve Bank of India, to borrow, raise or secure the payment of money or to receive money on deposit at interest, for any of the purposes of the Company and at such time or times as may be thought fit by promissory notes, by taking credits in or opening current accounts with any person, firm, bank, company or financial institutions and whether with or without any security or by such other means as the directors may in their absolute discretion deem expedient and in particular by the issue of debentures or debenture-stock perpetual or otherwise and as security for any such money so borrowed, raised, received and if any such debentures or debentures or debenture-stock so issued, to mortgage, pledge or charge the whole or any part of the property and assets of the Company both present and future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities, provided that the Company shall not carry on banking business as defined in Banking Regulation Act, 1949 or other applicable Acts and Enactments from time to time including any amendment and substitution thereof.
7. To acquire and dispose of Trademarks / Labels, Copyrights, Rights of Representation, Manufacturing Licenses and any other Rights or Interest in any product & services related to the main object of the Company and to grant licenses or rights in respect of any intellectual property of the Company to any other person, firm or company.
8. To acquire, hold, use, sell, assign, lease, grant licenses, mortgage, pledge or otherwise dispose of in India or any part of the world any patents, patent rights, licenses, privileges, inventions, improvements, and processes, copy rights, trademarks, designs, licenses, privileges, inventions, improvements and processes, copyrights, trademarks and trade names whatsoever and apply for purchase or otherwise acquire and protect and renew in any part of the world any patents, patent rights, invention, trademarks, designs,

licenses and like, conferring any exclusive or nonexclusive or limited right to their use or any secret or other information as to any invention and to use, exercise develop or grant licenses in respect of or otherwise turn to account the property rights or information so acquired, to expend moneys in experimenting upon testing or improving any such patents, inventions and rights.

9. To acquire and dispose of copyrights, rights of representation, licences and any other rights or interest in any book, paper, pamphlet, drama, play, poem, song composition (musical or otherwise), picture, drawing work of art or photograph, and to print, publish or cause to be printed or published anything of which the Company has a copyright or right to print or publish and to sell, distribute and deal with any matter so printed or published in such manner as the Company may think fit and to grant licenses or rights in respect of any property of the Company to any other person, firm or company.
10. To establish for any of the purposes of the Company any branches or to establish any firm or firms or promote any company or companies or divisions thereof at places in or outside India as the Company may think fit.
11. To promote or assist in the promotion of any company or companies or division or divisions for the purpose of acquiring all or any of the properties, rights and liabilities of the Company.
12. To invest in other than investment in Company's own shares and deal with the money of the Company not immediately required in any manner as may, from time to time, be determined by the Board.
13. To lend and advance money or give credit to such persons or companies and on such terms as may be expedient and in particular to customers of and others having dealings with the Company and to guarantee the performance of any contract or obligation and the payment of money by any such persons or companies provided that the Company shall not do any banking business, as defined in Banking Regulation Act, 1949 or other applicable Acts and Enactments from time to time including any amendment and substitution thereof.
14. To remunerate any person or company for services rendered or to be rendered in or about the formation or promotion of the Company or the conduct of its business.
15. To open account with any banks or financial institutions mid to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, letters of credit hundies, bills of lading, railway receipts, warrants, airway bill, lorry/railway receipts, bank guarantee, debentures and other negotiable or transferable instruments of all descriptions including electronic banking and to buy, sell and deal in the same.

16. To procure the Company to be registered or recognised in any part of the world or in India.
17. Subject to provisions of Companies Act or other applicable Acts and Enactments in force from time to time including any amendment and substitution thereof, to sell, lease, mortgage or otherwise dispose of the property, assets or any undertaking of the Company or any part thereof for such consideration as the Company may think fit.
18. To distribute, among the members in specie or in kinds any property of the Company in the event of winding up of the Company or any proceeds of sales or disposal of any property of the Company, subject to the provisions of the Companies Act, 2013 or other applicable Acts and Enactments from time to time including any amendment and substitution thereof.
19. To give publicity to the business and production of the Company by means of advertisement in the press, pamphlets, handbills, circulars, cinema slides or by publication of books, pamphlets, catalogues, instructions book, technical articles, periodicals and exhibition of works of art by granting rewards, prizes and donations or by participating 'in technical conference, symposia or the like or in any other suitable manner.
20. To establish or support or aid in establishment or support of associations, institutions, funds, trusts and conveniences calculated to benefit the employees or ex-employees of the Company of the dependents of such persons and to grant pensions and allowances and to subscribe or grant money for charitable or benevolent objects or for any exhibition or for any public, general or useful objects.
21. To pay all costs, charges, expenses incurred in connection with incorporation of the Company, including preliminary expenses of any kind and incidental to the formation and incorporation of the Company, costs, charges and expenses of negotiating contracts and arrangements made prior to and in anticipation of the formation and incorporation of the Company.
22. To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them in any part of the world and either as principals, agents, consultants, contractors, trustees or otherwise and by or through trustees, agents, consultants or otherwise and either alone or in conjunction with others.
23. To form, incorporate, promote any company or companies whether in India or elsewhere, having amongst its or their objects the acquisition of all or any of the assets or control, management or development of the Company or any other object or objects which in the opinion of the Company could or might assist the Company in the management of its business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or Company in any manner it shall think fit for services rendered or to be rendered, in obtaining subscription for or placing or assisting to place or to obtain subscription for or for guaranteeing the subscription of or the placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of any other Company held or owned by the Company or in which the Company has any interest in or about the formation or promotion of the Company or the conduct of its business or in or about the promotion of any other Company in which the Company may have an interest.
24. To undertake and execute any trust, the undertaking of which may seem to the Company desirable and either gratuitously or otherwise and vest any real or personal property, rights or interests acquired by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
25. Subject to the provisions of Section 182 of the Companies Act, 2013, to subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for any exhibition.
26. To establish and maintain or procure the establishment and maintenance of any contributory or non - contributory pension or superannuation funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company or is allied to or associated with the Company or with any, such Subsidiary Company or who are or were at any time directors or officers of the Company as aforesaid and the wives, widows, families and dependents of any such persons and also establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interest and well being of the Company or of any such other Company as aforesaid and make payments to or towards the insurance of any such persons as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid.
27. To undertake financial and commercial obligations, transactions and operations of all in connection with the business of the Company.
28. To guarantee the payment of money unsecured or secured or payable under or in respect of promissory notes, bonds, debenture- stock, contracts, mortgages, charges, obligations, instruments and securities of any Company or of any authority, supreme, municipal, local or otherwise or of any persons whomsoever, whether incorporated or not

incorporated and to guarantee or become sureties for the performance of any contracts or obligations as may be necessary for the purpose of the Company.

29. To apply for, purchase or otherwise acquire and protect, prolong and renew in any part of the world, any patent, patents rights, brevets d'inventions, trade mark, designs, licences, protections, concessions and the like conferring any exclusive or non exclusive or limited right to their use or of any secret or such other information as to any invention, process or privilege which may seem in use for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop or grant licences or privilege in respect of or otherwise turn to account the property, rights and information so acquired and to carry on any business in any way connected therewith.
30. To establish state of art cash and carry outlets, own, create and manage online shopping ecommerce websites, portals and mobile applications to create a virtual shopping mall with online catalogue and to carry out all other means of ecommerce activities to provide a convenient shopping experience for sale to B2B and B2C.
31. To receive payment in cash, cheque, bank drafts, RTGS/NEFT or any other electronic form through banking channel or payment gateways in Indian or foreign currency or in kind of electronic money, wallets from business associates, customers including market place of online distribution channel.
32. To merge, amalgamate with or enter into an arrangement or partnership or any joint venture or profit sharing arrangement with or cooperate in any way with any company, firm / association or person carrying on or proposing to carry on any business, for attainment of the objects of the Company.
33. To buy, sell, exchange, alter, improve, prepare for market and otherwise deal in all kinds of plant & machinery, furniture and fixtures, decorative, computer hardware and software, apparatus, equipments, tools, substances, materials, articles and things necessary or convenient for carrying on any of the above business or processes of the Company.
34. To carry out the activities of storage, warehousing, transportation and handling of all kinds of products, goods and articles from one place to another.
35. To acquire and undertake on any terms and subject to any conditions, the whole or any part of the business, property or liabilities of any person, firm, association or company, carrying on any business incidental to the purpose of the Company.
36. To invest in, subscribe for, underwrite, purchase or otherwise acquire, and to hold dispose of and deal in shares, stocks, securities or other similar documents issued by any

government, authority, corporation or body, or by any company or association of persons and to invest surplus funds of the Company in any manner.

37. To refer or agree to refer any claim, demand, dispute or any other question by or against the Company or in which the Company is interested or concerned and whether between the Company and the member or members or his or their representatives or between the company and third parties to arbitration in India or at any place outside India and to observe and perform and to do all such acts, deeds, matters and things to carry out or enforce the awards or to challenge the same.
38. To institute, prosecute, defend, oppose, appear or appear in any suit, arbitration, arrangement, compromise, composition or other proceedings; to refer to arbitration, abandon or submit to judgment, decision award, to become non suit in any proceedings and demands for the recovery of any debt, claim, sum of money, or for exercise of any right privilege, demands for the recovery of any debt, claim, sum of money or for exercise of any right privilege, demand, settlement of any claim whatsoever due or payable or in any wise belonging to the Company or others in respect of whom the Company is an agent.
39. To insure the whole or any part of the Current and Fixed Assets of the Company at fair market price, either fully or partly, to protect them from any kind of risk of theft, burglary, dacoity and damage from fire, earthquake and any kind of natural calamity and act of God and to take insurance cover for covering the risk of third parties.
40. To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them in any part of the world and either as principals, agents, consultants, contractors, trustees or otherwise and by or through trustees, agents, consultants or otherwise and either alone or in conjunction with others.
41. To do all and everything necessary, suitable or proper for the accomplishment of any of the objects or the furtherance of any of the power herein before set for either alone or in association with other persons, corporate bodies, firms or individuals and to do every other act or acts, thing or things incidental or appurtenant to or connected with the aforesaid business or power or any part thereof.
42. To help, support or undertake, directly or otherwise, in cash or in kind, social or economic programs for relief and rehabilitation work amongst the victims/people affected by natural disasters/calamities, or contribute to various organizations/funds engaged in providing such relief activities and for the said purpose may receive/accept donations/contributions, in cash or in kind, from third parties including foreign individuals or entities.

43. To create any depreciation fund, reserve fund, sinking fund, insurance fund or any special or other fund, whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for redemption of debentures or redeemable preference shares or for any other purpose whatsoever conducive to the interests of the Company.
44. To invest or deal with the surplus funds of the Company in such manner and upon such securities as shall from time to time be thought necessary and to create any reserve fund, sinking fund, insurance fund, depreciation fund or provident fund thereof.
45. Subject to the provisions of the Companies Act, 2013 or any other enactments in force, to indemnify and keep indemnified officers, Directors, agents and servants of the Company against proceedings, costs, damages, claims and demands in respect of anything done or ordered to be done by them for and in the interest of Company and for any loss, damage, or misfortune, whatsoever and which shall happen in the execution of duties of their office or made in relation thereto.
46. To hire all kinds of office equipment and other equipment, appliances and vehicles of all types and descriptions in relation to the Company's business.
47. To appoint third parties to provide consultative and technical services relating to the business of the company or related business or activity, by way of market survey, preparing feasibility and project reports, and to enter into any arrangements of licensing, chartering, brokerage, technical, business or financial collaboration with any other party or concern, for singular or mutual benefit of in-taking or outflowing of know-how, whether existing or newly developed techniques, including rights or special methods and trade secrets.
48. To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of, or the uplift of the people, in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing, "programme of rural development" shall also include any programme for promoting the social and economic welfare of, or the uplift of the people in any rural area to promote and assist rural development, and that the words "rural area" shall include such areas as may be regarded as rural areas under the Income tax Act, 1961, or any other law for the time being in force and in order to implement any of the above mentioned objects or purposes transfer without consideration or at fair or concessional value and divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any Institution or trust.
49. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of the national economy and for discharging what is considered to be the social and moral responsibilities of the Company to the public or any section of the public as also any activity which is considered likely to promote national welfare or social, economic or moral uplift of the public or any section of the public. Without prejudice to the generality of the foregoing, to undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers or for organising lectures or seminars likely to advance these objects or for giving merit awards, for giving scholarships, loans or any other assistance to deserving students or other scholars or persons, to enable them to pursue their studies or academic pursuits or researches and for establishing, conducting or assisting any institutions, funds or as one of its objects, by giving donations, or otherwise, or in any other manner, and in order to implement any of the above mentioned objects or purposes, transfer without consideration or at fair or concessional values and divest ownership of any property of the Company to or in favour of any public, local body or authority or Central or State Government or any public institution or trust.
50. To establish branches or appoint agents in or outside India for or in connection with any of the objects of the Company.
51. To train or to pay for training in India or abroad of any of the Company's employees or any other candidates in the interests and for the furtherance of the Company's objects and business.
52. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging the social and moral responsibilities of the Company to the public or any section of the public as also any activity likely to promote national welfare or social, economic or moral uplift of the public or any section of the public.
53. To acquire and secure membership, seat or privilege either in the name of the Company or its nominee or nominees in and of any association, exchanges, market, club or other institution in India or any part of the world for furtherance of any business, trade or industry.
54. Subject to the provisions of the Companies Act, 2013 or any other enactments in force, to indemnify and keep indemnified officers, Directors, agents and servants of the Company against proceedings, costs, damages, claims and demands in respect of anything done or ordered to be done by them for and in the interest of Company and for any loss, damage, or misfortune, whatsoever and which shall happen in the execution of duties of their office or made in relation thereto.
55. Subject to the provision of the Companies Act, 2013, to

place, reserve or distribute as bonus shares among the members or otherwise to apply, as the Company may from time to time think fit, any moneys received by way of premium on share or debentures issued at a premium by the Company and any money received in respect of forfeited shares.

56. To exercise all or any of its corporate powers, rights and privileges and to conduct its business in all or any of its branches in the Union of India and in any or all states, territories and dependencies thereof and in any or all foreign countries, and for this purpose to have and maintain and to discontinue such number of offices and agencies therein as may be convenient.
57. To carry out in any part of the world or all or any part of the Company's objects as principal, agent, insurer and trustee.
58. To insure the whole or any part of the property of the Company either fully or partially, to protect and indemnify the Company from liability or loss in any respect, either fully or partially, and also to insure and to protect and indemnify any part or portion thereof, either on mutual principle or otherwise.
59. To procure the recognition of the company in any country, state or place outside India and to establish and maintain local registers and branch places of business in any part of the world.

RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) and subject to necessary approval(s) if any, from the competent authorities, consent of the Members of the Company be and is hereby accorded to substitute the existing Memorandum of Association of the Company by a new set of Memorandum of Association, as placed before the members of the Company and initiated by the Chairman of the Meeting.

RESOLVED FURTHER THAT Sh. Adesh Kumar Gupta, CEO & Executive Director and Sh. Munish Kakra, CFO & Company Secretary of the Company be and are hereby severally authorised to undertake all such acts, deeds, matters, and things and to execute all such deeds, documents, and writing as may be deemed necessary, proper, desirable and expedient in their absolute discretion, for the purpose of giving effect to this resolution and to settle any question, difficulty, or doubt that may arise in this regard including filing of required forms and information with the Registrar of Companies and other Regulatory authorities.

RESOLVED FURTHER THAT the above said Director and Officer of the Company be and are hereby authorized to delegate all or any of the powers conferred on them by or under this resolution to any other Director(s)/Officer(s) of the Company in order to give effect to this resolution."

Item no. 9- Alteration of the Liability Clause of the Memorandum of Association of the Company

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

"RESOLVED FURTHER THAT pursuant to provisions of Section 13, Section 4 and other applicable provisions, if any, of the Companies Act, 2013, ("Act") including any statutory modifications or re-enactment thereof for the time being in force and rules made thereunder, the existing Clause IV of the Memorandum of Association ("MOA") of the Company be and are hereby altered by replacing and substituting the same with the following new clause;

Clause IV. "The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

Item no. 10- Discontinuation of Wholly Owned Subsidiary of the Company Liberty Foot Fashion Middle East, FZE (LFF)

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

"RESOLVED THAT pursuant to the decision taken by the Board of Directors of the Company in terms of applicable provisions and Articles of Association of the Company and subject to regulatory approval wherever required, the consent of the Members of the Company be and is hereby accorded for winding up/ liquidation of Wholly Owned Subsidiary (WOS) of the Company M/s Liberty Foot Fashion Middle East FZE by disposing off its Assets/Shares in most beneficial manner and in the interest of the Company.

RESOLVED FURTHER THAT the Board of Directors are hereby authorized to take suitable steps for liquidation/disposal of Investments made by the Company and to do all acts, things and deeds as may be expedient in this regard.

RESOLVED FURTHER THAT all acts, things and deeds done by the Board of Directors of the Company in respect of winding up/ liquidation of WOS of the Company be and are hereby ratified and approved."

By order of the Board
For Liberty Shoes Ltd.

Munish Kakra

CFO & Company Secretary
M. No.ACS 6262

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

Registered Office

Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail,
PO. Bastara, Distt. Karnal - 132114, Haryana
Tel.: (91) - 1748-251101 ~ 03 Fax: (91) - 1748-251100
E-mail: lpm@libertyshoes.com
Website : www.libertyshoes.com
CIN: L19201HR1986PLC033185

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AFORESAID ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON HIS/HER BEHALF, ONLY ON A POLL. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED AND SIGNED, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A PROXY FORM IS ANNEXED TO THIS REPORT.**
Pursuant to Section 113 of the Companies Act, 2013 and Rules framed thereunder, Corporate Members intending to send their authorized representative(s) to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution and/or Power of Attorney, if any, authorizing their representative(s) to attend and vote at the Annual General Meeting.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Rules made there under, in respect of the Special Business under Item Nos. 3 to 10 of the accompanying Notice are annexed hereto.
4. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share capital of the Company. Members holding more than ten percent of total Share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other person or Member.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days notice in writing is given to the Company.
6. Pursuant to Section 91 of the Companies Act, 2013 read with Rules framed there under and Regulation 42 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books shall remain closed from Saturday, 18th August, 2018 to Friday, 24th August, 2018 (both days inclusive).
7. Members are requested to produce the Attendance Slip duly signed as per the specimen signature recorded with the Company/Depository Participants for admission to the Meeting hall.
8. As required under SS-2 issued by ICSI, a route map, including a prominent landmark, showing directions to reach the AGM is annexed at the end of this Annual Report and forms part of this Notice.
9. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 24th August, 2017.
10. Members, who hold shares in dematerialized form, are requested to bring their Depository Participant (D.P.) I.D. and Client I.D. No(s), for easier identification to record attendance at the Meeting.
11. 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, 44, Community Centre, Naraina Industrial Area Phase-I, New Delhi-110028.
12. 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.
13. 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.
14. The Investors/Shareholders are to be cautious while submitting the physical documents viz. Demat Request Forms (DRF) and share certificates, etc. with their Depository Participant(s) and should ensure that they (DPs) do not delay in sending the DRF and Share Certificate(s) to the Registrar and Share Transfer Agents (RTA) after generating the Demat Request Number (DRN). Kindly note that if DRF and share certificates, etc. are not received from

their Depository Participant(s) by the RTA within a period of 15 days from the date of generation of the DRN for dematerialization, the DRN will be treated as rejected/cancelled. This step is being taken on the advice of Depositories, viz., National Securities Depository Limited and Central Depository Services (India) Limited so that no demat request remains pending beyond a period of 21 days. Upon rejection/cancellation of the DRN, a fresh DRF with new DRN has to be forwarded along with share certificate(s) by the Depository Participant(s) to the RTA.

15. Pursuant to Regulation 12 of the Listing Regulations read with Schedule I to the said Regulations, it is mandatory for all the Companies to use bank details furnished by the investors for distributing dividends, interest, redemption or repayment of amounts to them through National/Regional/Local Electronic Clearing Services (ECS) or Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), National Automated Clearing House (NACH) wherever ECS/RTGS/NEFT/NACH and bank details are available. In case of non availability of electronic facility, Companies are required to mandatorily print bank details of the investors on payable at par warrants or cheques for distribution of dividends or other cash benefits to the investors. In addition to that, if bank details of investors are not available, Companies shall mandatorily print the address of the investor on such payment instruments. Therefore, Members holding shares in physical mode are requested to update their bank details with the Company or RTA immediately. Members holding shares in demat mode are requested to update the ECS mandate with their DPs concerned.

16. Unpaid / Unclaimed Dividend:

- i. Pursuant to Section 205 and Section 205A of the Companies Act, 1956 read with the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 and amended provisions of Section 205A read with Section 205C of the Companies Act, 1956, all unclaimed/ unpaid amount of dividends have been transferred to the General Revenue Account/Investor Education and Protection Fund (IEPF) established by the Central Government, as the case may be. It may be noted that once the unpaid/unclaimed amount of Dividend is transferred to the IEPF, the same cannot be claimed by the members there from in terms of the provisions of Section 205B of the Companies Act, 1956.
- ii. The members, who have not yet claimed their dividends warrants for the financial year ended 31st March, 2014 and 31st March, 2015, are requested to claim the amount of Dividend from the Company

immediately by submitting a request letter with the Company or Registrar and Share Transfer Agent M/s Link Intime India Pvt. Ltd. at the above mentioned addresses before the due date of transfer of respective amount of unpaid/unclaimed dividend to IEPF. Unclaimed/Unpaid amount of dividend for the financial year ended 31st March, 2014 and 31st March, 2015 will be transferred to the IEPF on 3rd November, 2021 & 3rd November, 2022 respectively.

17. As per Regulation 40(7) of the Listing Regulations read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copy of their Income Tax Permanent Account Number (PAN). Additionally, for securities market transactions and/or for off market/ private transactions involving transfer of shares in physical mode of listed Companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copy of PAN Card to the Company/RTA for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s)/Nominee(s).
18. The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 2018 has mandated registration of Permanent Account Number (PAN) and Bank account details for all the Members holding shares in physical form. Therefore, the Members are requested to submit their PAN and Bank account details to the Company at the Registered Office or to M/s Link Intime India Private Limited, the Registrar and Share Transfer Agent (RTA) of the Company. In this regard, the Members are requested to submit a duly signed letter along with self-attested copy of PAN Card(s) of all the registered Members (including Joint holders). Members are also requested to submit original cancelled Cheque bearing the name of the sole/first holder. In case of inability to provide the original cancelled cheque, a copy of Bank Passbook/Statement of the sole/first holder duly attested by the Bank, not being a date earlier than one month may be provided. Members holding shares in demat form are requested to submit the aforesaid documents to their respective Depository Participant (s).
19. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH 13. The said form can be downloaded from the Company's website www.libertyshoes.com under section "Investor Relations". Members holding shares in

single name and physical form are advised to make nomination in respect of their shareholding in the Company by submitting duly completed Form No SH. 13 with the Company's RTA in case of shares in physical form and with their respective depository in case of shares in electronic form. In case of any cancellation or variation in Nomination in respect of their Shareholding in the Company, Members may download Form SH-14 from the website of the Company www.libertyshoes.com and submit duly completed Form SH. 14 with the Company's RTA in case of shares in physical form and their respective depository in case of shares in electronic form.

20. SEBI has decided that Securities of listed Companies can be transferred only in dematerialized form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialise shares held by them in physical form at the earliest.
21. 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.
22. A brief profile along with necessary information of the Directors seeking their appointment/ re-appointment in the forthcoming Annual General Meeting in pursuance of Regulation 26(4) & 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI), is annexed to the Notice of this Annual General Meeting as Annexure A to the notice.
23. Members are requested to:-
 - a. Bring their copy of the Annual Report and Attendance Slip at the venue of the Meeting.
 - b. Quote their Folio/DP ID & Client ID No. in all correspondence with Company/Registrar & Share Transfer Agent.
 - c. Note that no gift shall be distributed at the Annual General Meeting.
 - d. Note that Members present in person or through registered proxy/authorized representative(s) shall only be entertained.
 - e. Update their e-mail ID's with their Depository, in case

shares are held in Dematerialized form and with RTA in case shares are held in physical form, if not provided earlier.

24. As per Section 101 and Section 136 of the Companies Act, 2013 read with relevant provisions of Companies (Management and Administration) Rules, 2014, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company/RTA or with their respective Depository participants. Members, who have not registered their e-mail address with the Company/RTA, can now register the same by submitting a duly filled in E communication Registration form annexed to this Annual Report which is also available on the website of the Company www.libertyshoes.com, to Company/RTA of the Company. Members holding shares in demat form are requested to register their e-mail address with their respective Depository Participants only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
25. The Notice of Annual General Meeting, Annual Report and Attendance slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copies of the above documents are being sent to those Members who have not registered their e mail IDs with the Company or Depository Participant(s). Members, who have received the Notice of Annual General Meeting, Annual Report and Attendance Slip in electronic mode, are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter at the venue of the AGM to attend the meeting.
26. Members, desiring any information relating to the accounts, are requested to write to the Company at an early date so as to enable the management to keep the information ready.
27. All the documents referred to in the Notice and Explanatory Statement including Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 are open for inspection at the Registered Office of the Company on all working days between 10.00 A.M. and 6.00 P.M. up to the date of the aforesaid Annual General Meeting or any adjournment thereof, except on Sundays and other holidays.
28. The Ministry of Corporate Affairs (MCA), Government of India has introduced a 'Green initiative in Corporate

Governance' by allowing paperless compliances by the Companies for service of documents to their Members through electronic mode which will be in compliance with Section 20 of the Companies Act, 2013 and Rules framed thereunder. In case you have not registered your correct e mail ID, please communicate the same to our Registrar and Share Transfer Agents (RTA) - M/s. Link Intime India Pvt. Ltd. at their above address in respect of the shares held by you in physical mode or communicate to your Depository Participant(s) concerned in respect of shares held by you in demat/electronic mode. Although you are entitled to receive physical copy of the Notices, Annual Reports, etc. from the Company, we sincerely seek your support to enable us to forward these documents to you only by e-mail which will help us in participating in the Green Initiatives of the MCA and protect our environment. In view of the above, the Company has already dispatched earlier written communications to its Members requesting them to register their designated email ID with the Company/RTA. However, Members, who are desirous of obtaining physical copy of the Notices, Annual Reports and other documents, may forward their written request to the Company/RTA for the same.

29. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer to the Members, who are holding shares as on cutoff date Friday, 17th August, 2018, remote e-voting facility to cast their votes electronically and through Ballot Paper at the Annual General Meeting on all resolutions set forth in this Notice. The remote e voting facility is in addition to the voting through Ballot Paper that may take place at the Annual General Meeting venue on Friday 24th August, 2018. The Ballot Paper shall be made available at the Annual General Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through 'Ballot Paper'.
30. A member may participate and attend the Annual General Meeting even after exercising his right to vote through Remote E-voting but shall not be entitled to vote again at the Annual General Meeting. A member, who has voted by Remote E-voting, cannot vote at the AGM.

The process and general instructions for remote e-voting are given as follows:

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

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

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

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN (180726019) of **LIBERTY SHOES LIMITED** on which you choose to vote.
- xi. On the voting page, you will see "**RESOLUTION DESCRIPTION**" and against the same the option "**YES/NO**" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "**SUBMIT**". A confirmation box will be displayed. If you wish to confirm your vote, click on "**OK**", else to change your vote, click on "**CANCEL**" and accordingly modify your vote.
- xiv. Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on "**Click here to print**" option on the Voting page.
- xvi. If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. **Note for Non - Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write and email to helpdesk.evoting@cdslindia.com.
- Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. as on close of business hours of Friday, 17th August, 2018 may follow the same instructions as mentioned above for e-Voting.
- (B) **In case of members receiving the physical copy of Notice of Annual General Meeting (for members whose e-mail IDs are not registered with the Company/depository participant(s) or requesting physical copy):**
- Please follow all steps from Sl. no. (I) to Sl. no. (XVIII) above to cast vote
- General Instructions:**
- i. The remote e-voting period commences on Monday, 20th August, 2018 at 09.30 a.m. and ends on Thursday, 23rd August, 2018 at 5.00 p.m. During this

period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on close of business hours of Friday, 17th August, 2018, may cast their vote electronically. The Remote E-voting shall not be allowed beyond the above date and time. The Remote E-voting facility shall be blocked forthwith by CDSL at the end of Remote E-voting period i.e. at the ends on Thursday, 23rd August, 2018 at 5.00 p.m. A member may participate in the AGM even after exercising his right to vote through Remote E voting but shall not be entitled to vote again. A member as on the cut-off date i.e. Friday, 17th August, 2018 shall only be entitled for availing the Remote E-voting facility or vote, as the case may be, in the AGM. The Member, who is not a member as on the Cut-off date i.e. Friday, 17th August, 2018 should treat this Notice to the AGM for their information purposes only. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- II. In case of any queries or issues or grievance regarding Remote E-Voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available under the help section of www.evotingindia.com or call on toll free no.: 1800-200-5533 or contact Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Ltd., A-Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 at the designated email IDs helpdesk.evoting@cdslindia.com or CFO & Company Secretary at investorcare@libertyshoes.com Tel. No: 0124-4616200
- III. The Notice to the AGM shall be available on the website of the Company www.libertyshoes.com
- IV. The voting rights of shareholders shall be in proportion to their shares of paid-up equity share capital of the Company as on close of business hours of Friday, 17th August, 2018.
- V. Member can also download the notice of the meeting from the website of the Company available at www.libertyshoes.com for exercising their e-Voting rights.
- VI. Members, other than members who have already cast their votes through remote e-voting, desiring to exercise vote by Physical Ballot form at the 32nd Annual General Meeting through Poll are requested to carefully read the instructions printed on the reverse of the Ballot form which shall be

provided to the members at the AGM.

- VII. The Board of Directors of the Company has appointed CA Sukesh Gupta, partner of M/s Pardeep Tayal & Co., Chartered Accountants, Panipat as Scrutinizer for conducting the remote e-voting and voting through ballot form at the 32nd Annual General Meeting in a fair and transparent manner.
- VIII. At the end of the remote e-voting period, Scrutinizer will download the entire voting data using its Scrutinizer login.
- IX. The Chairman shall at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper, which will be available at the AGM for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. The Members may fill up the Ballot Papers which will be provided to them at the AGM by carefully reading the instructions printed on the reverse of the same and the duly signed and filled up Ballot Paper will be deposited in the Ballot Box(es) which will be available at the AGM.
- X. The Scrutinizer shall, immediately after the conclusion of voting at the 32nd Annual General Meeting, first count the votes cast at the 32nd Annual General Meeting, thereafter unblock the votes cast through remote e-voting and through ballot form in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of the conclusion of the meeting, a consolidated scrutinizers' report of the total votes cast in favour or against, if any to the Chairman or a person authorized by him in writing who shall countersign the same and declare the consolidate results of the voting forthwith after receiving of consolidated scrutinizer's report from the scrutinizer.
- XI. The consolidated Results of the above voting along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.libertyshoes.com immediately after the result declared by the Chairman or any other person authorized by the Chairman at the end of 32nd Annual General Meeting of the Company to be held on Friday, 24th August, 2018 and the same shall also be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
- XII. The resolution shall be deemed to be passed on the date of 32nd Annual General Meeting, subject to

the receipt of sufficient votes through a compilation of voting results (i.e. remote e-voting and voting held at the Annual General Meeting through Poll).

IMPORTANT NOTE:

Liberty Shoes Ltd., being a listed Company and having more than 1000 shareholders, is compulsorily required to provide remote e-voting facility to members in terms of Section 108 of the Act read with Rule 20 of the Rules and Regulation 44 of the Listing Regulations. Voting by show of hands will not be available to the members at the 32nd Annual General Meeting in view of the provisions of Section 107 read with Section 114 of the Act.

Annexure to the Notice

(Explanatory Statement in respect of the Special Business to be transacted at the AGM and set out under Item No. 3 to 10 of the accompanying Notice of AGM pursuant to Section 102 (1) of the Companies Act, 2013, as amended)

Item No.3 to 6:

Sh. Adesh Kumar Gupta, aged about 58 years, a graduate in B.Sc. (Engineering), has been working as Director of the Company since 1990 and Executive Director since 2001. He has been looking after the overall affairs of the Company as a CEO since 2004. He was then reappointed as CEO & Executive Director for a period of five years w.e.f. 1st April, 2005 and subsequently after expiry of above period again re-appointed for further period of five years w.e.f. 1st April, 2010 and then re-appointed for further period of three years w.e.f. 1st April 2015 to 31st March, 2018. He is having an experience of more than three decades in Footwear Industry. As a CEO, he has been instrumental in formulating Company's strategies and providing his vital contribution for the effective functioning of the Company. He has been embraced by many prestigious awards and in the past, he has been a key functionary of Confederation of Indian Industry. He is active Chairman of Council for Footwear Leather and Accessories (CFLA) and has been instrumental since its inception to strategise the various initiatives and in formulating the policies for the sector and making representations to the Central and State Governments and other Departments for elevating the Sector.

Sh. Shammi Bansal, aged about 57 years, has been associated with the Company as a Director since 1990 and promoted as Executive Director in 1995. He was then re-appointed as Executive Director of the Company for a period of five years w.e.f. 1st April, 2005 and subsequently after expiry of above period again re-appointed for further period of five years w.e.f. 1st April, 2010 and then re-appointed for further period of three years w.e.f. 1st April, 2015 to 31st March, 2018. During his association with the Company, he has been accredited with various initiatives in the field of leather and footwear technology including use of E.P.

Polymers, introduction of E.V.A. compound in Indian footwear Industry. Sh. Shammi Bansal has currently been looking after the production designing and development of leather products at Company's plants.

Sh. Ashok Kumar, aged about 50 years, has been working with the Company as Executive Director. He is a Law Graduate and has been advising the Company on various legal matters for last several years. Initially he was appointed as Additional Director of the Company on 23rd January, 2015 and promoted as Executive Director of the Company for 3 years w.e.f. 1st June, 2015 to 31st May, 2018.

Sh. Adeesh Kumar Gupta, aged about 54 years, has been associated with the Company since last several years in different capacities and was appointed as Executive Director of the Company w.e.f. 1st October, 2011 for 5 years. Subsequently after expiry of above period he was re-appointed as Executive Director of the Company for a further period of 2 years w.e.f. 1st October, 2016 to 30th September, 2018. He has been contributing to operations of the Company with his vast experience.

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

In view of their valuable contribution and considering their expertise, the Board of Directors at their respective Meeting(s) held on 19th March, 2018 and 26th May, 2018 have proposed the re-appointment of Sh. Adesh Kumar Gupta as CEO & Executive Director and Sh. Shammi Bansal as Executive Director for a further period of 3 years w.e.f. 1st April, 2018 to 31st March, 2021 and Sh. Ashok Kumar and Sh. Adeesh Kumar Gupta as Executive Director(s) for a further respective period from 1st June, 2018 to 31st March, 2021 and 1st October, 2018 to 31st March, 2021, subject to the approval of the Members of the Company in the Annual General Meeting on the following terms and conditions and remuneration, as set out in the respective draft Service Agreement to be executed between Sh. Adesh Kumar Gupta, Sh. Shammi Bansal, Sh. Ashok Kumar and Sh. Adeesh Kumar Gupta and the Company. The respective re-appointment and remuneration payable to Sh. Adesh Kumar Gupta & Sh. Shammi Bansal and Sh. Ashok Kumar & Sh. Adeesh Kumar Gupta has been approved and recommended by the Nomination and Remuneration Committee of the Board at their respective Meeting held on 19th March, 2018 and 26th May, 2018.

The respective abstract of the terms and conditions of the re-appointment of Sh. Adesh Kumar Gupta as CEO & Executive Director and Sh. Shammi Bansal, Sh. Ashok Kumar and

Sh. Adeesh Kumar Gupta as Executive Directors along with Memorandum of their interest or concern is set out as below:

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

- (i) Period: For a period of 3 years w.e.f. 1st April 2018 to 31st March, 2021.
- (ii) Nature of Duties: Sh. Adesh Kumar Gupta shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best of the Company.
- (iii) Remuneration:
 - a) Salary: ₹4,00,000/- per month subject to the Board reviewing any increase or variation in such salary.
 - b) Perquisites: As per the rules of the Company as applicable for the Directors for the time being in force.
The total remuneration payable to Sh. Adesh Kumar Gupta as CEO & Executive Director i.e. salary, perquisites, and any other allowances shall not exceed the ceiling as provided in Section II of the Part-II of Schedule V of the Companies Act, 2013 including any amendment thereof from time to time.
No commission of whatsoever nature shall be paid to the CEO & Executive Director apart from the aforesaid remuneration.
- (iv) Other terms of re-appointment:
 - a) The terms and conditions of the re-appointment of Sh. Adesh Kumar Gupta as CEO & Executive Director may be varied or altered from time to time by the Board of Directors or Committee thereof in its discretion, if deemed fit but subject to the provisions of the Companies Act, 2013 or any regulations/ rules made there under.
 - b) The Office of Sh. Adesh Kumar Gupta as CEO & Executive Director shall be liable to retire by rotation.
 - c) No sitting fee shall be paid to Sh. Adesh Kumar Gupta for attending the Board or Committee Meeting(s)
 - d) Sh. Adesh Kumar Gupta shall abide by the Company's Code of Conduct or any other

Code of Conduct as laid down in terms of Corporate Governance and Insider Trading Regulations, 2015.

None of the Directors, Key managerial Personnel of the Company or their relatives except Sh. Adesh Kumar Gupta, CEO & Executive Director of the Company may be deemed to be concerned or interested in the proposed resolution no. 3.

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

- (i) Period: For a period of 3 years w.e.f. 1st April 2018 to 31st March, 2021.
- (ii) Nature of Duties: Sh. Shammi Bansal shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best of the Company.
- (iii) Remuneration:
 - a) Salary: ₹4,00,000/- per month subject to the Board reviewing any increase or variation in such salary.
 - b) Perquisites: As per the rules of the Company as applicable for the Directors for the time being in force.
The total remuneration payable to Sh. Shammi Bansal as Executive Director i.e. salary, perquisites, and any other allowances shall not exceed the ceiling as provided in Section II of the Part-II of Schedule V of the Companies Act, 2013 including any amendment thereof from time to time.
No commission of whatsoever nature shall be paid to the Executive Director apart from the aforesaid remuneration.
- (iv) Other terms of re-appointment:
 - a) The terms and conditions of the re-appointment of Sh. Shammi Bansal as Executive Director may be varied or altered from time to time by the Board of Directors or Committee thereof in its discretion, if deemed fit but subject to the provisions of the Companies Act, 2013 or any regulations/ rules made there under.
 - b) The Office of Sh. Shammi Bansal as Executive Director shall be liable to retire by rotation.
 - c) No sitting fee shall be paid to Sh. Shammi

Bansal for attending the Board or Committee Meeting(s)

- d) Sh. Shammi Bansal shall abide by the Company's Code of Conduct or any other Code of Conduct as laid down in terms of Corporate Governance and Insider Trading Regulations, 2015.

None of the Directors, Key managerial Personnel of the Company or their relatives except Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company may be deemed to be concerned or interested in the proposed resolution no. 4.

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

- (i) Period: For a period from 1st June, 2018 to 31st March, 2021.
- (ii) Nature of Duties: Sh. Ashok Kumar shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best of the Company.
- (iii) Remuneration:
- a) Salary: ₹1,10,000/- per month subject to the Board reviewing any increase or variation in such salary.
- b) Perquisites: As per the rules of the Company as applicable for the Directors for the time being in force.

The total remuneration payable to Sh. Ashok Kumar as Executive Director i.e. salary, perquisites, and any other allowances shall not exceed the ceiling as provided in Section II of the Part-II of Schedule V of the Companies Act, 2013 including any amendment thereof from time to time.

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

- (iv) Other terms of re-appointment:

- a) The terms and conditions of the re-appointment of Sh. Ashok Kumar as Executive Director may be varied or altered from time to time by the Board of Directors or Committee thereof in its discretion, if deemed fit but subject to the provisions of the Companies Act, 2013 or any

regulations/ rules made there under.

- b) The Office of Sh. Ashok Kumar as Executive Director shall be liable to retire by rotation.
- c) No sitting fee shall be paid to Sh. Ashok Kumar for attending the Board or Committee Meeting(s)
- d) Sh. Ashok Kumar shall abide by the Company's Code of Conduct or any other Code of Conduct as laid down in terms of Corporate Governance and Insider Trading Regulations, 2015.

None of the Directors, Key managerial Personnel of the Company or their relatives, except Sh. Ashok Kumar may be deemed to be concerned or interested in the proposed resolution no. 5.

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

- (i) Period: For a period from 1st October, 2018 to 31st March, 2021.
- (ii) Nature of Duties: Sh. Adeesh Kumar Gupta shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best of the Company.
- (iii) Remuneration:
- a) Salary: ₹4,00,000/- per month subject to the Board reviewing any increase or variation in such salary.
- b) Perquisites: As per the rules of the Company as applicable for the Directors for the time being in force.

The total remuneration payable to Sh. Adeesh Kumar Gupta as Executive Director i.e. salary, perquisites, and any other allowances shall not exceed the ceiling as provided in Section II of the Part-II of Schedule V of the Companies Act, 2013 including any amendment thereof from time to time.

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

- (iv) Other terms of re-appointment:

- a) The terms and conditions of the re-appointment of Sh. Adeesh Kumar Gupta as Executive Director may be varied or altered from time to time by the Board of Directors or Committee thereof in its

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

None of the Directors, Key managerial Personnel of the Company or their relatives, except Sh. Adeesh Kumar Gupta may be deemed to be concerned or interested in the proposed resolution no. 6.

Draft of the said respective Service Agreement to be executed between Sh. Adesh Kumar Gupta, Sh. Shammi Bansal, Sh. Ashok Kumar and Sh. Adeesh Kumar Gupta and the Company and other relevant documents are available for inspection at the Company's registered office on any working day between 10:00 A.M. to 6:00 P.M. up to the date of forthcoming AGM.

Item No.7:

Smt. Lovelena Mody is a renowned business personality and she actively participates in State level CII activities. She is having a vast experience of managing the hospitality sectors. She was appointed as an Additional Director of the Company on 23rd January, 2015 and further appointed as Independent Director by the Members of the Company in their meeting held on 29th September, 2015 for a period of 3 years w.e.f. 29th September, 2015 and accordingly her office as an Independent Director will expire on 28th September, 2018 (first term). The Nomination and Remuneration Committee of the Board, considering her expertise, qualification, experience and contribution she has made in the Company, has recommended for the re-appointment of Smt. Mody as Independent Director of the Company for a second term of 3 consecutive years w.e.f. 29th September, 2018 to 28th September, 2021. The Board of Directors of the Company, on the basis of the recommendation of Nomination and Remuneration Committee of the Board, considers that, given her background, expertise, experience and contributions made during her tenure, the continued association of Smt. Lovelena Mody would be beneficial to the Company and it is desirable to continue to avail her services as Independent Director. Accordingly it is proposed to re-appoint Smt. Lovelena Mody as an Independent Director of the Company, not liable to retire by rotation, for a second term of 3 consecutive years on the Board of the Company.

Smt. Mody is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given

her consent to act as a Director. The Company has also received declaration from Smt. Mody that she meets the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

In the opinion of the Board, Smt. Lovelena Mody, proposed to be re-appointed, fulfils the conditions specified in the Act and the rules made there under and Listing Regulations and the proposed Director is Independent of the Management.

A copy of the draft letter of re-appointment setting out the terms and conditions etc. of re-appointment of Smt. Lovelena Mody, copy of the consent letter in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Intimation in form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that she is not disqualified in accordance with sub-section (2) of Section 164 of the Companies Act, 2013 and declaration that she meets the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013, Schedule IV Part IV of the code for Independent Director and other relevant documents are open for inspection at the Registered Office of the Company during business hours on any working day prior to the date of the Annual General Meeting. She will be paid remuneration by way of sitting fee for attending the Board Meetings of the Company or for any other purpose what so ever as may be decided by the Board from time to time and within the limits as specified under the provisions of Companies Act, 2013 and Listing Regulations.

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

This Statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and Listing Regulations.

None of the Directors, Key managerial Personnel of the Company or their relatives, except Smt. Lovelena Mody may be deemed to be concerned or interested in the proposed resolution no. 7.

Item No.8:

The Company has been envisaging for innovation in its product to satisfy the aspiration of its customers and with the aim of innovation and to offer something new to the customers, the Company is proposing for the diversification of its business activities from footwear to premium segment of lifestyle segments including line fragrance and perfumes without hampering its main business activities.

To enable the Company to commence the aforesaid business, it is proposed to amend the Main Objects under the Objects Clause of the

Memorandum of Association of the Company, by insertion of sub-clause 4 after the existing sub-clause 3 as stated in the resolution in the annexed notice. The existing sub-clauses 2 & 4 under para A of Clause III of the existing MOA are required to be amended and existing sub-clauses 5 & 6 under para A of Clause III of the existing MOA are required to be deleted keeping in view the business requirements and also to make it in consonance with the present business activities of the Company.

The members are further informed that the existing Objects clause III of the Memorandum of Association of the Company is divided in to (A) Main Objects; (B) Objects incidental or ancillary to attain main objects and (C) Other objects and as per the provisions of Section 4 of the Companies Act, 2013, a Company can have only following objects clause in its Memorandum of Association.

1. The objects to be pursued by the company on its incorporation i.e. main objects.

2. Matters which are necessary for furtherance of the main objects.

Accordingly upon enactment of the Companies Act, 2013, ("Act") the Memorandum of Association of the Company were required to be partially re-aligned as per the provisions of Companies Act, 2013 and it is proposed to replace the existing Clause III (A), Clause III (B) and Clause III (C) of the Memorandum of Association of the Company by substituting the same with the new clauses viz. Clause III (A) and Clause III (B) with new numbering of the clauses as per the Memorandum of Association more particularly enumerated in the resolution no. 8. It is also proposed to delete the other business, which were earlier stated in "Other Objects" and not proposed to be carried out by the Company in the near future and also to make it in line with the Companies Act, 2013.

The Board of Directors at their meeting held on 26th May, 2018 had approved, subject to the approval of members and regulatory approvals, the amendments in the Memorandum of Association of the Company as aforesaid.

The above amendments would be subject to such regulatory and statutory compliances, as may be necessary for the purpose and to give effect to the above amendments.

In terms of Section 4 and 13 of the Companies Act, 2013 (as amended), the consent of the Members by way of Special Resolution is required for change in objects clause of the Memorandum of Association of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said Resolution no. 8.

Item No.9:

To align with the requirements of the provisions of Companies Act, 2013 it is proposed to replace the 'liability clause' of the Memorandum of Association of the Company by substituting the same with the existing Clause IV to re-word the same appropriately in the manner as stated in the resolution No.9.

It is proposed to alter the existing Clause IV of the Memorandum of Association of the Company by substituting with the following new clause;

Clause IV. "The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

The Board of Directors had at their meeting held on 26th May, 2018 had approved, subject to the approval of members and

regulatory and statutory compliances, the above amendment in the Memorandum of Association of the Company as aforesaid.

The Memorandum and Articles of Association of the Company is available for inspection in physical or in electronic form during specified business hours i.e. between 9:00 a.m. to 6:00 p.m. at the Registered and Corporate office of the company and copies thereof shall also be made available for inspection in physical or electronic form at the Registered and Corporate office and also at the Annual General Meeting.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said Resolution no. 9.

Item No. 10:

Your Company had one Wholly Owned Subsidiary (WOS) namely Liberty Foot Fashion Middle East FZE at Dubai (LFF) which was set up in 2006 to expand its business activities in the overseas market and since then the said WOS has been contemplating to commence the business operations but due to continuing global recession and for the want of feasible business plans, it could not commence its business and commercial operations. The Company has invested total sum of ₹302.42 Lakh by way of Equity and Share Application Money in its WOS till date besides ₹75 Lakh approx. spent towards expenses of its WOS over the period on account of maintenance, administration and compliance etc. Considering no monetary benefits envisaged by the Board in continuing with this investment in future, the Board of Directors of the Company, subject to the compliance of applicable guidelines of Reserve Bank of India, and other laws in India and in Dubai has initiated the steps to discontinue the WOS of the Company during the year and also to liquidate its investments.

In view of above and in the interest of the Company, the Board of Directors is seeking approval from the members of the Company for winding up/liquidation of the WOS of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said Resolution no. 10.

The Directors recommend the aforesaid Resolution nos. 3 to 10 for the approval by the Members as Special Resolution.

By order of the Board
For Liberty Shoes Ltd.

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

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

Registered Office

Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail,
PO. Bastara, Distt. Karnal - 132114, Haryana
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CIN: L19201HR1986PLC033185

ANNEXURE-A

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[PURSUANT TO REGULATION 26(4) AND 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS-2 ON GENERAL MEETINGS]

Name of the Director	Sh. Adesh Kumar Gupta	Sh. Shammi Bansal
Director Identification Number (DIN)	00143192	00138792
Date of Birth/Age	27th June, 1960/58 Years	27th March, 1961/57 Years
Date of First appointment as Director	28th September, 1990	28th November, 1990
Qualification	Graduate in B.Sc (Engineering)	Graduate
Experience / Expertise in specific Functional Areas	<ul style="list-style-type: none"> • He has been working as Director since 1990 and as Executive Director since 2001. • He has been instrumental in formulating Company's strategies and being CEO, looking after the overall affairs of the Company since 2004. • He has over three decades of experience in footwear industry • He has been embraced by many prestigious awards and in the past, he has been a key functionary of Confederation of Indian industry. 	<ul style="list-style-type: none"> • He has been working as Director of the Company since 1990 and as Executive Director since 1995. • He is having experience of more than three decades in footwear industry. • He has been credited with various initiatives in the field of leather and footwear technology including use of E.P. Polymers, introduction of E.V.A compound in Indian Footwear industry. • He has been looking after the production designing and development of various types of footwear at Company's plants.
Terms & conditions of appointment/re-appointment	Please refer page no. 20 for terms & conditions of re-appointment as CEO & Executive Director	Please refer page no. 20 for terms & conditions of re-appointment as Executive Director
Details of remuneration to be sought/ remuneration last drawn (2017-18)	₹4 Lakh per month (including all perquisites)	₹4 Lakh per month (including all perquisites)
No. of Board Meetings attended during the year	Refer Corporate Governance Report	Refer Corporate Governance Report
Relationship with other Directors and other Key Managerial Personnel (KMPs) inter se	None	Brother of Sh. Sunil Bansal, Executive Director
List of directorship held in other Companies as on 31st March, 2018	<ul style="list-style-type: none"> • Liberty Automotive Private Limited • Sunfest Infratech & Power Private Limited • Geofin Investments Private Limited • Council for Footwear Leather and Accessories • Leather Sector Skill Council 	<ul style="list-style-type: none"> • Little World Constructions Pvt. Ltd.
List of membership in Committees of the Board of the other Companies in which he is a Director as on 31st March, 2018	None	None
No. of shares held in the Company:		
(a) Own	95000 Equity Shares*	259640 Equity Shares
(b) For other persons on a beneficial basis	NIL	NIL

* Other than Equity Shares held by his HUF

Name of the Director	Sh. Ashok Kumar	Sh. Adeesh Kumar Gupta	Smt. Lovelena Mody
Director Identification Number (DIN)	06883514	00137612	01279148
Date of Birth/Age	4th April, 1968/50 Years	11th January, 1964/54 Years	26th January, 1953/65 Years
Date of First appointment as Director	23rd January, 2015	12th August, 2011	23rd January, 2015
Qualifications	LL.B	Graduate	Graduate
Experience / Expertise in specific Functional Areas	<ul style="list-style-type: none"> He is a Law Graduate and has been advising Company on various legal matters for last several years. He has been working with the Company as Executive Director since June, 2015. 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. 	<ul style="list-style-type: none"> He has been associated with the Company in different capacity for last several years and having vast experience in the field of Human Resource Management and supervision of leather finishing unit. He has been contributing to operations of the Company with his vast experience. 	<ul style="list-style-type: none"> She is a renowned Business personality and she actively participates in State level CII activities. She is having vast experience of managing the hospitality sectors. She has been associated with the Company as Independent Director since 2015.
Terms & conditions of appointment/re-appointment	Appointed as Director liable to retire by rotation. Please refer page no. 21 for terms and conditions of re-appointment as Executive Director	Appointed as Director liable to retire by rotation. Please refer page no. 21 for terms and conditions of re-appointment as Executive Director	Appointed as an Independent Director of the Company.
Details of remuneration to be sought/remuneration last drawn (2017-18)	₹4 Lacs per months (including all perquisites)	₹4 Lacs per months (including all perquisites)	No remuneration has been paid during the FY 2017-18 or to be sought for re-appointment as Independent Director. However sitting fee for attending the Board Meetings of the Company has been paid during the FY 2017-18 as approved by the Board.
No. of Board Meetings attended during the year	Refer Corporate Governance Report	Refer Corporate Governance Report	Refer Corporate Governance Report
Relationship with other Directors and other Key Managerial Personnel (KMPs) inter se	None	None	None
List of directorship held in other Companies as on 31st March, 2018	None	<ul style="list-style-type: none"> Geofin Investments Private Limited Little World Constructions Pvt. Ltd. 	<ul style="list-style-type: none"> Great Value Express Hospitality Private Limited
List of membership in Committees of the Board of the other Companies in which he is a Director as on 31st March, 2018	None	None	None
No. of shares held in the Company:			
(a) Own	NIL	189360 Equity Shares*	NIL
(b) For other persons on a beneficial basis	NIL	NIL	NIL

* Other than Equity Shares held by his HUF

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 32nd Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2018.

Financial Highlights:

The highlights of the financial statements are as under:-

(₹ In Lakh)

Particulars	2017-18	2016-17
Gross Sales	55,030.85	51,890.76
Less: Excise Duty	702.27	2,299.92
Net Sales	54,328.58	49,590.84
Add: Other Income	107.48	195.50
Revenue from Operations and Other Income	54,436.06	49,786.34
Profit before Depreciation, Finance Costs and Tax	4,061.56	3,998.54
Less: Finance Costs	1,560.75	1,581.52
Less: Depreciation & Amortisation	1,345.70	1,359.33
Profit Before Exceptional Items	1,155.11	1,057.69
Less: Exceptional Items	65.45	42.01
Profit Before Tax Expense	1,089.66	1,015.68
Less: Tax Expenses	429.56	361.78
Net Profit for the year (NP)	660.10	653.90
Other Comprehensive Income /(Loss)	-	-
Total Comprehensive Income	660.10	653.90

Review of the operations of the Company:

Your Company has prepared the Financial Statements for the financial year ended March 31, 2018 under Sections 129, 133 and Schedule II of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and has also recast the Financial Statements relating to the previous financial year ended March 31, 2017 in order to make them comparable.

During the financial year ended 31st March 2018, Liberty has recorded a turnover of ₹55,030.85 Lakhs an increase of 6% over corresponding previous year 2017. The numbers are however not completely comparable consequent to implementation of Goods and Services Tax (GST) w.e.f 1st July, 2017. Your Company has sold 143 Lakh pairs shoes during the year under consideration against 110 Lakh pairs during the previous year which shows the confidence and acceptability of the products amongst the consumers.

The Profit before Depreciation, Interest and Tax stood at ₹4,061.56 Lakhs as compared to ₹3,998.54 Lakhs during the corresponding previous year 2016-17. The Profit before Tax expenses stood at ₹1,089.66 Lakh as compared to ₹1,015.69 Lakhs during the

corresponding previous year 2016-17. The Profit after Tax of your Company, for the year under consideration, has remained at ₹660.10 Lakhs as against ₹653.91 Lakhs during the corresponding previous year.

The Company's Profit margins during the year under consideration have remained at almost same level despite increase in turnover due to implementation of low margin high volume major Institutional order worth ₹4,800 Lakh (Approx).

Your Company always endeavours and understands the consumer needs through intensive market research and launches various new designs and product to fulfill the customers' aspirations at affordable price to match the changing lifestyle, habits and preferences. During the year under review, inspired by a market feedback that customers are most inclined to buying footwear with pronounced health benefits, your Company has further augmented and added its new product range as "HEALERS" with new concept and design with altogether different concept and price range to tap the premium segment market.

Your Board of Directors, during the year under consideration, has decided to discontinue wholly owned subsidiary (WOS) of the Company M/s Liberty Foot Fashion Middle East FZE, Dubai, by

liquidation of its Assets and has already taken the requisite steps to conclude this decision. No diminution in the investment value has been considered by the Company during the year under consideration. As the WOS has not commenced its operations and in view of the Board decision to discontinue this WOS, no consolidated financial statements have been prepared and got Audited by the Company for the year under consideration. The Members' approval for the above is being sought separately through the Notice of AGM.

As reported earlier also with regard to ongoing franchise arrangements since 2003 with the two partnership firms namely Liberty Enterprises (LE) and Liberty Group Marketing Division (LGMD), in which few of the Directors are interested as partners, your Company, considering long term benefits available under the said franchise agreements have extended the existing franchise arrangements with LE and LGMD for further period of 10 years commencing from 1st April, 2018.

Your Company, in order to leverage its existing retail presence and also to exploit the potential available in the lifestyle segment, has decided to add to its existing portfolio the faster growing fine fragrance and perfume products. The members approval to suitably amend the objects clause is being sought separately through the notice of AGM.

Credit Rating:

During the year under review, CARE Ratings Limited, a leading rating agency, has re-affirmed its Ratings CARE "A" (-); (single A Minus) in respect of Long Term banking facilities (comprising Term Loan and Working Capital fund based facilities) and CARE "A2" (+) ("A" Two Plus) in respect of Short Term banking facilities (comprising non fund based facilities) sanctioned by the Banks to the Company. The outlook on the Long Term rating is stable.

Subsidiary Company their Performance & Consolidated financial statement:

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

The Company had one Wholly Owned Overseas Subsidiary M/s Liberty Foot Fashion Middle East FZE (LFF), Dubai and during the year under consideration, the Company has decided to liquidate/dispose of its Assets without diminution/reduction of investments till date. Your Company till 31st March, 2018 has invested a sum of ₹302.42 Lakh (Previous Year ₹302.42 Lakh) in LFF as its capital contribution. As the WOS has not commenced its operations and in view of the winding up/liquidation of the WOS of the Company during the year under consideration no consolidated financial statements have been prepared and got Audited by the Company for the year ended 31st March, 2018.

Since, there is no financial statements available of its subsidiary Company, the same has not been attached and a statement containing salient features of the financial statements of the

Company's wholly owned subsidiary has not been provided as required under Section 129 of the Companies Act, 2013.

Appropriations:

Dividend

Your Directors, considering the financial requirement to the Company, have not recommended any dividend for the financial year ended 31st March 2018.

Transfer to Reserves

Your Directors proposed to transfer ₹300.00 Lakh (Previous Year ₹300.00 Lakh) to the General Reserves out of the profits available with the Company for appropriations. Accordingly, an amount of ₹360.11 Lakh (Previous Year ₹353.91 Lakh) has been proposed to be retained in the Profit & Loss Account of the Company.

Employees Stock Option Scheme(s)

During the year ended 31st March, 2018, 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 above 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.

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. 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.

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.

Whistle Blower Policy (Vigil Mechanism)

As per the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Regulation 22 of Listing Regulations, your Company has an effective mechanism of reporting illegal or unethical behavior. The Company has a Whistle Blower Policy (vigil mechanism) wherein the directors, employees, consultants and contractors are free to report violations of laws, rules and

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

Buy Back of Equity Shares:

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

Public Deposit(s):

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

Board of Directors and Key Managerial Personnel:

Retirement by rotation of the Directors

Sh. Ashok Kumar & Sh. Adeesh Kumar Gupta, Directors of the Company will retire by rotation at the 32nd 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 32nd Annual General Meeting.

Appointment(s) and Cessation of office of Directors

(a) Appointment /Re-appointment of Directors

During the year under consideration, the Board of Directors, considering the recommendation of the Nomination and Remuneration Committee, expertise, qualification experience and contribution made in the Company, in their meeting held on 19th March, 2018 approved, subject to the members' approval, re-appointment of Sh. Adesh Kumar Gupta as CEO & Executive Director and Sh. Shammi Bansal as Executive Director of the Company for further period of 3 years w.e.f. 1st April, 2018 to 31st March, 2021 on the terms and conditions and remuneration as stated in their respective draft service agreements. The draft service

agreements to be executed between the Company and Sh. Adesh Kumar Gupta and Sh. Shammi Bansal along with necessary resolutions for their re-appointment are being placed for the approval of the members at the 32nd Annual General Meeting of the Company.

The Board of Directors, considering the recommendation of the Nomination and Remuneration Committee, expertise, qualification, experience and contribution made in the Company, in their meeting held on 26th May, 2018 approved, subject to the members' approval, re-appointment of Sh. Ashok Kumar and Sh. Adeesh Kumar Gupta as Executive Directors of the Company for further respective period from 1st June, 2018 to 31st March, 2021 and from 1st October, 2018 to 31st March, 2021 on the terms and conditions and remuneration as stated in their respective draft service agreements. The draft service agreements to be executed between the Company and Sh. Ashok Kumar and Sh. Adeesh Kumar Gupta and the Company along with necessary resolutions for their re-appointment are being placed for the approval of the members at the 32nd Annual General Meeting of the Company.

Further, the Board of Directors, considering the recommendation of the Nomination and Remuneration Committee, expertise, qualification, experience and contribution made in the Company, in their meeting held on 26th May, 2018 recommended to the members of the Company, re-appointment of Smt. Lovelena Mody as an Independent Director of the Company for a second term of 3 consecutive years w.e.f. 29th September, 2018 to 28th September, 2021. The draft letter of appointment and other required documents along with necessary resolution for her re-appointment as Independent Director is being placed for the approval of the members at the 32nd Annual General Meeting of the Company.

A brief profile along with necessary details of above Directors seeking their re-appointment has been provided in Annexure-A to the Notice of the 32nd Annual General Meeting as required under the provisions of Regulation 36 (3) of the Listing Regulations.

(b) Cessation/Resignation of Directors

During the year under consideration, Sh. Vivek Bansal Independent Director of the Company, due to his pre occupation, has resigned from the position of Directorship of the Company w.e.f. 15th July, 2017. The Board members acknowledged the valuable services rendered by Sh. Vivek Bansal during his tenure as an Independent Director of the Company and expressed its appreciation and gratitude for the same. Except this, there is no change in the Board of Directors of the Company during the year under consideration.

Key Managerial Personnel

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

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

Committees of the Board

The Company's Board has constituted the following Committees:

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

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

Number of meetings of the board

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

Annual Evaluation of Directors and Board as a whole

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

The outcome of the Board evaluation for the financial year under consideration was discussed by the Nomination and Remuneration Committee and Board at their respective meetings held on 24th January, 2018, excluding the director being evaluated.

In line with the provisions of the Companies Act, 2013 and Listing Regulations, separate meeting of the Independent Directors of the Company was held on 24th January, 2018 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. The Policy of the Company also provides that Non-Independent Independent Directors be drawn from amongst eminent professionals with experience in business/finance/law/public administration & enterprises. The Board Diversity Policy of the Company requires the Board to have balance of skills, experience and diversity of perspectives appropriate to the Company. Directors are appointed/re-appointed with the approval of the Members for a shorter period say, two to five years only. All Directors, other than Independent Directors, are liable to retire by rotation and are eligible for re-election in terms of the provisions of Articles of Association. The Independent Directors of your Company have confirmed that they meet the criteria of independence as prescribed under section 149 of the Companies Act, 2013 and Regulation 16 of Listing Regulations.

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

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 relate to the date of the report.

Change in the nature of Business, if any

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

Internal financial control systems and their adequacy

Liberty's internal financial controls are adequate and operate

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

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

Declaration by Independent Directors

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

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 2017-18.

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, 2018 in respect of matters pertaining to the financial management or any other matter related thereto, were considered and duly accepted by the Board of Directors of the Company.

Statutory Auditors and their Report

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

Auditors' Report:

Your Company's Directors have examined the Statutory Auditors' Report issued by M/s U. Shanker & Associates, Chartered Accountants on the Annual Accounts of the Company for the financial year ended 31st March, 2018. There is no reservation, qualification or adverse remark made by the Statutory Auditors in their Report and their clarifications, wherever necessary, have been included in the Notes to the Accounts section as mentioned elsewhere in this Annual Report. During the period under consideration, no incident of frauds was reported by the Statutory Auditors pursuant to Section 143(12) of the Companies Act, 2013.

Secretarial Auditors and their Report

Your Directors have appointed M/s Sanjay Grover & Associates, a Practicing Company Secretaries, in accordance with the provisions of Section 204 read with Section 179 of the Companies Act, 2013 and rule 8 of the Companies (Meetings of Board and its Powers), Rules, 2014 for the financial year 2017-18 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, 2018 has been submitted by M/s Sanjay Grover & Associates and taken on record by the Board of Directors of the Company. The Report of the Secretarial Auditors in Form MR-3 for the financial Year ended 31st

March, 2018 is enclosed to this Report. The Board members have examined the above said report and observed that there is no reservation, qualification and adverse remark made by the Secretarial Auditors.

Internal Auditors and their Report

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

The Internal Audit Report in respect of books of accounts and Internal Control system of the Company for the Financial Year ended March 31, 2018 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, 2018 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 orders

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

Transactions with Related Parties

During the year 2017-18, 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. During the year under consideration, all related party transactions, non repetitive in nature for which no omnibus approval was granted, were placed before the Audit

Committee and Board of Directors for their approval. Your Company does not have a material unlisted subsidiary as defined under Regulation 16 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 2017-18 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 the prior approval of shareholders and Central Government under the provisions of erstwhile Companies Act, 1956. 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 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 2017-18, no employee, whether employed for whole or part of the year, was drawing remuneration exceeding the limits mentioned under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subsequent amendments thereto.

Extract of Annual Return

As provided under Section 92(3) of the Companies Act, 2013, the extract of annual return is given in Annexure IV in the prescribed Form MGT-9, which forms part of this report. The Annual return for the financial year ended 31st March, 2018 is available on the website of the Company 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. Promoting Education and Skill development

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

BETI BACHAO BETI PADHAO" - CSR initiatives of LIBERTY

Liberty as a responsible corporate, have participated in a noble CSR initiatives **BETI BACHAO BETI PADHAO** of the Haryana Government and have contributed in its own way to make the Girls attend schools on a regular basis and get better education.



Sh. Sanjiv Kaushal, (IAS) additional Chief Secretary to Govt. of Haryana, Sh. Adesh Kumar Gupta, CEO and Sh. Raman Bansal of Liberty Shoes Ltd. at the CSR event organized by the Company at Karnal.



At the CSR event of Liberty Shoes Limited at Karnal, other similar welfare activities were also organized including contribution to the poor and needy women for earning their livelihood with self dependency and uplifting of their lives.

2. Promoting Preventive and other Health Care

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

3. Promotion of Sports

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



Sh. Shammi Bansal, Executive Director of Liberty Shoes Ltd. felicitating Ms. Kusum, National and International Boxing Champion of Haryana.

4. Sanitation by Cleanliness

Liberty has organised campaign to clean the public places around its plants/offices in Karnal

5. Environmental sustainability

Liberty is ensuring environmental sustainability through tree plantation, conservation of natural resources and maintaining of quality of soil, air and water in the places around its Plants/Offices.



Liberty has installed solar power plant at its Libertypuram manufacturing facilities as alternate source of energy and conservation of natural resources.

6. Other CSR activities and initiatives:

Liberty has contributed for the promotion of religious activities by contributing to temples/Pooja/various registered Kalyankari Sabhas and societies and also contributed to the Association incorporated with the objective of development of trade to which your Company belongs.

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

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

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

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

During the year ended 31st March, 2018 the Committee did not receive any complaint pertaining to sexual harassment.

Corporate Governance and Ethics

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

As per regulation 34 of the Listing Regulations, a separate section on corporate governance practices followed by your Company, together with a certificate from Statutory Auditors M/s U. Shanker & Associates, Chartered Accountants, on compliance with corporate governance norms under the Listing Regulations, is given at page no. 55 to page no 78 of this Annual report.

Management Discussion and Analysis Report

In terms of Regulation 34 of the Listing Regulations, the Management Discussion and Analysis report on your Company's performance, industry trends and other material changes with respect to your Company and its wholly owned subsidiary, wherever applicable, are presented at page no. 80 to page no. 83 of this Annual report. The Management Disclosure

and Analysis Report provides a consolidated prospective of economic, social and environmental aspects material to our strategy and our ability to create and sustain value to our key stakeholders.

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

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

Outstanding Share Capital and its Listing:

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

Acknowledgments and Appreciation:

Your Directors take this opportunity to place on record their sincere gratitude for the consistent cooperation and support received from the shareholders, Bankers, Channel Partners and the Government Authorities.

Your Directors also wish to place on record their appreciation for the guidance & support received from Council for Footwear Leather & Accessories (CFLA).

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

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

NOMINATION AND REMUNERATION POLICY

OBJECTIVE AND GUIDING PRINCIPLES

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

- ♦ the level and composition of remuneration is reasonable to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives;
- ♦ the relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
- ♦ the remuneration to Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) and other employees, wherever applicable, involves a balance between fixed and incentive pay and also reflects the short and long term performance objectives appropriate to the working of the Company and its goals.
- ♦ the Company has a compensation mix of fixed pay, benefits, allowances, perquisites, performance linked incentives, wherever applicable, and retirement benefits for its Executive Directors, KMP, SMP and other Employees.
- ♦ the remuneration and payment of advances/loans to the employees other than Directors/KMPs/SMPs.

THE NOMINATION AND REMUNERATION COMMITTEE

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

DEFINITIONS

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

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

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

INTERPRETATION

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

ROLE OF THE COMMITTEE

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

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

reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

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

MEMBERSHIP

- a. The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- b. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d. Membership of the Committee shall be disclosed in the Annual Report.
- e. Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN

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

FREQUENCY OF MEETINGS

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

COMMITTEE MEMBERS' INTERESTS

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VOTING

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

Diversity

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

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

APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

• Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient /

satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole time Director/ Manager who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years
- Term/Tenure:
 1. Managing Director/Whole-time Director/Manager (Managerial Person):
 - ✦ The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
 2. Independent Director:
 - ✦ An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company 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. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of 5 years only.
 - ✦ At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole time Director of a listed Company.
 - Evaluation:

Committee shall carry out evaluation of performance of

every Director, KMP and Senior Management at regular interval (yearly).

- Removal:

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

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

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

- General:
 1. The remuneration/ compensation/ commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
 2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
 3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. 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.

• **Remuneration to Managerial Person, KMP and Senior Management:**

1. Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to PF, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

3. Provisions for excess remuneration:

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

The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

• **Remuneration to Non-Executive / Independent Director:**

1. Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

2. Sitting Fees:

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

3. Limit of Remuneration /Commission:

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.

4. Stock Options:

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

• **REMUNERATION TO OTHER EMPLOYEES**

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

MINUTES OF COMMITTEE MEETING

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

DEVIATIONS FROM THIS POLICY

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

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

ANNEXURE-II TO DIRECTORS' REPORT

LIBERTY

Particulars of employees

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

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

Executive Directors	Ratio to median Remuneration
Sh. Adesh Kumar Gupta	41.00
Sh. Shammi Bansal	41.00
Sh. Sunil Bansal	41.00
Sh. Adeesh Kumar Gupta	41.00
Sh. Ashok Kumar	11.00

* During the FY 2017-18, no Remuneration has been paid to Sh. Sunil Bansal, Executive Director of the Company.

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

Directors, Chief Financial Officer, Chief Executive officer, and Company Secretary	% increase in remuneration in the Financial year (%)
Sh. Adesh Kumar Gupta, CEO & Executive Director	NIL
Sh. Shammi Bansal, Executive Director	NIL
Sh. Sunil Bansal, Executive Director	NIL
Sh. Adeesh Kumar Gupta, Executive Director	NIL
Sh. Ashok Kumar, Executive Director	NIL
Sh. Munish Kakra, CFO & Company Secretary	20

* During the FY 2017-18, no Remuneration has been paid to Sh. Sunil Bansal, Executive Director of the Company.

- c) The percentage increase in the median remuneration of employees in the financial year: 8%
- d) The number of permanent employees on the rolls of the Company: 2198
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there any exceptional circumstances for increase in the managerial remuneration:
Average Percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 8%, whereas the increase in the managerial remuneration was NIL. The average increase of remuneration every year is an outcome of Company's market competitiveness as against similar Companies.
- f) **Affirmation that the remuneration is as per the remuneration policy of the Company:**
The Company affirms that remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

ANNEXURE- III TO DIRECTORS' REPORT

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

S. No.	Name	Designation	Remuneration (₹ in Lakh)	Nature of Employment, Whether Contractual or otherwise	Qualification	Experience (In Years)	Date of Appointment	Age	Last employment Designation	Employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	Sh. Adesh Kumar Gupta	CEO & Executive Director	48.00	Permanent	BSC Engg. (Mechanical) with Hons.	33	28th September, 1990	58	NA	NA
2	Sh. Adeesh Kumar Gupta	Executive Director	48.00	Permanent	Graduate	26	12th August, 2011	54	NA	NA
3.	Sh. Shammi Bansal	Executive Director	48.00	Permanent	Graduate	31	28th September, 1990	57	NA	Brother of Sh. Sunil Bansal, Executive Director of the Company
4.	Sh. Ramesh Kumar Sadhu	CEO - Retail	47.98	Permanent	Graduate, CA Inter	38	1st April, 2004	63	Super House Sr. Vice President	NA
5.	Sh. Munish Kakra	CFO & Company Secretary	39.75	Permanent	M. Com, CS, LL.B	33	28th September, 2001	54	NA	NA
6.	Sh. Raman Bansal	Head Sales & Distribution	30.00	Permanent	Graduate	29	1st April, 2005	56	Partner, Liberty Group Marketing Division & Liberty Enterprises, Karnal	Brother of Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company
7.	Sh. Vivek Bansal	Head Production PVC & non Leather Division	30.00	Permanent	Graduate	26	1st April, 2005	53	Partner, Liberty Group Marketing Division & Liberty Enterprises, Karnal	Brother of Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company
8.	Sh. Anupam Bansal	Head Retail	30.00	Permanent	Graduate & Diploma in Shoes Designing from Italy	21	1st April, 2013	46	M.D., Liberty Retail Revolutions Ltd., New Delhi	Brother of Sh. Sunil Bansal and Sh. Shammi Bansal, Executive Directors of the Company
9.	Sh. Ram Prakash	Head-Information Technology	27.00	Permanent	BCA	15	15th June, 2009	43	Retail I.T. Principal Consultant Birla Soft, Noida	NA
10.	Sh. Satish Kumar Saini	CFO-Retail	24.24	Permanent	M.B.A. Finance	24	1st August 2007	49	Vice President, Amartex Industries Ltd. Panchkula, Haryana	NA

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

ANNEXURE-IV TO DIRECTORS' REPORT

LIBERTY

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

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

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sr. No.	Name and Description of main products/services	NIC Code of the Product/services	% of total turnover of the Company
1	Manufacturing and Trading of Footwear and Fashion Accessories	1520	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

I. Category-wise Share Holding		No. of Shares held at the beginning of the year i.e. 01.04.2017				No. of Shares held at the end of the year i.e. 31.03.2018				% change during the year
	Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
a.	Individuals/Hindu Undivided Family	5964269	83360	6047629	35.49	5901992	83360	5985352	35.12	(0.37)
b.	Central Government	-	-	-	-	-	-	-	-	-
c.	State Government(s)	-	-	-	-	-	-	-	-	-
d.	Bodies Corporate	4472517	-	4472517	26.25	4472517	-	4472517	26.25	-
e.	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
f.	Others	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)		10436786	83360	10520146	61.74	10374509	83360	10457869	61.37	(0.37)
2	Foreign									
a.	Non-Resident Individuals	-	-	-	-	-	-	-	-	-
b.	Other Individuals	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	-	-	-	-	-	-	-	-	-
d.	Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
e.	Others	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)		10436786	83360	10520146	61.74	10374509	83360	10457869	61.37	(0.37)
B.	Public Shareholding									
1	Institutions	-	-	-	-	-	-	-	-	-
a.	Mutual Funds	-	-	-	-	-	-	-	-	-
b.	Financial Institutions/ Banks	43767	700	44467	0.26	6720	700	7420	0.04	(0.22)
c.	Central Government	-	-	-	-	-	-	-	-	-
d.	State Government(s)	-	-	-	-	-	-	-	-	-
e.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f.	Insurance Companies	-	-	-	-	-	-	-	-	-
g.	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h.	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i.	Any Other (specify) Alternate Investment Fund	-	-	-	-	197000	-	197000	1.16	1.16
Sub-Total (B) (1)		43767	700	44467	0.26	203720	700	204420	1.20	0.94
2	Non-Institutions									
a.	Bodies Corporate	558877	2700	561577	3.30	343021	2700	345721	2.03	(1.27)
b.	Individuals									
i	Individual Shareholders holding nominal share capital upto ₹1 Lakh	2773262	195923	2969185	17.43	3020473	188022	3208495	18.83	1.40
ii	Individual Shareholders holding nominal share capital in excess of ₹1 Lakh	2447611	12080	2459691	14.43	2138648	-	2138648	12.55	(1.88)
c.	Any Other (specify)									
i.	Trusts	300	-	300	0.00	700	-	700	-	-
ii.	Foreign Companies	-	-	-	-	-	-	-	-	-
iii.	Clearing Members/Clearing Houses	165148	-	165148	0.97	67186	-	67186	0.39	(0.57)
iv.	Hindu Undivided Families	134995	-	134995	0.79	162526	-	162526	0.95	0.16
v.	Non-Resident Indians (Non Repat)	63259	200	63459	0.37	118494	200	118694	0.70	0.32
vi.	Non-Resident Indians (Repat)	120832	-	120832	0.71	335541	-	335541	1.97	1.26
vii.	Directors and their relatives	200	-	200	0.00	200	-	200	0.00	0.00
Sub-Total (B) (2)		6264484	210903	6475387	38.00	6186789	190922	6377711	37.43	(0.57)
Total Public Shareholding (B)=(B)(1) + (B) (2)		6308251	211603	6519854	38.26	6390509	191622	6582131	38.63	0.37
Total (A) + (B)		16745037	294963	17040000	100.00	16765018	274982	17040000	100.00	-
C.	Shares held by Custodians & against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A) + (B) + (C)		16745037	294963	17040000	100.00	16765018	274982	17040000	100.00	-

ii. Shareholding of Promoters								
Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in the shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Sh. Adesh Kumar Gupta (Karta)	680000	3.99	-	680000	3.99	-	0.00
2	Sh. Adeesh Kumar Gupta (Karta)	660000	3.87	-	660000	3.87	-	0.00
3	Sh. Arpan Gupta Karta of Dinesh Kumar Gupta (HUF)	640000	3.76	-	640000	3.76	-	0.00
4	Sh. Arpan Gupta	552400	3.24	-	552400	3.24	-	0.00
5	Sh. Anupam Bansal	478640	2.81	-	478640	2.81	-	0.00
6	Sh. Ayush Bansal	300000	1.76	-	300000	1.76	-	0.00
7	Sh. Pulkit Bansal	300000	1.76	-	300000	1.76	-	0.00
8	Smt. Ruchir Bansal	300000	1.76	-	300000	1.76	-	0.00
9	Sh. Shammi Bansal	259640	1.52	-	259640	1.52	-	0.00
10	Sh. Pranav Gupta	242910	1.43	-	180633	1.06	-	(0.37)
11	Sh. Akshat Gupta	241660	1.42	-	241660	1.42	-	0.00
12	Sh. Vivek Bansal	233640	1.37	-	233640	1.37	-	0.00
13	Sh. Raman Bansal	232640	1.37	-	232640	1.37	-	0.00
14	Sh. Sunil Bansal	232640	1.37	-	232640	1.37	-	0.00
15	Sh. Adeesh Kumar Gupta	189360	1.11	-	189360	1.11	-	0.00
16	Sh. Manan Bansal	150000	0.88	-	150000	0.88	-	0.00
17	Sh. Vaibhav Bansal	150000	0.88	-	150000	0.88	-	0.00
18	Sh. Adesh Kumar Gupta	95000	0.56	-	95000	0.56	-	0.00
20	Smt. Rehti Devi	83360	0.49	-	83360	0.49	-	0.00
21	Smt. Kamlawati	13600	0.08	-	13600	0.08	-	0.00
22	Sh. Adarsh Gupta	11000	0.06	-	11000	0.06	-	0.00
23	Sh. Anmol Gupta	1139	0.01	-	1139	0.01	-	0.00
24	M/s GEOFIN INVESTMENTS PVT. LTD.	4472517	26.25	-	4472517	26.25	-	0.00
	Total	10520146	61.74	-	10457869	61.37	-	(0.37)

iii. Change in Promoters' Shareholding (please specify, if there is no change)					
Sr. No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Sh. Pranav Gupta				
1	At the beginning of the year	242910	1.43	242910	1.43
2	Sell of Shares on 21st July, 2017	(50)	(0.00)	242860	1.43
3	Sell of Shares on 28th July, 2017	(62227)	(0.37)	180633	1.06
4	At the end of the year			180633	1.06

*Except above there is no change in Promoters' shareholding between 01.04.2017 to 31.03.2018

iv.	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):					
Sr. No	Top 10 Shareholders		Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	SATISH KUMAR GUPTA					
	At the beginning of the year		866202	5.083	866202	5.083
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	-	-	-	-	-	-
	At the end of the year				866202	5.083
2	HARISH KUMAR GUPTA					
	At the beginning of the year		759816	4.459	759816	4.459
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	15 Sep 2017	Sell	(179520)	(1.054)	580296	3.405
	06 Oct 2017	Buy	95520	0.561	675816	3.966
	At the end of the year				675816	3.966
3	EQ INDIA FUND					
	At the beginning of the year		-	-	-	-
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	15 Sep 2017	Buy	197000	1.156	197000	1.156
	At the end of the year				197000	1.156
4	AKARSH GUPTA					
	At the beginning of the year		145000	0.851	145000	0.851
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	07 Apr 2017	Buy	12080	0.071	157080	0.922
	21 Apr 2017	Sell	(2080)	(0.012)	155000	0.910
	28 Apr 2017	Sell	(7000)	(0.041)	148000	0.869
	05 May 2017	Sell	(2500)	(0.015)	145500	0.854
	07 Jul 2017	Sell	(500)	(0.003)	145000	0.851
	At the end of the year				145000	0.851

Sr. No	Top 10 Shareholders		Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	ELSAMMA JOSEPH					
	At the beginning of the year		-	-	-	-
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	15 Sep 2017	Buy	125000	0.734	125000	0.734
6	KANISHK GUPTA					
	At the beginning of the year		105000	0.616	105000	0.616
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	15 Sep 2017	Sell	(5000)	(0.029)	100000	0.587
7	DHEERAJ GUPTA					
	At the beginning of the year		166500	0.977	166500	0.977
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	21 Jul 2017	Sell	(40000)	(0.235)	126500	0.742
8	SRIKANTH DHULIPALA					
	At the beginning of the year		15000	0.088	15000	0.0880
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	19 May 2017	Buy	5000	0.029	20000	0.1174
9	EDELWEISS CUSTODIAL SERVICES LTD.					
	At the beginning of the year		4053	0.024	4053	0.024
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	07 Apr 2017	Buy	4800	0.028	8853	0.0520
	14 Apr 2017	Sell	(3938)	(0.023)	4915	0.0288
	21 Apr 2017	Sell	(1530)	(0.009)	3385	0.0199
	28 Apr 2017	Buy	510	0.003	3895	0.0229
	05 May 2017	Sell	(474)	(0.003)	3421	0.0201
	12 May 2017	Buy	251	0.001	3672	0.0215
	At the end of the year				65000	0.3815

Sr. No	Top 10 Shareholders		Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	19 May 2017	Buy	695	0.004	4367	0.0256
	26 May 2017	Buy	2695	0.016	7062	0.0414
	02 Jun 2017	Sell	(1428)	(0.008)	5634	0.0331
	09 Jun 2017	Buy	2515	0.015	8149	0.0478
	16 Jun 2017	Buy	2131	0.013	10280	0.0603
	23 Jun 2017	Sell	(60)	(0.000)	10220	0.0600
	30 Jun 2017	Sell	(386)	(0.002)	9834	0.0577
	07 Jul 2017	Sell	(343)	(0.002)	9491	0.0557
	14 Jul 2017	Buy	272	0.002	9763	0.0573
	21 Jul 2017	Sell	(2234)	(0.013)	7529	0.0442
	28 Jul 2017	Sell	(1010)	(0.006)	6519	0.0383
	04 Aug 2017	Buy	60820	0.357	67339	0.3952
	11 Aug 2017	Buy	7223	0.042	74562	0.4376
	18 Aug 2017	Buy	2783	0.016	77345	0.4539
	25 Aug 2017	Sell	(6479)	(0.038)	70866	0.4159
	01 Sep 2017	Buy	1996	0.012	72862	0.4276
	08 Sep 2017	Buy	817	0.005	73679	0.4324
	15 Sep 2017	Buy	2284	0.013	75963	0.4458
	22 Sep 2017	Sell	(8329)	(0.049)	67634	0.3969
	29 Sep 2017	Sell	(195)	(0.001)	67439	0.3958
	17 Nov 2017	Sell	4743	0.028	72182	0.4236
	24 Nov 2017	Sell	(5272)	(0.031)	66910	0.3927
	01 Dec 2017	Buy	61	0.000	66971	0.3930
	08 Dec 2017	Buy	275	0.002	67246	0.3946
	15 Dec 2017	Sell	(143)	(0.001)	67103	0.3938
	22 Dec 2017	Sell	(903)	(0.005)	66200	0.3885
	29 Dec 2017	Buy	219	0.001	66419	0.3898
	30 Dec 2017	Sell	(210)	(0.001)	66209	0.3886
	05 Jan 2018	Buy	16	0.000	66225	0.3886
	12 Jan 2018	Buy	183	0.001	66408	0.3897
	19 Jan 2018	Sell	(380)	(0.002)	66028	0.3875
	26 Jan 2018	Buy	235	0.001	66263	0.3889
	02 Feb 2018	Buy	1385	0.008	67648	0.3970
	09 Feb 2018	Sell	(727)	(0.004)	66921	0.3927
	16 Feb 2018	Sell	(142)	(0.001)	66779	0.3919
	23 Feb 2018	Sell	(4858)	(0.029)	61921	0.3634
	02 Mar 2018	Sell	(6)	(0.000)	61915	0.3634
	09 Mar 2018	Buy	433	0.003	62348	0.3659
	16 Mar 2018	Buy	396	0.002	62744	0.3682
	23 Mar 2018	Buy	1056	0.006	63800	0.3744
	31 Mar 2018	Sell	(267)	(0.002)	63533	0.3728
	At the end of the year				63533	0.3728

Sr. No	Top 10 Shareholders		Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
10	BODEPUDI JEEVAN KISHOR					
	At the beginning of the year		-	-	-	-
	Date wise increase(+)/decrease(-) with reasons, during the year:					
	Date	Reason				
	09 Jun 2017	Buy	7003	0.041	7003	0.0411
	07 Jul 2017	Buy	10030	0.059	17033	0.1000
	14 Jul 2017	Buy	37000	0.217	54033	0.3171
	04 Aug 2017	Buy	8000	0.047	62033	0.3640
	At the end of the year				62033	0.3640

v. Shareholding of Directors and Key Managerial Personnel:								
Sr. No.	Folio/Beneficiary Account no.	Name of the Director/ Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
					No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	IN30115127865430	Sh. Adesh Kumar Gupta - CEO & Executive Director	01.04.2017	At the beginning of the year	95,000	0.56	95000	0.56
			31.03.2018	At the end of the year			95000	0.56
2	IN30154918000382	Sh. Shammi Bansal - Executive Director	01.04.2017 of the year	At the beginning	259,640	1.52	259640	1.52
			31.03.2018	At the end of the year			259640	1.52
3	IN30115128197297	Sh. Sunil Bansal - Executive Director	01.04.2017	At the beginning of the year	232,640	1.37	232640	1.37
			31.03.2018	At the end of the year			232640	1.37
4	IN30115127865552	Sh. Adeesh Kumar Gupta - Executive Director	01.04.2017	At the beginning of the year	189,360	1.11	189360	1.11
			31.03.2018	At the end of the year			189360	1.11
5	IN30131320186971	Sh. Ramesh Chandra Palhan- Independent Director (Jointly with his wife)	01.04.2017	At the beginning of the year	200	0.00	200	0.00
			31.03.2018	At the end of the year			200	0.00

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

(₹ in Lakh)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
-					
i	Principal Amount	13,591.41	642.33	-	14,233.74
ii	Interest due but not paid	29.73	-	-	29.73
iii	Interest accrued but not due	-	-	-	-
Total (i + ii + iii)		13,621.14	642.33	-	14,263.47
Change in indebtedness during the financial year					
i	Addition	156.97	1,587.64	-	1,744.61
ii	Reduction	3,048.19	1,346.89	-	4,395.08
Net Change		(2,891.22)	240.75	-	(2,650.47)
Indebtedness at the end of the financial year					
i	Principal Amount	10,729.92	779.14	-	11,509.06
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	-	103.94	-	103.94
Total (i + ii + iii)		10,729.92	883.08	-	11,613.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				(₹ in Lakh)
		Sh. Adesh Kumar Gupta	Sh. Shammi Bansal	Sh. Adeesh Kumar Gupta	Sh. Ashok Kumar	Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	48.00	48.00	48.00	13.20	157.20
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission- as % of profit	-	-	-	-	-
5	Others, Allowances	-	-	-	-	-
	Total (A)	48.00	48.00	48.00	13.20	157.20
	Ceiling as per the Act (@10% of profits calculated under Section 198 of the Companies Act, 2013)					131.37

(₹ in Lakh)

B. Remuneration to other Directors					
Sr. No.	Particulars of Remuneration	Fee for attending board/committee meetings	Commission	Others, please specify	Total Amount
1	Independent Directors				
	Sh. Raghubar Dayal	1.00	-	-	1.00
	Sh. Ramesh Chandra Palhan	1.00	-	-	1.00
	Sh. Pushpinder Singh Grewal	0.30	-	-	0.30
	Smt. Lovelena Mody	0.10	-	-	0.10
	Total (1)	2.40	-	-	2.40
2	Other Non-Executive Directors	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1 + 2)	2.40	-	-	2.40
	Total Managerial Remuneration (B)	2.40	-	-	2.40
	Ceiling as per the Act (@1% of profits calculated under Section 198 of the Companies Act, 2013)				13.13

C. Remuneration to Key Managerial Personnel (KMP) other than MD/Manager/WTD				(₹ in Lakh)	
Sr. No.	Particulars of Remuneration	Name of KMP		Total Amount	
		Sh. Munish Kakra, CFO & Company Secretary			
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	39.75		39.75	
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-		-	
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-		-	
2	Stock Option	-		-	
3	Sweat Equity	-		-	
4	Commission- as % of profit	-		-	
5	Others, Allowances	-		-	
	Total	39.75		39.75	

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENSES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

ANNEXURE- V TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

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

Liberty has always been a frontrunner in contributing to the society at large. In Liberty, CSR initiatives are being undertaken long before the implementation of new provisions of Section 135 of the Companies Act, 2013. Liberty is committed to further strengthen its effort and activities by demonstrating care for the community through its focus on education and development of skills, health and wellness including treatment for poor, needy & uninsured 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. Details of the CSR policy and projects or programs proposed to be

undertaken by the Company are available on the website of the Company viz. www.libertyshoes.com.

2. Composition of CSR Committee:

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.

The CSR Committee of the Directors comprises of Sh. Shammi Bansal, Executive Director as Chairman and Sh. Adeesh Kumar Gupta, Executive Director Sh. Raghubar Dayal, Sh. Ramesh Chandra Palhan and Smt. Lovelena Mody, Independent Directors as members of the Committee.

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

(a) Total amount to be spent for the financial year: ₹30.61 Lakh (Being 2% of the Average net profit of last three financial years viz ₹1,530.40 Lakh).

(b) Amount unspent: Not Applicable.

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

Sr. No.	CSR Projects or Activity Identified	Sector in which the projects are covered	Projects or programs (1) Local Area or other (2) specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise (₹ in Lakh)	Amount spent on the projects or programs Subheads: (1) Direct Expenditure (2) Overheads (₹ in Lakh)	Cumulative Expenditure up to the reporting period (₹ in Lakh)	Amount spent: Direct or through implementing agency
1	Provided free of cost/concessional medical aids and testing facilities to the poor and needy people by making suitable contribution to different charitable Hospitals.	Promotion of Preventive health care	Local Area	7.00	6.78	6.78	Direct
2	Cleanliness campaign.	Sanitation by cleanliness	Local Area	8.00	7.75	7.75	Direct

3	(a) Contributions/ sponsorships to Schools for providing education/ healthcare to children who can't afford it and to ensure the holistic development of underprivileged children by providing them quality education, healthcare and balanced nutrition. (b) Provided free of cost footwear to various school/ institutions to further provide to the children/ students who can't afford it.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Local Area	9.00	7.07	7.07	Direct
4	Contributed to registered Sports Associations in Kamal, for providing training to youth/young athletes of Haryana to prepare and make them ready to participate in National Games/ Olympics.	Promotion of Sports	Local Area	8.00	7.32	7.32	Direct
5	(a) Contribution for Animal welfare (b) Tree Plantation and development of green area in and around the plants/offices.	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining of quality of soil, air and water	Local Area	5.00	3.50	3.50	Direct
Sub-total				37.00	32.42	32.42	
Overhead				-	-	-	
Total CSR spend				37.00	32.42	32.42	

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

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

For and on behalf of the Board of Directors

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

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

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

ANNEXURE VI TO DIRECTORS' REPORT

Annexure 'A'

Disclosure of particulars under Section 134 (1) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of Directors' Report for the financial year ended 31st March, 2018, are given as under:

A) CONSERVATION OF ENERGY:

I. Energy Conservation measures taken

Liberty continues to endeavor to improve energy efficiency & conservation at its all manufacturing units. Few of the energy conservation measures implemented during the financial year ended 31st March, 2018 are given below:

- Replacement of low efficiency motors and pumps to high efficiency wherever required.
- Replacement of CFL lamps with LED lights at manufacturing units at Libertypuram & Roorkee plants.
- Focus on energy conservation through maximize utilization of natural lights wherever possible at the manufacturing plants.
- Installation of roof top solar powers plant at manufacturing unit at Libertypuram to reduce costs and also to reduce partial dependence on Electricity Board and D.G. Sets.

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

Liberty would continue with its efforts towards effective utilization of energy across its manufacturing units. Besides this the Company has also implemented various initiatives to reduce the impact on environment.

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

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

The savings are as under:

- Total energy saving in the year 2017-18: ₹22 Lakh
- Energy saving per manufacturing pair during the year 2017-18: ₹0.15 per pair
- Energy saving against total cost of consumption of energy in the year 2017-18: 2.62%

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

The Company, during the year under consideration has installed solar power plant at its Libertypuram manufacturing facilities.

V) Capital Investment on energy conservation equipment

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

B) TECHNOLOGY ABSORPTION:

I. Efforts made in technology absorption

At Liberty, substantial energies were focused on

understanding of consumer needs & developing footwear to satisfy those needs.

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

- R&D efforts were directed mainly towards core areas of footwear manufacturing techniques and innovations relating to value and resilience of the products.
- Launch of new footwear designs including "HEALERS", the medicated footwear offering value for money for its consumers.
- Development of alternative raw materials and other inputs to reduce the costs.

III. Technology Imported during last three years: None

IV. The future plan of action

Exclusive efforts will be implemented in innovation capability development and improving process for footwear developments. Further efforts will also be implemented to develop new ideas after understanding consumers' insights and faster conversion of ideas into final products.

V. Expenditure in R & D

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

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

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

The implementation of innovative technologies in various manufacturing processes has helped Liberty to improve value & shelf life of footwear and also to develop capabilities amongst its employees.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

I) Efforts and initiative in relation to the exports:

The Company in order to improve its export performance and for the better understanding of international trends has participated in leading international trade fairs and also initiated negotiations with the new overseas customers for its complete range of footwear.

II) Total foreign exchange used and earned:

During the year, the Company has earned foreign exchange of ₹2,990.30 Lakh (previous year ₹4,359.63 Lakh) and used foreign exchange of ₹2,156.99 Lakh (previous year ₹2,902.06 Lakh).

For and on behalf of the
Board of Directors

Adesh Kumar Gupta
Chairman of the Meeting
DIN: 00143192

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018**

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

To,

The Members

Liberty Shoes Limited

(CIN: L19201HR1986PLC033185)

Liberty Puram, 13 Milestone,

GT Karnal Road, Kutail,

P.O. Bastara, Karnal, Haryana

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

We report that

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion;
- c) We have not verified the correctness and appropriateness of the financial statements of the Company;
- d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.;
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis;

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (wherever applicable);
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) *The Securities and Exchange Board of India (Share

based Employee Benefits) Regulations, 2014;

- (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015.

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

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

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

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

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors, except cessation of Sh. Vivek Bansal, Independent Director of the Company during the audit period under review.

Adequate notices were given to all directors of the Board Meetings; agenda and detailed notes on agenda are sent

in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

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

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

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

Sanjay Grover
Managing Partner
CP No. 3850

Place: New Delhi
Dated: Saturday May 26, 2018

CORPORATE GOVERNANCE REPORT

LIBERTY

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

1. Company's philosophy on Code of Governance

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

Liberty also understands that the compliance of applicable statutes and timely disclosures enhance the perception of the Company amongst its shareholders and also strengthen the trust of its stakeholders including channel partners, employees and statutory authorities. Liberty continuously endeavors at improving and adhering to the good governance practice.

2. Board of Directors

(a) Composition and Category of Directors

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

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

As on date of this report, the Board of Directors of the Company comprises of 10 (Ten) Directors including (1) one woman Director, out of which 5 (Five) are Executive Directors and 5 (Five) are Non Executive Independent Directors. Out of the said 5 Executive Directors, 4 are representing Promoter group of the Company.

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

Sh. Adesh Kumar Gupta, CEO & Executive Director of the Company, acted as Chairman of all the Board meetings held during the financial year 2017-18.

Executive Directors perform their duties within the powers and key role areas fixed under respective Service Contracts and discharge their responsibilities in the manner approved by the Members of the Company in terms of the Corporate Governance practices followed by the Company to conduct the authorized business. Accordingly, Board of the Company draws the annual operating plans, budgets / policies in accordance with the Company's vision to its productivity and profitability.

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

The name and categories of the Directors, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) together with particulars of their Directorship and Chairmanship/ Membership of Board Committees in various other Companies as on 31st March, 2018 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, 2018	No. of Committee	
						Member-ship	Chairman-ship
1.	Sh. Adesh Kumar Gupta	00143192 Promoter & ED	5(5)	Yes	6	-	-
2	Sh. Shammi Bansal	00138792 Promoter & ED	5(5)	Yes	1	-	-
3	Sh. Sunil Bansal	00142121 Promoter & ED	5(5)	Yes	1	-	-
4	Sh. Adeesh Kumar Gupta	00137612 Promoter & ED	5(5)	Yes	3	-	-
5	Sh. Ashok Kumar	06883514 ED	5(5)	Yes	-	-	-
6	Sh. Raghubar Dayal	00481803 NED (I)	5(5)	Yes	-	-	-
7	Sh. Amitabh Taneja	00031257 NED (I)	5(1)	No	5	-	-
8	Sh. Vivek Bansal*	00939232 NED (I)	5(1)	No	-	-	-
9	Sh. Ramesh Chandra Palhan	05241019 NED (I)	5(5)	Yes	-	-	-
10	Sh. Pushpinder Singh Grewal	06364475 NED (I)	5(3)	No	-	-	-
11	Smt. Lovelena Mody	01279148 NED (I)	5(1)	Yes	1	-	-

* Resigned w.e.f. 15th July, 2017

(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 2017-18, 5 (Five) Board Meetings were held viz. on 25th May, 10th August, 7th November 2017 and 24th January & 19th March 2018. The maximum interval between any two Board Meeting(s) was not more than 120 Days prescribed under the Listing Regulations. The annual calendar of meetings is broadly determined at the beginning of the year. The Board periodically reviews the compliance reports of all laws applicable to the Company.

None of the directors on the board hold directorships in more than ten public Companies. Further, none of them is a member of more than ten Board level committees or chairman of more than five committees across all the Indian public limited Companies in which he is a director. Further none of the Independent Directors serves as an Independent Director in more than seven listed Companies. Necessary disclosures regarding committee positions in other public Companies as on March 31, 2018 have been made by the directors.

The Board periodically reviews compliance reports of all applicable laws to the Company, prepared by the Company.

Post - Meeting Follow up system

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

(d) Independent Directors and Familiarization Programme

All the Independent Directors of the Company are satisfying the requirements as specified in the Regulation 25 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to qualify to act as Independent Directors of the Company and actively participate in the Meetings held from time to time for providing the necessary guidance/suggestions for protecting the interest of investors/stakeholders. The suggestions received from the Independent Directors are suitably observed by the management for its beneficial implementation. All the Non Executive Independent

Directors propose to be appointed/existing on the Board have given a declaration under Section 149 (7) that he/she meets the criteria of Independence as provided in Section 149 (6) of the Companies Act, 2013 and also under Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

During the year under consideration a separate meeting of the Independent directors was held on 24th January, 2018 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 except Sh. Amitabh Taneja.

Familiarization Programme for Independent Directors

In order to encourage active participation of Independent Directors and in order to understand the business environment, the Company has been familiarizing the Independent Directors on its Board with detailed presentations by its business functional heads on the Company operations, strategic business plans, new products and technologies, including significant aspects of the Industry and its future outlook. Once appointed, the Non Executive & Independent Directors undergo the familiarization program of the Company. The Non executive

& Independent Directors are also provided with financial results, internal audit findings and other specific documents as sought from time to time. They are also made aware of the various Policies and Code of Conduct and business ethics adopted by the Board. Details of familiarization programs extended to the Non Executive & Independent Directors during the year are disclosed on the Company website www.libertyshoes.com. Further at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a director. The template of the letter of appointment is available on Company's website at www.libertyshoes.com.

(e) Non-Executive Directors' compensation and disclosures

Non - Executive Independent Directors are eligible for sitting fees & commission not exceeding the limits prescribed under the Companies Act 2013. During the financial year 2017-18, ₹2,40,000/- has been paid as sitting fees to Non executive Independent Directors for attending the Meeting of the Board and Audit Committee Meeting. Further, no sitting fees has been paid to Executive Directors for attending the Board/Committee thereof, in accordance with the respective Service Agreement entered in to with them. Further, the Company till date has not offered Equity Shares under stock option scheme to the Directors/Employees of the Company.

(f) Code of Conduct

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

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

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

To,

The Members

Liberty Shoes Ltd.

As the Chief Executive Officer (CEO) of Liberty Shoes Ltd. and as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the said Regulations, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2018.

Adesh Kumar Gupta
Chief Executive Officer (CEO)
DIN: 00143192

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

(a) Brief particulars of Sh. Adeesh 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 and also whose candidatures are proposed for re-appointment as Executive Director(s) in the ensuing Annual General Meeting:

Sh. Adeesh Kumar Gupta, aged about 54 years, has been associated with the Company since last several years in different capacities and was appointed as Executive Director of the Company w.e.f. 1st October, 2011 for 5 years. Subsequently after expiry of above period he was re appointed as Executive Director of the Company for a further period of 2 years w.e.f. 1st October, 2016 to 30th September, 2018. He has been contributing to operations of the Company with his vast experience. He belongs to the Promoter Group of the Company & presently holds 189360 Equity Shares (other than HUF) in the Company.

Sh. Ashok Kumar, aged about 50 years, has been working with the Company as Executive Director. He is a Law Graduate and has been advising the Company on various legal matters for last several years. Initially he was appointed as Additional Director of the Company on 23rd January, 2015 and promoted as Executive Director of the Company for 3 years w.e.f. 1st June, 2015 to 31st May, 2018. He neither belongs to the Promoter Group of the Company nor holds any Equity Share in the Company.

The above two Executive Directors will be retiring by rotation in the ensuing Annual General Meeting and being eligible, offers themselves for the re appointment.

Further as per the terms of their last re-appointments, the tenure of Sh. Adeesh Kumar Gupta and Sh. Ashok Kumar as Executive Director(s) will be expired on 30th September, 2018 and on 31st May, 2018 respectively and in view of their valuable contribution and considering their expertise, the Board of Directors at their Meeting held on 26th May, 2018 have proposed the re-appointment of Sh. Adeesh Kumar Gupta and Ashok Kumar as Executive Director(s) for a further period from 1st October, 2018 to 31st March, 2021 and w.e.f. 1st June, 2018 to 31st March, 2021 respectively, subject to the approval of the Members of the Company in the ensuing Annual General Meeting.

A brief profile detailing the expertise, qualification, experience etc. of Sh. Adeesh Kumar Gupta and Sh. Ashok Kumar in compliance with Regulation 26(4) and 36(3) of the

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 has been provided in Annexure A to the Notice of this Annual General Meeting.

(b) Brief particulars of Sh. Adesh Kumar Gupta and Sh. Shammi Bansal, whose candidatures are proposed for re-appointment as a CEO & Executive Director and Executive Director respectively in the ensuing Annual General Meeting:

Sh. Adesh Kumar Gupta, aged about 58 years, a graduate in B.SC. (Engineering), has been working as Director of the Company since 1990 and Executive Director since 2001. He has been looking after the overall affairs of the Company as a CEO since 2004. He was then re-appointed as CEO & Executive Director for a period of five years w.e.f. 1st April, 2005 and subsequently after expiry of above period again re-appointed for further period of five years w.e.f. 1st April, 2010 and then re-appointed for further period of three years w.e.f. 1st April 2015 to 31st March, 2018. He is having an experience of more than three decades in Footwear Industry. As a CEO, he has been instrumental in formulating Company's strategies and providing his vital contribution for the effective functioning of the Company. He has been embraced by many prestigious awards and in the past, he has been a key functionary of Confederation of Indian Industry. He is active Chairman of Council for Footwear Leather and Accessories (CFLA) and has been instrumental since its inception to strategise the various initiatives and in formulating the policies for the sector and making representations to the Central and State Governments and other Departments for elevating the Sector. He belongs to the Promoters Group of the Company and presently holds 95000 Equity Shares (other than HUF) in the Company.

Sh. Shammi Bansal, aged about 57 years, has been associated with the Company as a Director since 1990 and promoted as Executive Director in 1995. He was then re-appointed as Executive Director of the Company for a period of five years w.e.f. 1st April, 2005 and subsequently after expiry of above period again re-appointed for further period of five years w.e.f. 1st April, 2010 and then re-appointed for further period of three years w.e.f. 1st April, 2015 to 31st March, 2018. During his association with the Company, he has been accredited with various initiatives in the field of leather and footwear technology including use of E. P. Polymers, introduction of E.V.A. compound in Indian footwear Industry. Sh. Shammi Bansal has currently been looking after the production designing and development of leather products at Company's plants. He belongs to the Promoters Group of the Company and presently holds 259640 Equity Shares in the Company.

Further, as per the terms of their last re-appointment the tenure of Sh. Adesh Kumar Gupta as CEO & Executive Director and Sh. Shammi Bansal as Executive Director has been expired on 31st March, 2018 and in view of their valuable contribution and considering their expertise, the Board of Directors at their Meeting held on 19th March, 2018 have proposed the re-appointment of Sh. Adesh Kumar Gupta as CEO & Executive Director and Sh. Shammi Bansal as Executive Director for a further period of 3 years w.e.f. 1st April, 2018 to 31st March, 2021, subject to the approval of the Members of the Company in the Annual General Meeting.

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

(c) Brief particulars of Smt. Lovelena Mody, whose candidature is proposed for re-appointment as an Independent Director in the ensuing Annual General Meeting:

Smt. Lovelena Mody is a renowned business personality and she actively participates in State level CII activities. She is having a vast experience of managing the hospitality sectors. She was appointed as an Additional Director of the Company on 23rd January, 2015 and further appointed as Independent Director, not liable to retire by rotation, by the Members of the Company in their meeting held on 29th September, 2015 for a period of 3 years w.e.f. 29th September, 2015 and accordingly her office as an Independent Director will be expired on 28th September, 2018 (first term). The Nomination and Remuneration Committee of the Board, considering her expertise, qualification, experience and contribution she has made to the Company, has recommended for the re-appointment of Smt. Mody as Independent Director of the Company for a second term of 3 consecutive years w.e.f. 29th September, 2018 to 28th September, 2021. The Board of Directors of the Company, on the basis of the recommendation of Nomination and Remuneration Committee of the Board, considers that, given her background, expertise, experience and contributions made during her tenure, the continued association of Smt. Lovelena Mody would be beneficial to the Company and it is desirable to continue to avail her services as Independent Director. Accordingly it is proposed to re-appoint Smt. Lovelena Mody as an Independent Director of the Company, not liable to retire by rotation, for a

second term of 3 consecutive years on the Board of the Company.

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

3. Committee(s) of the Board

The Board of the Company has constituted different Committees of the Board to have the focused attention on the business of each aspect of the Company's working. The Minutes of the Meetings of respective Committees are timely placed before the Members of the Committees and before the Members of the Board of Directors of the Company for their information and consideration. The terms of reference of the Board committees are determined by the Board from time to time. The role and composition of these Committees, including the number of meetings held during the financial year 2017-18 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. The brief description of the terms of reference of the Audit Committee as approved by the Board from time to time is as under:

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

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

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

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

Sh. Raghubar Dayal, Independent Director, acts as Chairman of the Audit Committee Meetings held during the year.

Sh. Munish Kakra, CFO & Company Secretary has been appointed as Secretary of the Audit Committee in pursuance to provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Members of the Audit Committee are "financially literate" as defined under Regulation 18 (1) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

* Sh. Vivek Bansal has resigned w.e.f. 15th July, 2017

Meetings held during the year

During the financial year 2017-18, 5 (Five) Audit Committee meetings were held on 25th May, 10th August, 7th November 2017, 24th January and 19th March 2018. 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, 2018 were reviewed by the Audit Committee in its Meeting held on 26th May, 2018. Necessary Quorum was present in the Audit Committee Meetings.

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

(b) Nomination and Remuneration Committee

The Company has a duly constituted Nomination & Remuneration Committee, which among others is responsible for identifying and recommending persons who are qualified to become Directors or appointed as KMPs of the Company and laying down remuneration policy for the Directors, KMPs and other employees of the Company.

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

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

as its Chairman.

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

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

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

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

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

Meetings held during the year:

During the financial year 2017-18, the meetings of the members of the Nomination and Remuneration Committee were held on 24th January, 2018 and 19th March, 2018.

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. 29

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

- 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 ₹10,000/- for attending each meeting of the Board and Audit Committee thereof. The Board of Directors may review the amount of sitting fee and decide the same from time to time in terms of the provisions of Companies Act, 2013 and Listing Regulations. In terms of the provisions of Section 197 of the Companies Act, 2013, a Company may pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by other to the maximum of 1% or 3% of the net profits, as the case may be.

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

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

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

♦ Criteria for payment to Executive Directors (EDs) 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 three Executive Directors each and ₹1,10,000/- per month to Sh. Ashok Kumar as an Executive Director.

♦ Perquisites:

In addition to the aforesaid salary, Executive Directors are also entitled to perquisites like furnished accommodation,

gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self in accordance with the rules of the Company. However, the monetary value of such perquisites being limited to the Monthly remuneration of ₹4,00,000/- and ₹1,10,000/- respectively. Perquisites are evaluated as per Income Tax Act Rules, 1962 wherever applicable, and in the absence of any such rules, perquisites are evaluated at actual cost; And Use of chauffeur driven car for official purpose and telephone at residence (including payment for local calls and long

distance calls on telephone) and use of car for private purpose are billed by the Company to the Executive Directors.

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

Accordingly, during the financial year 2017-18, the following remuneration was paid to the Executive Directors of the Company:

S. No.	Name of the Director	Designation	Salary (In ₹)	Perquisites (In ₹)	Others (In ₹)	Sitting Fees Paid (In ₹)
1.	Sh. Adesh Kumar Gupta	CEO & Executive Director	48,00,000	NIL	NIL	NIL
2.	Sh. Shammi Bansal	Executive Director	48,00,000	NIL	NIL	NIL
3.	Sh. Sunil Bansal	Executive Director	NIL	NIL	NIL	NIL
4.	Sh. Adeesh Kumar Gupta	Executive Director	48,00,000	NIL	NIL	NIL
5.	Sh. Ashok Kumar	Executive Director	13,20,000	NIL	NIL	NIL

* During the FY 2017-18, no Remuneration has been paid to Sh. Sunil Bansal, Executive Director of the Company as he has expressed his unwillingness to accept the same.

Notes:

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

Service Contracts, Severance Fee and Notice period

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

The Committee also ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013. On the recommendation of Committee,

the Board and shareholders approve the appointment of the Directors. At the time of appointment of Director, the Company executes a separate service agreement defining the remuneration, tenure, roles, responsibilities, duties, functions, obligations and other terms and conditions of service of Directors.

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

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

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

the Company issues letter of appointment to the Independent Directors incorporating their roles, duties, responsibilities etc.

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

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

c) Stakeholders Relationship Committee

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

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

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

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

During the year, the Committee met Four times on 25th May, 10th August and 7th November 2017 and 24th January, 2018.

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

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

Name and designation of Compliance Officer

Sh. Munish Kakra, CFO & Company Secretary is the Compliance Officer of the Company and he acts as Secretary of the Committee. He was present in all the meetings of the Committee held during the year under consideration. 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, 2018 stood as under:

Nature of References / Requests	No. of Grievances/ Requests/ Complaints Received	No. of Grievances/ Requests/ Complaints Resolved	No. of Grievances/ Requests/ Complaints not resolved to the satisfaction of shareholders	No. of Grievances/ Requests Pending
Non receipt of Share Certificate(s) & Non receipt of electronic Credit	NIL	NIL	NIL	NIL
Non receipt of Bonus, Dividend & Annual Report	3	3	NIL	NIL
Issue of duplicate / Loss of Certificate	9	9	NIL	NIL
Revalidation of Dividend	NIL	NIL	NIL	NIL
Transfer /Transmission of Shares	1	1	NIL	NIL
Issue of Physical Annual Report	NIL	NIL	NIL	NIL
Change of address, Name correction, Non receipt of Rejected DRF & others	1	1	NIL	NIL
Received from regulatory bodies such as Ministry of Corporate Affairs, SEBI (SCOREs) and Stock Exchanges etc.	NIL	NIL	NIL	NIL
Dividend Through ECS	NIL	NIL	NIL	NIL
Non- receipt of Dividend	NIL	NIL	NIL	NIL
Total	14	14	NIL	NIL

All the references/complaints received from the shareholders or from regulatory bodies during the year under review were resolved to their entire satisfaction. Apart from these queries/complaints, there is one pending case relating to dispute over title to shares in which the Company has been made a party. However the aforesaid case is not material in nature. There are 7 (Seven) cases (involving 900 Equity Shares) concerning dispute over titles to Shares, are pending with the Company as on 31st March, 2018.

(d) Management Committee

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

During the year, the Committee met one time on 30th June, 2017.

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

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

(e) Corporate Social Responsibility Committee

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

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

- formulating and recommending to the Board, Corporate Social Responsibility Policy and the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- recommending the amount of expenditure to be incurred on the activities undertaken;
- reviewing the performance of the Company in the area of Corporate Social Responsibility;
- monitoring Corporate Social Responsibility policy of the Company from time to time;
- such other functions as the Board may deem fit.

The following is the constitution of the Committee:-

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

During the year, two meetings of the CSR Committee were held on 24th January, 2018 & 19th March, 2018.

CSR Policy

The Board of Directors on the recommendation of the CSR

Committee has approved the CSR policy of the Company during the financial year 2014-15. The detailed CSR policy is available on the website of the Company viz. www.libertyshoes.com.

4. Governance through Management process

Name of the policy	Brief description	Web link
Code of Conduct	The Board of Directors has adopted Code of Conduct for all the Board Members and designated members of Senior Management of the Company.	http://investor.libertyshoes.com/doc/statutory_policies/Code%20of%20conduct%20of%20Board%20Members%20&%20senior%20Management%20Personnel.pdf
Code for prevention of Insider Trading	The Company has adopted a code of conduct to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This code of conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website.	http://investor.libertyshoes.com/doc/statutory_policies/Code%20of%20Internal%20Procedures.pdf and http://investor.libertyshoes.com/doc/statutory_policies/CODE%20OF%20PRACTICES%20AND%20PROCEDURES%20FOR%20FAIR%20DISCLOSURE%20OF%20UNPUBLISHED%20PRICE%20SENSITIVE%20INFORMATION.pdf
Whistleblower Policy (Policy on vigil mechanism)	The Company has adopted the Whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company code of conduct. The Board amended the policy to make it consistent during fiscal 2016	http://investor.libertyshoes.com/doc/Whistle_Blower_Policy.pdf
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive /non-executive Director) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	http://investor.libertyshoes.com/doc/NOMINATION_AND_REMUNERATION_POLICY.pdf
Corporate Social Responsibility Policy	The policy outlines the Company's strategy to bring about a positive impact on society through programs relating to hunger, Poverty, education, health care, environment and lowering its resource footprint.	http://investor.libertyshoes.com/doc/CSR_Policy.pdf
Related Party Transactions Policy	The policy regulates all transactions between the Company and its related parties	http://investor.libertyshoes.com/doc/Related_party_transaction.pdf
Policy on determination of materiality of events	The policy applies to disclosures material events affecting the company. This policy is in addition to the Company's corporate policy statement on investor relations, which deals with the dissemination of unpublished, price-sensitive information.	http://investor.libertyshoes.com/doc/Liberty_Policy_on_Determination_of_Materiality_of_Events.pdf
Website Archival Policy	The Policy deals with the archival of Corporate records of the Company	http://investor.libertyshoes.com/doc/Liberty_Archival_Policy.pdf

Name of the policy	Brief description	Web link
Risk Management Policy	This policy is approved by the Board to build and establish the process and procedure for identifying, assessing, quantifying, minimizing, mitigating and managing the associated risk. It aims to develop an approach to make assessment and management of risks in financial, operational and project based areas in timely manner.	http://investor.libertyshoes.com/doc/Risk_Management_Policy.pdf
Policy for preservation of Documents	This policy obligates the Company or preservation of documents in order to prevent from being altered, damaged or destroyed	http://investor.libertyshoes.com/doc/Prservati on_of_Transaction_Policy.pdf
Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at workplace	The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company always provide an equal employment opportunity to employer and is committed to provide a safe and conducive work environment that enables employees to work without fear of prejudice, gender bias and sexual harassment.	http://investor.libertyshoes.com/doc/SexualHarassmentPolicy_LibertyShoesLtd.pdf

5. Subsidiary Monitoring Framework

The Company had one Wholly Owned Overseas Subsidiary M/s Liberty Foot Fashion Middle East FZE (LFF), Dubai and during the year under consideration, the Company has initiated the steps to liquidate/dispose of its Assets without diminution/reduction of investments till date. As required under the applicable provisions of Listing Regulations and management practices adopted by the Company and its subsidiary Company, the Company were monitoring, till the discontinuation, the performance of its subsidiary Company, inter alia, by the

(a) Periodic Financial statements (b) Minutes of the Board Meetings and/or requisite information of the subsidiary Company (c) Periodic review by the Audit Committee of the statement of all significant transactions & arrangement entered into by the subsidiary Company.

6. General Body Meetings

i. General Meeting

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

Meeting	Year	Venue	Day & Date	Time
31st Annual General Meeting	2017	Registered Office	Thursday, 24th August, 2017	11:00 AM
30th Annual General Meeting	2016	Registered Office	Monday, 19th September, 2016	11:00 AM
29th Annual General Meeting	2015	Registered Office	Tuesday, 29th September, 2015	11.00 AM

b. Extraordinary general meeting:

No extraordinary general meeting of the members was held during the year 2017-18.

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

31 st Annual General Meeting on 24 th August, 2017	30 th Annual General Meeting on 19 th September, 2016	29 th Annual General Meeting on 29 th September, 2015
Nos. of Special Business: NIL	Nos. of Special Business: 1	Nos. of Special Business: 5
	1. Re-appointment of Sh. Adeesh Kumar Gupta (DIN:00137612) as an Executive Director	1. Appointment of Smt. Lovelena Mody (DIN: 01279148) as an Independent Director 2. Appointment of Sh. Ashok Kumar (DIN: 06883514) as a Director 3. Appointment of Sh. Ashok Kumar (DIN: 06883514) as an Executive Director 4. Re-appointment of Sh. Adesh Kumar Gupta (DIN:00143192) as a CEO & Executive Director 5. Re-appointment of Sh. Shammi Bansal (DIN:00138792) as an Executive Director

Sh. Sukesh Gupta, Chartered Accountant was appointed as scrutinizer by the Board and present at the above 31st and 30th Annual General Meeting for supervising and monitoring the voting through Remote E-voting and voting by Ballot form facilities on the above agenda items and to issue his report on the same.

i. Detail of special resolution passed by the Company through postal ballot exercise, the persons who conducted the postal ballot exercise and detail of the voting pattern, detail of special resolution proposed to be conducted through postal ballot and procedure for postal ballot. During the year under review, no special resolution has been passed through the exercise of postal ballot. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot exercise.

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

ii. Group As on 31st March, 2018:

Arpan Gupta (Karta), Sh. Arpan Gupta, Sh. Adesh Kumar Gupta, Adesh Kumar Gupta (Karta), Sh. Adarsh Gupta, Sh. Anmol Gupta, Sh. Adeesh Kumar Gupta, Adeesh Kumar Gupta (Karta), Sh. Pranav Gupta, Sh. Akshat Gupta, Smt. Kamlavati, Sh. Sunil Bansal, Smt. Rehti Devi, Sh. Ayush Bansal, Sh. Shammi Bansal, Sh. Manan Bansal,

Sh. Vaibhav Bansal, Sh. Raman Bansal, Sh. Ruchir Bansal, Sh. Vivek Bansal, Sh. Pulkit Bansal, Sh. Anupam Bansal and Geofin Investments Pvt. Ltd.

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. 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, 2018 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.

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

Sr. No.	Name of Director	Relationship with other Directors/KMPs
1.	Sh. Adesh Kumar Gupta	None
2	Sh. Shammi Bansal	Brother of Sh. Sunil Bansal
3	Sh. Sunil Bansal	Brother of Sh. Shammi Bansal
4	Sh. Adeesh Kumar Gupta	None
5	Sh. Ashok Kumar	None
6	Sh. Raghubar Dayal	None
7	Sh. Amitabh Taneja	None
8	Sh. Ramesh Chandra Palhan	None
9	Sh. Pushpinder Singh Grewal	None
10	Smt. Lovelena Mody	None

ii) Key Managerial Personnel:

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

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

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

v) Compliance with Mandatory requirements

The Company has complied with all the mandatory corporate governance requirements under Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation of regulation 46 of the Listing Regulations.

vi) Compliance Report on Non-mandatory requirements under Regulation 27 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. The Board

As per para A of Part E of schedule II of the Listing Regulations, a non-executive Chairman of the Board may be entitled to maintain a Chairman's Office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties. The Chairman of the Company is an Executive Director; hence this provision is not applicable on the Company.

2. Shareholding Rights

We display our quarterly, half yearly and annually results on our website www.libertyshoes.com and also publish our results in widely circulated newspapers. We have communicated the payment of dividend through e-mail to shareholders in addition to dispatch of letters to all shareholders. We publish the voting results of shareholders' meetings and make it available on our website www.libertyshoes.com and report the same to Stock Exchanges in terms of regulation 44 of the Listing Regulations. Significant events are also posted on this website under "Investor Relations" section. Complete Annual Report is sent to every shareholder through e-mail whose E-mail ID has been updated with the depositories/Company/RTA and also to those who make request for providing the same. Notice of General Meeting along voting instructions is sent to all the shareholders and 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, 2018.

4. Separate Posts of Chairperson and Chief Executive Officer

The Chairman of the Company is the Executive Director. We believe that senior leadership should

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

5. Reporting of Internal Auditor

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

6. Means of Communication

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

Website

Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, the Company's website www.libertyshoes.com contains a dedicated functional segment called "Investor Relations" where all the information needed by the shareholders is available including Results, Press Releases, Shareholding pattern, Management Information, Announcements & General Meeting's results & information etc.

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

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

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

Ministry of Corporate Affairs (MCA) vide its circular No. 37/2011 dated June 7, 2011 had mandated certain companies to file their Annual Accounts vide

this mode. The Company, in compliance, has filed its Annual Accounts on MCA through XBRL for the previous financial year ended on 31st March, 2017.

Ministry of Corporate Affairs (MCA)

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

SEBI Complaints Redress System (SCORES)

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

Annual Report

The Annual Report containing inter-alia the Audited Accounts, Cash Flow Statement, Directors' Report, Auditors' Report and other important information is circulated to the investors. Pursuant to the green initiative launched by the MCA, the Company also sends e-copies of the Annual Report to Members who have registered for the same. The Annual Reports are also available in the Investor Relations section on the Company's website www.libertyshoes.com.

7. General Shareholder Information:

i. Annual General Meeting:

Day, Date & Time	: Friday, 24th August, 2018 at 11.00 A.M.
Venue	: Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, PO. Bastara, Dist. Karnal-132 114 (Haryana)
Books Closure Date	: Saturday, 18th August, 2018 to Friday, 24th August, 2018

ii. Financial Year & Financial Calendar (Tentative):

Financial Results for the Quarter ended 30th June, 2018	: By 14th August, 2018
Financial Results for the Quarter ended 30th September, 2018	: By 14th November, 2018
Financial Results for the Quarter ended 31st December, 2018	: By 14th February, 2019
Financial Results for the Quarter ended 31st March, 2019	: By 30th May, 2019
Annual General Meeting for the year ended 31st March, 2019	: By August / Sept. 2019.

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, 2018 are disclosed in Notes to the financial statements.

iv. Dividend Payment Date:

Considering the financial requirement of the Company, the Board of Directors has not recommended / approved payment of Dividend for the financial year ended 31st March, 2018.

v. Listing on Stock Exchanges with their Trading Codes:

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

National Stock Exchange of India Ltd.,

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

NSE: LIBERTSHOE.

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

BSE: 526596

ISIN of Equity Shares of the Company:

INE557B01019

The Annual Listing fee for the financial year 2018-19 has since been paid to both the Stock Exchange(s).

vi. Stock Market Data:

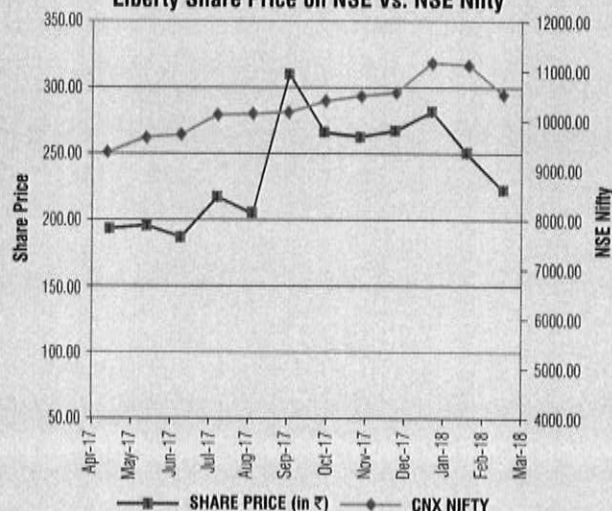
The Comparison of the share price of the Company with the broad based indices are provided herein under:

Performance in Comparison to S & P Nifty

Index vs. Share Price

S. No.	YEAR (2017-18)	S&P CNX Nifty	SHARE PRICE (IN ₹)
1	Apr-17	9367	192.80
2	May-17	9650	195.80
3	Jun-17	9709	186.00
4	Jul-17	10115	216.40
5	Aug-17	10138	204.00
6	Sep-17	10179	310.00
7	Oct-17	10385	265.50
8	Nov-17	10490	262.95
9	Dec-17	10552	266.90
10	Jan-18	11172	281.50
11	Feb-18	11117	249.00
12	Mar-18	10526	222.15

Liberty Share Price on NSE Vs. NSE Nifty

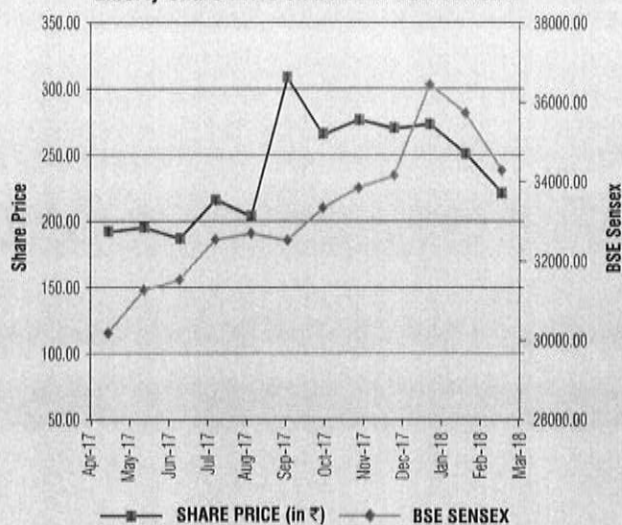


Performance in Comparison to Sensex

Sensex vs. Share Price

S. No.	YEAR (2017-18)	BSE SENSEX	SHARE PRICE (₹ Rs)
1	Apr-17	30184	192.00
2	May-17	31255	195.60
3	Jun-17	31523	186.60
4	Jul-17	32547	216.00
5	Aug-17	32686	203.60
6	Sep-17	32524	308.90
7	Oct-17	33340	264.60
8	Nov-17	33848	276.50
9	Dec-17	34138	270.00
10	Jan-18	36444	273.60
11	Feb-18	35738	251.00
12	Mar-18	34279	221.40

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, 2018 are as under:

KEY INDICATORS:

EQUITY SHARE PRICE MOVEMENT ON NSE & BSE (April 2017- March 2018)

Year (2017-18)	(Price in ₹)				Volume (In No. of Shares)	
	High		Low		NSE	BSE
	NSE	BSE	NSE	BSE	NSE	BSE
April	192.80	192.00	165.50	165.75	3112413	487404
May	195.80	195.60	165.00	164.00	4525483	858207
June	186.00	186.60	165.80	165.80	1557542	306802
July	216.40	216.00	171.05	183.00	9904683	1892031
August	204.00	203.60	166.00	166.85	2727035	472939
September	310.00	308.90	182.35	182.20	15358970	2679592
October	265.50	264.60	242.30	235.60	100656	96677
November	262.95	276.50	238.85	232.00	1293050	269000
December	266.90	270.00	230.05	223.10	1656730	273519
January	281.50	273.60	235.25	235.05	1414731	206133
February	249.00	251.00	198.00	200.00	869034	151021
March	222.15	221.40	178.10	177.10	579414	84488
Total					43099741	7777813

vii. Registrar and Share Transfer Agent:

Link Intime India Private Limited
 44, Community Centre,
 Naraina Industrial Area Phase-I
 New Delhi - 110 028
 Tel.: (91) - 11- 41410592 -94
 Fax: (91) - 11- 41410591
 E-mail: delhi@linktime.co.in

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

The Company has made arrangements with M/s Link Intime India Private Limited, Registrar and Share Transfer Agent (RTA).

After completion of preliminary formalities and verification of genuineness of the Shareholders, documents lodged by them and authentication of signatures on the documents with the specimen signatures available in their records, RTA 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.

Pursuant to the Regulation 7 (3) of the Listing Regulations, Certificate(s) on half yearly basis have been issued by M/s Sanjay Grover & Associates, Practicing Company Secretary of New Delhi for due Compliance of Share Transfer formalities by the Company. As per SEBI (Depositories & Participants) Regulations, 1996, certificate(s) have been received from M/s Sanjay Grover & Associates, Practicing Company Secretary of New Delhi for timely dematerialization of shares and in respect of Secretarial Audit on quarterly basis for reconciliation of the Share Capital of the Company.

ix. Distribution of Shareholding

Distribution Summary as on 31st March, 2018:

Shareholding of nominal value of	Number of Shareholders		Number of Shares		Amount (in ₹)
	Number	% of total	Number	% of total	
Up to 500	17013	92.60	1701182	9.98	17011820
501-1000	671	3.65	550607	3.23	5506070
1001-2000	365	1.99	555847	3.26	5558470
2001-3000	118	0.64	300327	1.76	3003270
3001-4000	56	0.30	197668	1.16	1976680
4001-5000	38	0.21	180006	1.06	1800060
5001-10000	53	0.29	373557	2.19	3735570
10000-50000	28	0.15	459785	2.70	4597850
50000-100000	7	0.04	553753	3.25	5537530
Above 100001	24	0.13	12167268	71.41	121672680
Total	18373	100	17040000	100	170400000

Category wise List of Shareholders as on 31st March, 2018

Category	No. of Shares held	Voting Strength (%)
Promoters Holding:		
A. Individual Promoters	59,85,352	35.12
B. Bodies Corporate(s)	44,72,517	26.25
Total promoters holding	1,04,57,869	61.37
Public Holding		
A. FI's, NRI's & Banks etc.	4,61,655	2.71
B. Indian public including Private corporate bodies	61,20,476	35.92
Total Public Holding	65,82,131	38.63
Grand Total	1,70,40,000	100

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, 2018, the status of Shares in physical and dematerialized form stood as under:

S. No	Mode of Equity Share Holding(s)	Number of Shares	Percentage of total capital
1	Demat	1,67,65,018	98.39
2	Physical	2,74,982	1.61
Total		1,70,40,000	100

xi. The Company has complied with the requirements as laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Corporate Governance. A certificate to this effect obtained from M/s U. Shanker & Associates., Chartered Accountants, the Statutory Auditors of the Company, has been attached to this Annual Report.

The Company's shares are among the liquid and actively traded shares on Indian Stock Exchanges.

xii. Plant Locations:

The Company's plants are located at Gharaunda, Libertypuram and Karnal in Haryana, at Roorkee in Uttarakhand and at Ponta Sahib in Himachal Pradesh.

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

The Company does not have outstanding Global deposits receipts or American depository receipts or warrants or any convertible instruments, therefore the above

provisions are not applicable in our case.

xiv. Policy for determination of a material subsidiary:

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

xv. Policy on Related Party Transactions:

The Company has in place policy on Related Party Transactions and the same may be accessed on the Company's website at www.libertyshoes.com.

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

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

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

xvii. Code for prevention of Insider Trading

As on date, the Company has also in place code based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all 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. One of the Members of the Promoters Group, who was not having Unpublished Price Sensitive Information (UPSI), has sold his Equity Shares in the open market when the Trading Window was opened without complying with the other provisions of the Code. He was served warning letter by the Compliance Officer. The above Codes were also adopted by the Board of Directors of the Company and thereafter the same have been posted on Company's website www.libertyshoes.com and also submitted with the Stock Exchanges for their records in compliance with the SEBI guidelines.

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

Pursuant to the provisions of Section 205A, 205C and other relevant rules of the Companies Act, 1956 and as amended as per the Companies Act, 2013, the dividend declared by the Company which remain unclaimed for a period of seven years shall be transferred by the Company to Investor Education and Protection Fund (IEPF) established by the Central Government.

The Company has transferred all unclaimed/ unpaid amount of dividend to IEPF. During the year under review, the Company was not required to transfer any amount of unclaimed/unpaid dividend to IEPF.

xix. CIN: L19201HR1986PLC033185

xx. CEO/CFO certification

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

xxi. Address for Correspondence:

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

Link Intime India Pvt. Ltd.

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

Liberty Shoes Ltd.

Department of Investors' Relations
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, 2018. 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 Specific 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, 2018 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, 2017 to March 31, 2018:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Nomination and Remuneration Committee;
 - (d) Management Committee;
 - (e) Stakeholders Relationship Committee; and
 - (f) Corporate Social Responsibility Committee;
- v. Obtained necessary representations and declarations from directors of the Company including directors; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from the management.

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

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2018, referred to paragraph 1 above. Other matters and Restriction on Use
9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
10. This report is addressed to and provided to the Members of the Company solely for the purpose of enabling it to comply with its obligations under Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Uma Shanker Gupta
Partner
Membership No. 089919

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

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

(Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors

Liberty Shoes Ltd.

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

- a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2018 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, 2018, 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, 2018;
 - 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, 2018; and
 - iii. there are no instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Adesh Kumar Gupta
Chief Executive Officer
DIN-00143192

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

Place : Gurugram, Haryana
Dated: Saturday, 26th May, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economy and market outlook

Indian Economy has emerged as the fastest growing major economy in the world during the financial year 2017-18 and it is expected to be one of the top three economic powers of the world over the next 10-15 years. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19. The first quarter of 2017-18 saw the impact of demonetisation settling down, in the next quarter of the year, introduction of the landmark Goods and Services Tax (GST) brought in some uncertainties as businesses adjusted to the new regime. This did not take long, and from the third quarter onwards, signs of growth returning were evident. The strong growth registered in the third quarter was primarily on account of the good performance of the manufacturing and construction sectors. India's Index of Industrial Production (IIP) rose 7.5 per cent during financial year 2017-18.

Indian Government is focusing on uplifting the rural economy, strengthening the agriculture sector, healthcare for the economically less privileged, foster job creation, infrastructure creation, housing for all, road and highway connectivity, electrification of all villages, recapitalize public sector banks for infrastructure development, maximize renewable sources to generate energy and improvement in the quality of education of the country.

With promotion of Make in India initiatives, the Government is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Foreign companies are setting up their facilities in India on account of various government initiatives like Make in India, Digital India and Ease of Doing business. These initiatives would boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further accelerate demand, and hence spur development, in addition to benefiting investors.

The global economy is stabilising with favourable global trade and economic conditions of the various Countries. The expected growth in global economy could also add momentum to India's exports, which has already shown acceleration in the year under consideration. However, the India's growth could be impacted by the increase in crude oil prices. Domestically, GST promises to deliver positive outcomes as India becomes a single, more competitive market. Going forward, the country could further improve its rankings with the stability of GST, introduction of other reforms and revised statutory framework.

Liberty is also optimistic that with the improvement in global economies and thrust of Indian Government on Make in India

project along with implementation of GST, the Indian manufacturing in organized space will have better opportunities to grow faster.

The Indian Footwear Industry-Structure and Development

According to a recent Indian footwear industry report, footwear production is over 22 billion pairs annually, accounting for approximately 9.6% of the total global footwear output per year. The footwear industry in India employs over 1.1 million workers, making it one of the top employment sources in the country. India is also the world's third-largest footwear consumer after China and the USA, about 90% of the footwear made in India is consumed by the domestic market and the rest is exported.

Footwear industry in India is one of the most important Industries, contributing significantly to not just the employment within the country but also the export earnings and overall economic growth in India as well. In 2018, India ranked the second largest footwear producer (next to China), and one of the top footwear exporters in the world. With the facts that India's economic performance continues to grow, the Indian government continues to provide strong support, while the global footwear demand continues to improve, the Indian footwear industry is estimated to improve further its dominance in the overall Indian economy.

In terms of products, the Indian footwear market is dominated by casual footwear market that makes up for nearly two-third of the total footwear retail market. The majority of the Indian footwear market is men's footwear that accounts for nearly 58 per cent of the total Indian footwear retail market.

The strength of India in the leather footwear sector originates from its command on reliable supply of raw material resources in the form of raw hides and skins, quality finished leather and large installed capacities for production of high quality of Shoes.

The industry is dominated by unorganized sector which accounts for around 70 per cent of the total footwear production.

Presently the footwear market in India is dominated by men's footwear which contributes close to 58% of the total Indian footwear retail market and is expected grow at a CAGR of 10% over next few years. The women's footwear segment, however, is projected to grow at a much faster CAGR of 20%.

The Indian fashion and footwear market is extremely dynamic and evolving every passing day. The consumer has become more technological savvy and fashion conscious population demanding the latest trends up to date and contemporary styles. With the launch of HEALERS and further strengthening of its focus on ladies footwear segment, Liberty is hopeful to get increased pie in fast growing footwear market.

Opportunities and Threats

Opportunities:

Overall Footwear Industry is very optimistic right now with growing awareness about the latest trends and consciousness among consumers. Consumer's increased exposure to plastic money and imposition of GST is going to provide more organized retailing and trade transparency in long term. The Indian footwear industry is gearing up to leverage its strengths towards maximizing benefits. The Indian Footwear Industry has been recognized as top priority sector under Make in India program and also as focused sector. The sector is having huge market for domestic consumption coupled with sustainable growth. The required resources for the Industry are indigenously available i.e. 80% to 90% Non Leather segment and 10% to 20% Leather segment. There is abundant availability of raw materials/inputs in India for the sector such as leather, fabrics, synthetics, rubber, PVC, etc. besides large availability of rural and unskilled labour at cheaper cost. The recent introduction of trade tariff by U.S.A. on certain items of import from China and other countries will also provide an encouraging opportunity to Indian exporters to improve their competitiveness in the global economies.

The Indian government has recently announced a ₹2,600 Cr. special package for fuelling the leather and footwear industry. The special package includes the implementation of the central sector scheme 'Indian Footwear, Leather & Accessories Development Programme (IFLADP)'. Under the scheme, a further 300,000 workers will be trained and 20-30% subsidy/grant will be offered to MSMEs on the capital expenditure for building a plant and buying machinery besides development of infrastructure for leather and footwear sector, address environmental concerns employment generation, Indian footwear brand promotion and increase in production. The Indian footwear market is likely to drive more by the rising fashion consciousness among the young generation and growing consumer's preference to their lifestyles. Moreover, the improvement in the footwear retail sector, as well as the growing e-commerce market in India are also expected to further boost the performance of India's footwear industry in future.

Liberty loves to experiment with new ideas and activities and feel obliged to fulfill the expectation that its consumers have from it. Seeing the growth of the footwear industry over the years, Liberty feel innovating not only in its products, but also in the way of presenting the brand to the consumer and the same has become a part of brand identity. Liberty tries its best to stand by its values which is the strength of its brand. The market perception of the footwear industry has improved, PE ratio of the most of the footwear Companies including LIBERTY running above 40 times.

India has a lot of potential in tier-II and tier-III cities and towns and therefore, LIBERTY is constantly entering these towns and tapping the potential market

Threats:

Indian footwear Industry has been facing significant hurdles due to challenging internal and external environment like challenge from China and other low cost markets, lack of branding in Indian footwear, unorganised industry structure, impact of higher wages, fast changing fashion trends which are difficult to adapt by the Indian footwear industry with stiff competitions from the International players entered in the Indian market.

Besides above the sector is also facing headwinds due to present Tax and Trade Regulations in India. The two GST slabs of 5% and 18% have divided the industry and created an uncertainty and confusion. Being highly labor intensive industry, having huge manufacturing overheads, interest cost, rentals as well as Retailers Margin required to absorb the cost of showroom rentals, cost of electricity and maintenance, sales staff, showroom furnishing, loss of margin during clearance/end of season sales, Value Addition in case of Footwear & Accessories is very high, so present rates of GST are on much higher side and need to be rationalized. Practically the MRP of the footwear is inclusive of GST, so bringing down the Rate of GST to 5%, from existing level of 18%, for all type of footwear/accessories would result in reduction of ultimate cost to consumer, demand creation and will help the industry to grow and for the success of Make in India Initiative.

Risk and Concern and Contingent Liabilities

The identified risk and concern before your Company are competitive business environment, changing consumer preferences, cheap and under invoiced imports, inadequate infrastructure, steep increase in rental cost and labour wages, foreign currency fluctuation, large unorganized sector in comparison to organized, lack of skilled labour, increase in environmental issues and inadequate investment.

During the normal course of business operations, your Company has been subjected to several legal cases in connection with or incidental thereto. These litigations include civil and criminal cases, excise and custom related cases, old labour matters and infringement of intellectual properties like Trade Mark and Designs etc. filed by and against the Company. These cases are being pursued with due importance and in consultation with outside legal experts 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 ₹2,634.58 Lakh as on 31st March, 2018 as compared to the previous year ₹3,175.94 Lakh as on 31st March, 2017.

Internal Control System and its Adequacy

Liberty's has a well established and comprehensive internal control structures across all functions to ensure that all assets are protected, to prevent and detect frauds and errors to maintain accuracy and completeness of its accounting records and to further enable it in timely preparation of reliable financial information. These controls have been integrated with the Company's risk management policy to ensure that control measures for the effective mitigation of risks identified are in place. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

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

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

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

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

Financial Performance:

The highlights of the financial performance of the Company during the year ended 31st March, 2018 have been stated in the Directors' Report for the year ended 31st March, 2018, which appears separately in the Annual Report.

The brief details of the performance of the Company during the year under consideration are given as under:

Tangible and Intangible Assets: In the year 2017-18, Liberty's Fixed Assets Gross Block (including tangible and intangible assets) has increased by ₹1,217.41 Lakhs mainly because of purchase of furniture & fixtures for new retail stores, new moulds at plants and towards normal capital expenditure in furtherance to the business operations of the Company and has decreased by ₹447.07 Lakhs due to sale/writing off of old non-usable assets.

Non-Current Investments: At the year end, Liberty's non-current investments in its erstwhile overseas Wholly Owned Subsidiary (WOS) M/s Liberty Foot Fashion Middle East FZE, Dubai, has reported no change and has stood at ₹121.93 Lakhs (Previous Year ₹121.93 Lakhs). Further your Directors, during the year under consideration, have decided to discontinue the same and have initiated the process for liquidation of its Assets. The same has been placed before the members for their approval and ratification also as separate item no. 10 at the Notice of Annual General Meeting. Considering no likely diminution in the realizable value of the investment made, it has been reported in the financial statements at cost.

Long Term Loans & Advances: Long term loans & advances amounting to ₹1,567.06 Lakh (Previous year ₹1,825.51 Lakh) consists of security deposits of ₹833.55 Lakh (Previous year ₹777.53 Lakh), receivable from its Erstwhile WOS of ₹180.49 Lakh (Previous year ₹180.49 Lakh) and MAT Credit Entitlement ₹562.71 Lakh (Previous year ₹852.17 Lakh). During the year, the Company has kept the provision for the security deposits considered as doubtful at ₹24.52 Lakhs (Previous year ₹24.52 Lakh).

Inventories: Inventories, comprising finished goods, raw materials, work in process etc. as at 31st March, 2018 stood at ₹16,939.02 Lakh as against previous year's ₹16,414.69 Lakh. The Inventory turnover ratio for the year ended 31st March, 2018 was 112 days as against 115 days in the previous year.

Trade Receivables: Trade Receivables, with an average realization period of 67 days (85 days in the previous year) stood at ₹10,116.00 Lakh in 2017-18 as against the previous year's ₹12,017.40 Lakh. Out of the trade receivables, ₹1,537.31 Lakh as against the previous year's ₹1,897.91 Lakh were due from overseas customers.

The Company after considering the collection process has made a provision of ₹ Nil Lakh against previous year's ₹ NIL for doubtful debts. During the year, the Company has written off its book debts of ₹444.96 Lakh as against previous year's ₹137.74 Lakh. Further, the Company has recovered its Bad Debts of ₹ NIL as against previous year's ₹19.91 Lakh.

Short Term Loans & Advances: The Short Term Loans and Advances given by the Company included an advance Income Tax (including Minimum Alternate Tax) of Nil in 2017-18 as against the previous year's ₹223.31 Lakh, export benefit receivables of ₹103.45 Lakh as against the previous year's ₹110.59 Lakh and prepaid expenses of ₹232.32 Lakh as against the previous year's ₹177.95 Lakh.

Capital Structure: During the year, there has been no change in

the Capital Structure of the Company and Paid up Capital of the Company was ₹1,704 Lakh as on 31st March, 2018.

Reserves & Surplus: The Company's reserves and surplus has increased from ₹14,465.78 Lakh to ₹15,125.89 Lakh in 2017-18.

Long Term Borrowings: During the year under review, the Company availed Term Loan of ₹156.97 Lakhs as against previous year's ₹877.05 Lakh. The outstanding amount of the Term Loan (Non Current and Current maturities) as on 31st March, 2018 was ₹1,021.17 Lakh as against previous year's ₹1,531.56 Lakh.

Other Long Term Liabilities: During the year under review, the other long term liabilities, which consists of securities received from channel partners, increased by ₹611.52 Lakh and stood at ₹1,220.92 Lakh (Previous year ₹609.40Lakh).

Short Term Borrowings: The amount of working Capital loan secured through the Company's current assets has decreased by ₹2,380.83 Lakh and stood at ₹9,708.75 Lakh as compared to ₹12,089.58 Lakh in the previous year. The said decrease was temporary on account of bulk payments received from the institutional customers at the year end. Further, for short term requirements, the Company has availed unsecured short term loans from the related party and the outstanding balance as on 31st March 2018 remained at ₹883.07 Lakh (Previous year ₹642.33 Lakh).

Trade Payables: The Trade Payable of ₹10,204.14 Lakh (Previous year ₹9,373.47 Lakh) included an amount of ₹46.17 Lakh (as against the previous year's ₹0.09 Lakh) & ₹28.93 Lakh (as against the previous year's ₹ NIL) due towards Liberty Footwear Co. & Liberty Group Marketing Division, the partnership firm(s) respectively in which few of the Directors and their relatives are interested, under the terms of the agreement.

Other Current Liabilities & Provisions: Other current liabilities & provisions amounting to ₹1,888.18 Lakh (Previous year ₹2,612.19 Lakh) consists of long term debts from banks and others due within 12 months from the date of reporting, advances from customers, expenses payables, other liabilities, provision for taxation (net of MAT credit entitlement and taxes paid including advance income tax).

Revenue from Operations and Profits: Liberty's total Income, comprising sales and other Income, Increased from ₹52,086.26 Lakh to ₹55,138.33 Lakh in 2017-18. Profit before tax, after making a provision for depreciation, increased from ₹1,015.69 Lakh to ₹1,089.67 Lakh in 2017-18. The Company's net profit, after considering a tax provision of ₹232.55 Lakh as against the previous year's ₹186.05 Lakh, MAT Credit Set off of ₹279.84 Lakh

(Previous year's ₹233.23 Lakh), a deferred tax reversal of ₹66.54 Lakh as against previous year's ₹79.76 and earlier year adjustment on account of refund/payment of Income tax of ₹16.28 Lakh (Previous year's payment of ₹22.26 Lakh) stood at ₹660.11 Lakh in 2017-18 as against the Previous year's ₹653.91 Lakh.

Finance Costs: Liberty's finance costs stood at ₹1,560.75 Lakh in 2017-18 (Previous year's ₹1,581.52 Lakh), comprising interest on term loans, working capital loans, other loans and bank charges.

Human Resource Developments: Liberty considers its brands and its people strength as its major assets. Liberty HR structure has been designed to support the business in achieving sustainable growth and also groom the employee's talents considering the future requirements. Liberty has a formulated uniform HR Policies for all employees/ workers to define the HR functions and to make Liberty such a place or institution where the people working has defined role and responsibilities with a sense of belongingness amongst them. During the year under consideration, several initiatives through training & motivational programmes were taken to improve employees' knowledge, skills and effectiveness to improve productivity and to establish better inter se relations amongst themselves. The relationship with the employees has been cordial and they have extended their support to the financial performance of the Company.

As on 31st March, 2018, the total employees' strength of the Company stood at 2198 as compared to previous year's 2381.

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

INDEPENDENT AUDITORS' REPORT

To
The Members of
Liberty Shoes Ltd.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Liberty Shoes Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

Management's Responsibility for the Ind AS 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. In conducting our audit, we have taken in to account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the

information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its changes in equity and cash flows for the year ended on that date.

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, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Ind AS financial statements as referred in Note 38 to the Ind AS financial statements.
 - ii. The Company didn't have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Uma Shanker Gupta
Partner
Membership No. 089919

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

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 Ind AS 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, 2018 in conjunction with our audit of the Ind AS 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Uma Shanker Gupta
Partner
Membership No. 089919

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

ANNEXURE - B TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date)
Reg.: Liberty Shoes Limited (the Company)

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

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

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) According to the information and explanations given by the management, the Company during the year has not raised any money by way of initial public offer/ further public offer/ debt instruments except by way of term loans from the bank and the same were applied for the purposes for which it was raised.
- 10) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the management, we report that no material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the year.
- 11) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the notes to the Financial Statements as required by the applicable accounting standards.
- 14) According to information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3 (xiv) of the Order are not applicable to the Company and not commented upon.
- 15) According to the information and explanations given by the management, the Company has not entered into any non cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- 16) According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

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

Uma Shanker Gupta
Partner
Membership No. 089919

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

BALANCE SHEET**as at 31st March, 2018**

(Amount in ₹)

PARTICULARS	NOTE NO.		31.03.2018		31.03.2017
Assets					
Non-current Assets					
Tangible Assets					
Property, Plant & Equipments	2 (a)	89,56,14,623		91,07,72,627	
Capital Work in Progress	2 (c)	24,50,364		1,41,91,081	
Intangible Assets	2 (b)	1,01,93,317		1,52,73,885	
Financial Assets					
Non-current Investments	3	1,22,38,091		1,22,38,091	
Long Term Loans & Advances	4	15,67,06,260		18,25,51,344	
Other Non-current Assets	5	-		-	
Total Non-current Assets			1,07,72,02,655		1,13,50,27,028
Current Assets					
Inventories	6	1,69,39,01,717		1,64,14,68,679	
Financial Assets					
Trade Receivables	7	1,01,15,99,863		1,20,17,39,724	
Cash and Bank Balances	8	8,75,64,515		7,84,72,114	
Short Term Loans & Advances	9	26,60,92,464		19,25,23,720	
Total Current Assets			3,05,91,58,559		3,11,42,04,237
Total Assets			4,13,63,61,214		4,24,92,31,265
Equity & Liabilities					
Equity					
Equity Share Capital	10	17,04,00,000		17,04,00,000	
Other Equity					
Reserves and Surplus	11	1,51,25,89,305		1,44,65,78,463	
Total Equity			1,68,29,89,305		1,61,69,78,463
Liabilities					
Non-current Liabilities					
Financial Liabilities					
Long Term Borrowings	12	5,64,89,944		8,83,10,574	
Deferred Tax Liability (Net)	13	-		66,54,250	
Other Long Term Liabilities	14	12,20,91,858		6,09,39,579	
Long Term Provisions	15	63,74,925		45,91,329	
Total Non-current Liabilities			18,49,56,727		16,04,95,732
Current Liabilities					
Financial Liabilities					
Short Term Borrowings	16	1,05,91,82,937		1,27,31,91,011	
Trade Payables	17	1,02,04,14,542		93,73,47,321	
Other Current Liabilities	18	17,98,20,450		22,38,50,468	
Short Term Provisions	19	89,97,253		3,73,68,270	
Total Current Liabilities			2,26,84,15,182		2,47,17,57,070
Total			4,13,63,61,214		4,24,92,31,265
Significant Accounting Policies	1				
Notes on Financials Statements	2 to 52				
The notes are an integral part of these Financial Statements					

Signed in terms of our Audit Report of even date.

For U. Shanker & Associates

Firm Registration No. 014497N

Chartered Accountants

for and on behalf of the Board

Uma Shanker Gupta
Partner
Membership No. 089919

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

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

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

STATEMENT OF PROFIT AND LOSS

LIBERTY

for the year ended 31st March, 2018

(Amount in ₹)

PARTICULARS	NOTE NO.		31.03.2018		31.03.2017
Continuing Operations					
Revenue from Operations					
Sales		5,50,30,84,914		5,18,90,76,260	
Other Operating Revenues	20	70,47,250		1,48,13,902	
Less:					
Excise Duty		7,02,26,830	5,43,99,05,334	22,99,91,952	4,97,36,98,210
Other Income	21		37,00,703		47,36,106
Total Income			5,44,36,06,037		4,97,86,34,316
Expenses					
Cost of Materials Consumed	22 (a)	1,66,14,79,431		1,84,96,06,668	
Purchase of Stock-in-trade	22 (b)	1,24,33,10,591		79,75,96,097	
Change in Inventories of Finished Goods, Goods in Process and Stock-in-Trade	23	(3,71,89,985)		(23,89,57,374)	
Excise Duty		(1,56,33,078)		39,14,884	
Employee Benefit Expenses	24	75,23,45,309		74,22,95,156	
Depreciation & Amortisations	2	13,45,70,182		13,59,33,020	
Finance Cost	25	15,60,75,207		15,81,51,954	
Other Expenses	26	1,43,31,37,514		1,42,43,24,516	
Total Expenses			5,32,80,95,171		4,87,28,64,921
Profit before exceptional items and tax			11,55,10,866		10,57,69,395
Exceptional Items	27		65,43,602		42,00,493
Profit before Tax from Continuing Operations			10,89,67,264		10,15,68,902
Income Tax Expense					
Current tax		2,32,55,362		1,86,04,782	
MAT Credit Set-off/(Entitlement)		2,79,83,748		2,33,22,858	
Income tax for earlier years		(16,28,438)		22,26,560	
Deferred Tax		(66,54,250)	4,29,56,422	(79,76,250)	3,61,77,950
Profit from Continuing Operations			6,60,10,842		6,53,90,952
Discontinued Operations					
Profit from discontinued operations before tax			-		-
Tax expense of discontinued operations			-		-
Profit from discontinued operations			-		-
Profit for the year			6,60,10,842		6,53,90,952
Other Comprehensive Income					
Items that will not be reclassified to profit or loss in subsequent period			-		-
Other Comprehensive Income for the year			-		-
Total Comprehensive Income for the year, net of Income Tax			6,60,10,842		6,53,90,952
Earnings per Equity Share, of ₹10 each, for profit from continuing operations					
Basic earning per share			3.87		3.84
Diluted earning per share			3.87		3.84
Earnings per Equity Share, of ₹10 each, for profit from discontinued operations					
Basic earning per share			-		-
Diluted earning per share			-		-
Earnings per Equity Share, of ₹10 each, for profit from continuing and discontinued operations					
Basic earning per share			3.87		3.84
Diluted earning per share			3.87		3.84
Significant Accounting Policies	1				
Notes on Financials Statements	2 to 52				
The notes are an integral part of these Financial Statements					

Signed in terms of our Audit Report of even date.
For U. Shanker & Associates
Firm Registration No. 014497N
Chartered Accountants

for and on behalf of the Board

Uma Shanker Gupta
Partner
Membership No. 089919

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

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

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2018

(Amount in ₹)

Particulars	Equity Share Capital	Other Equity					Total
		Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	
Balance as at April 1, 2016	17,04,00,000	3,99,500	11,27,20,644	1,10,70,09,364	16,10,58,003		1,55,15,87,511
Profit for the year					6,53,90,952		6,53,90,952
Other Comprehensive Income					-		-
Total Comprehensive Income for the year	-	-	-	-	6,53,90,952	-	6,53,90,952
Transfer to General Reserve				3,00,00,000	(3,00,00,000)		-
Balance as at March 31, 2017	17,04,00,000	3,99,500	11,27,20,644	1,13,70,09,364	19,64,48,955	-	1,61,69,78,463
Profit for the year					6,60,10,842		6,60,10,842
Other Comprehensive Income							-
Total Comprehensive Income for the year	-	-	-	-	6,60,10,842	-	6,60,10,842
Dividend					-		-
Dividend Distribution Tax					-		-
Transfer to General Reserve				3,00,00,000	(3,00,00,000)		-
Balance as at March 31, 2018	17,04,00,000	3,99,500	11,27,20,644	1,16,70,09,364	23,24,59,797	-	1,68,29,89,305

Signed in terms of our Audit Report of even date.
For U. Shanker & Associates
Firm Registration No. 014497N
Chartered Accountants

for and on behalf of the Board

Uma Shanker Gupta
Partner
Membership No. 089919

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

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

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

CASH FLOW STATEMENT

LIBERTY

for the year ended 31st March, 2018

(Amount in ₹)

PARTICULARS	31.03.2018	31.03.2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Income Tax from		
Continuing Operations	10,89,67,264	10,15,68,902
Discontinued Operations	-	-
Profit before Income Tax including discontinued operations	10,89,67,264	10,15,68,902
Adjustments for:		
Depreciation and amortisation expense	13,45,70,182	13,59,33,020
Loss/(Gain) on sale of Non-current Assets	65,43,602	42,00,493
Bank & Other Interest classified as investing cash flows	(37,00,703)	(47,36,106)
Finance Cost	15,60,75,207	15,81,51,954
Unrealised Foreign Exchange Difference	3,29,435	22,67,448
Changes in operating assets and liabilities		
(Increase)/Decrease in Trade Receivables	19,01,39,861	(23,25,00,123)
(Increase)/Decrease in Inventories	(5,24,33,038)	(23,06,38,569)
Increase/(Decrease) in Trade & Other Payables	(12,21,42,687)	25,95,59,282
(Increase)/Decrease in other non-current assets	(7,52,35,444)	6,98,02,964
Increase/(Decrease) in Provision for doubtful debts	-	(1,43,92,769)
Cash generated from operations	34,31,13,679	24,92,16,497
Direct Taxes Paid	2,11,43,526	2,45,99,128
Net Cash Flow from Operating Activities	32,19,70,153	22,46,17,368
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Purchase of Non-current Assets	(12,17,40,787)	(9,19,10,870)
Proceeds from Sale of Non-current Assets	1,26,06,292	52,41,279
Bank and Other Interest	37,00,703	47,36,106
Net Cash outflow from Investing Activities	(10,54,33,792)	(8,19,33,485)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	1,56,97,000	8,77,05,185
Repayment of long term borrowings	(6,67,36,318)	(6,67,94,130)
Interest paid	(15,60,75,207)	(15,81,51,954)
Net Cash inflow/outflow from Financing Activities	(20,71,14,525)	(13,72,40,899)
Net Increase/(Decrease) in Cash & Cash Equivalents	94,21,836	54,42,984
Cash & Cash Equivalents (Opening Balance)	7,84,72,114	7,52,96,578
Unrealised Foreign Exchange Difference	(3,29,435)	(22,67,448)
Cash & Cash Equivalents (Closing Balance)	8,75,64,515	7,84,72,114
Components of Cash & Cash Equivalents		
Cash in hand including imprest	2,20,38,077	1,34,07,826
Balance with Scheduled Banks		
Current Accounts	1,15,07,821	1,07,31,116
Cheques on hand	2,01,72,847	2,56,41,927
Fixed Deposits	3,38,45,770	2,86,91,245
Total	8,75,64,515	7,84,72,114

Notes: 1) Purchase of Tangible & Intangible Assets includes movements of capital work in progress between the beginning & at the end of the year. 2) The Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 - Statement of Cash Flows notified under "Section 133 of the Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standards) Rules, 2015" (as amended).

Signed in terms of our Audit Report of even date.

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

for and on behalf of the Board

Uma Shanker Gupta
Partner
Membership No. 089919

Adesh Kumar Gupta
CEO & Executive Director
DIN-00143192

Shammi Bansal
Executive Director
DIN - 00138792

Raghubar Dayal
Director
DIN-00481803

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

Place: Gurugram, Haryana
Dated: Saturday, 26th May, 2018

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

CORPORATE INFORMATION

Liberty Shoes Ltd is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 3rd September, 1986. The shares of the Company are listed on two stock exchanges in India i.e National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is engaged in the business of manufacturing and trading of footwear and accessories through its retail and wholesale network. The Registered Office of the Company is situated at Libertypuram, Karnal, Haryana.

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).

Effective April 1, 2017, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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.

The Financial Statements for the year ended March 31, 2017 were audited by predecessor auditors.

b) Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Revenue Recognition

- Sales revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer on dispatch or delivery of goods, net of sales returns, trade discount and VAT/Sales tax/GST but inclusive of excise duty and do not include the cost of materials used for captive consumption.
- Export Incentives are accounted on accrual basis and include the estimated value of incentives receivable under the DEPB Scheme, the Duty Drawback Scheme, the Focus Product Scheme and the Merchandise Export from India Scheme. Any difference at the time of actual receipt is accounted for in the year of receipt. The amount of export incentives has been adjusted with the cost of raw materials consumed.
- Gain/Loss on transfer of Duty Credit Entitlements received under the DEPB Scheme is accounted for in the year of transfer.

d) Inventory Valuation

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

e) Property, Plant & Equipments and Capital work in progress

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

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**f) Depreciation**

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

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

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

g) Impairment of Assets

Usually the 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.

h) Operating Lease

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

i) Valuation of Investments

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

j) Excise Duty

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

k) Provisions and Contingent Liabilities

The Company recognizes a provision where there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation and accordingly all known liabilities wherever material are provided for. A disclosure for a contingent liability is made when there is a

possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

l) Employee Benefits

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

m) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are 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) Provision for Taxation

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

p) Provision for Deferred Taxation

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note 2. Tangible & Intangible Assets										
Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Total as on 01.04.2017	Additions during the period	Sales/Adj. during the period	Total as on 31.03.2018	Total as on 01.04.2017	For the period	Sales/Adj. during the period	Total as on 31.03.2018	As on 31.03.2018	As on 31.03.2017
(a) Tangible Assets (Not under Lease)										
Property, Plant & Equipments										
Land	12,64,55,140	-	-	12,64,55,140	-	-	-	-	12,64,55,140	12,64,55,140
Building*	24,07,36,146	1,33,11,415	-	25,40,47,561	9,82,84,031	83,75,563	-	10,66,59,594	14,73,87,967	14,24,52,115
Plant & Equipments	81,98,54,154	1,97,58,177	39,02,764	83,57,09,567	59,51,29,420	4,92,08,351	14,13,773	64,29,23,998	19,27,85,569	22,47,24,734
Furniture & Fixture	37,63,59,200	4,61,03,763	2,76,66,382	39,47,96,581	18,01,64,380	3,32,88,470	1,89,56,585	19,44,96,265	20,03,00,316	19,61,94,820
Vehicles	18,86,26,727	1,64,85,485	79,23,749	19,71,88,463	9,71,27,322	2,20,04,042	37,25,323	11,54,06,041	8,17,82,422	9,14,99,405
Office Equipments	15,83,37,532	1,41,12,192	20,49,386	17,04,00,338	11,77,17,457	86,42,531	14,55,175	12,49,04,813	4,54,95,525	4,06,20,075
Moulds	31,03,88,610	2,26,83,729	31,64,400	32,99,07,939	22,15,62,272	69,43,914	5,931	22,85,00,255	10,14,07,684	8,88,26,338
Total Tangible Assets	2,22,07,57,509	13,24,54,761	4,47,06,681	2,30,85,05,589	1,30,99,84,882	12,84,62,871	2,55,56,787	1,41,28,90,966	89,56,14,623	91,07,72,627
Previous Year	2,17,32,16,476	7,94,73,706	3,19,32,673	2,22,07,57,509	1,19,97,98,220	13,26,77,563	2,24,90,901	1,30,99,84,882	91,07,72,627	97,34,18,256
(b) Intangible Assets										
Patents	15,500	-	-	15,500	3,838	-	-	3,838	11,662	11,662
Softwares	2,98,76,764	10,26,743	-	3,09,03,507	1,46,14,541	61,07,311	-	2,07,21,852	1,01,81,655	1,52,62,223
Total Intangible Assets	2,98,92,264	10,26,743	-	3,09,19,007	1,46,18,379	61,07,311	-	2,07,25,690	1,01,93,317	1,52,73,885
Previous Year	1,88,20,859	1,10,71,405	-	2,98,92,264	1,13,62,922	32,55,457	-	1,46,18,379	1,52,73,885	74,57,937
(c) Capital work in progress:										
a) Building under construction	1,40,52,406	11,55,988	1,28,96,705	23,11,689	-	-	-	-	23,11,689	1,40,52,406
b) Assets under installation	1,38,675	-	-	1,38,675	-	-	-	-	1,38,675	1,38,675
Total Capital work in progress	1,41,91,081	11,55,988	1,28,96,705	24,50,364	-	-	-	-	24,50,364	1,41,91,081
Previous year	1,28,25,322	31,73,429	18,07,670	1,41,91,081	-	-	-	-	1,41,91,081	1,28,25,322
Grand Total	2,26,48,40,854	13,46,37,492	5,76,03,386	2,34,18,74,960	1,32,46,03,261	13,45,70,182	2,55,56,787	1,43,36,16,656	90,82,58,304	94,02,37,593
Previous year	2,20,48,62,657	9,37,18,540	3,37,40,343	2,26,48,40,854	1,21,11,61,142	13,59,33,020	2,24,90,901	1,32,46,03,261	94,02,37,593	99,37,01,515

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

	As at 31st March, 2018	As at 31st March, 2017
Note 3. Non-current Investments (Non-Trade)		
Investments in Government Securities (Valued at Cost)		
(6 Years National Saving Certificates VIII Issue)	44,834	44,834
Liberty Foot fashion Middle East FZE		
1 (Previous Year 1) Equity Share of UAE Dhiram 10,00,000 fully paid	1,21,93,257	1,21,93,257
Total Non-current Investments	1,22,38,091	1,22,38,091
Aggregate amount of Quoted Investments	-	-
Aggregate amount of Unquoted Investments	1,22,38,091	1,22,38,091
Aggregate Market Value of Quoted Investments	-	-
4. Long term Loans & Advances		
(Unsecured and considered good unless stated otherwise)		
Capital Advance	14,84,383	39,84,621
Security Deposits		
to Related Parties	60,00,000	60,00,000
to Others	7,73,54,843	7,17,53,304
Share Application Money paid to Subsidiaries (Pending Allotment)	1,80,48,696	1,80,48,696
MAT Credit Entitlement	5,62,70,863	8,52,17,248
	15,91,58,785	18,50,03,869
Less: Provision for doubtful security deposits to others	24,52,525	24,52,525
Total Long term Loan & Advances	15,67,06,260	18,25,51,344
5. Other Non-current Assets		
(Unsecured and considered good unless stated otherwise)	-	-
Total Other Non-current Assets	-	-
6. Inventories (As valued and certified by the Management)		
Raw Materials	32,74,63,019	31,64,20,826
Goods in Process	18,05,44,295	16,82,12,930
Finished Goods		
Manufactured	93,80,00,999	92,88,26,526
Traded	19,26,04,089	17,69,19,942
Packing Materials	2,06,40,282	1,62,42,558
Stores & Spares	3,35,69,004	3,33,00,784
Oil & Lubricants	10,80,029	15,45,113
Total Inventories	1,69,39,01,717	1,64,14,68,679
7. Trade Receivables		
(Unsecured and considered good unless stated otherwise)		
Debts outstanding for a period exceeding six months from the due date		
Considered good	12,39,44,744	18,31,73,592
Considered doubtful	-	-
Other Debts		
Considered good	88,76,55,119	1,01,85,66,132
	1,01,15,99,863	1,20,17,39,724
Less: Provision for doubtful debts	-	-
Total Trade Receivables	1,01,15,99,863	1,20,17,39,724
8. Cash and Bank Balances		
Cash and Cash equivalents		
Balances with banks:		
In Current Accounts*	1,15,07,821	1,07,31,116
Cheques on hand	2,01,72,847	2,56,41,927
Cash in hand including imprest	2,20,38,077	1,34,07,826
Fixed Deposits with Banks (Margin Money deposit for LC/Bank Guarantees)**	3,38,45,770	2,86,91,245
Total Cash and Bank Balances	8,75,64,515	7,84,72,114

* Includes Unclaimed Dividend of ₹6.15 Lakhs (Previous year ₹6.18 Lakhs) ** Includes Fixed Deposits for ₹5.12 Lakhs (Previous year ₹4.40 Lakhs) having maturity of more than 12 months

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

	As at 31st March, 2018	As at 31st March, 2017
Note 9. Short-term Loans & Advances (Unsecured and considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for the value to be received	9,22,50,416	9,76,92,601
Security Deposit for less than 12 Months		
to Related Parties	-	-
to Others	1,60,20,453	1,50,43,683
Balance with Excise and other Statutory Authorities	12,09,19,112	4,80,59,401
(including service tax, VAT recoverable and taxes paid under protest)		
Prepaid Expenses	2,32,32,384	1,77,95,107
Loans and advances to employees	1,36,70,099	1,39,32,928
Total Short-term Loans & Advances	26,60,92,464	19,25,23,720
10. Equity Share Capital		
Authorised Share Capital		
63500000 (Previous year 63500000 Equity Shares) of ₹10 each	63,50,00,000	63,50,00,000
Issued, Subscribed & Fully Paid Up Capital		
17040000 (Previous year 17040000) Equity Shares of ₹10 each fully paid up.	17,04,00,000	17,04,00,000
	17,04,00,000	17,04,00,000
10 (a) Reconciliation of Number of Shares		
Equity Shares		
Balance at the beginning of the year		
17040000 (Previous year 17040000) Equity Shares of ₹10 each fully paid up.	17,04,00,000	17,04,00,000
Add: Shares issued during the year	-	-
Balance at the end of the year	17,04,00,000	17,04,00,000

10(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.

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

Name of Equity Shareholders	As at 31st March, 2018		As at 31st March, 2017	
	% of shareholding	No. of Shares	% of shareholding	No. of Shares
Equity Shares				
Geofin Investments Private Limited	26.25	44,72,517	26.25	4,47,251
Sh. Satish Kumar Gupta	5.08	8,66,202	5.08	8,66,202
Total	31.33	53,38,719	31.33	53,38,719

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

Equity Shares

Nil

Nil

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Other Equity	As at 31st March, 2018	As at 31st March, 2017
11. Reserves & Surplus		
(a) Capital Reserve	3,99,500	3,99,500
(b) Securities Premium Account		
Balance at the beginning of the year	11,27,20,644	11,27,20,644
Add: Additions/(Utilisations) during the year	-	-
Balance at the end of the year	11,27,20,644	11,27,20,644
(c) General Reserve*		
Balance at the beginning of the year	1,13,70,09,364	1,10,70,09,364
Add: Transfer from surplus in the Statement of Profit & Loss	3,00,00,000	3,00,00,000
Balance at the end of the year	1,16,70,09,364	1,13,70,09,364
(d) Retained Earnings**		
Balance at the beginning of the year	19,64,48,955	16,10,58,003
Add: Profit for the year	6,60,10,842	6,53,90,952
	26,24,59,797	22,64,48,955
Less: Appropriations/Adjustments		
Transfer to General Reserve	3,00,00,000	3,00,00,000
Balance at the end of the year	23,24,59,797	19,64,48,955
Total Reserves & Surplus (a+b+c+d)	1,51,25,89,305	1,44,65,78,463

*The general reserve is used from time to time to transfer profit from retained earnings for apportion purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit and loss.

**The portion of profits not distributed among the shareholders are termed as retained earnings. The Company may utilize the retained earnings for making investments for future growth and expansion plans, for the purpose of generating higher returns for the shareholders or for any other specific purpose, as approved by the Board of Directors of the Company.

(Amount in ₹)

Long Term Borrowings	As at 31st March, 2018		As at 31st March, 2017	
	Non Current	Current Maturities	Non Current	Current Maturities
12. Secured				
Term Loans				
(i) from Banks:				
Rupee Term Loans	5,48,86,804	4,36,71,774	8,47,51,488	6,12,85,755
(ii) from Others:				
Rupee Term Loans	16,03,140	19,55,049	35,59,086	35,59,756
	5,64,89,944	4,56,26,823	8,83,10,574	6,48,45,511
Less: Amount disclosed under other Current Liabilities (Refer Note 18)	-	4,56,26,823	-	6,48,45,511
Net Long Term Borrowings	5,64,89,944	-	8,83,10,574	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Particulars of Loan	Detail of Security	Outstanding Balance as at 31.03.2018	Repayment Terms
(i) from Banks			
Term Loan from HDFC Bank	Exclusive charge on the assets financed under Term Loan and Equitable Mortgage of Land & Building including hypothecation of Plant & Machinery situated at Village Bhagwanpur, Roorkee, Uttarakhand and Equitable Mortgage of Land at Distt-Sirmaur, Pantasahib and Langha Road, Sahaspur, Dehradun and 2nd Charge on Current Assets of the Company	7,97,70,423	4 Quarterly installments of ₹30.70 Lakhs each 6 Quarterly installments of ₹16.25 Lakhs each 6 Quarterly installments of ₹7.77 Lakhs each 6 Quarterly installments of ₹38.46 Lakhs each 6 Quarterly installments of ₹38.46 Lakhs each and 1 installment of ₹300 Lakh in the year 2021
Vehicle Loans from HDFC Bank	Hypothecation of Vehicles	78,63,322	49% in Monthly Installment in 2018-19 27% in Monthly Installment in 2019-20 20% in Monthly Installment in 2020-21 3% in Monthly Installment in 2021-22 1% in Monthly Installment in 2022-23
Vehicle Loans from ICICI Bank	Hypothecation of Vehicles	40,39,833	36% in Monthly Installment in 2018-19 20% in Monthly installment 2019-20 22% in Monthly installment 2020-21 20% in Monthly installment 2021-22 2% in Monthly installment 2022-23
Vehicle Loans from Axis Bank	Hypothecation of Vehicles	68,85,000	16% in Monthly Installment in 2018-19 18% in Monthly installment 2019-20 20% in Monthly installment 2020-21 21% in Monthly installment 2021-22 23% in Monthly installment 2022-23 2% in Monthly installment 2023-24
Total		9,85,58,578	
(ii) from Others			
Vehicle Loans from Daimler Financial Services	Hypothecation of Vehicle	1,40,869	100% in Monthly Installment in 2018-19
Vehicle loan from Toyota Financial Services India Ltd.	Hypothecation of Vehicle	34,17,320	53% in Monthly Installment in 2018-19 47% in Monthly Installment in 2019-20*
Total		35,58,189	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

	As at 31st March, 2018	As at 31st March, 2017
13. Deferred Tax Liability (Net)		
Balance at the beginning of the year	66,54,250	1,46,30,500
Add: for the year	(66,54,250)	(79,76,250)
Balance at the end of the year	-	66,54,250
14. Other Long Term Liabilities		
Security Deposits	12,20,91,858	6,09,39,579
Total Other Long Term Liabilities	12,20,91,858	6,09,39,579
15. Long Term Provisions		
Provision for Gratuity	63,74,925	45,91,329
Total Other Long Term Provisions	63,74,925	45,91,329
16. Short Term Borrowings		
(a) Secured		
Loans repayable on demand		
from Banks:	97,08,75,382	1,20,89,57,982
(Secured against hypothecation of Company's entire stock of raw materials, stock in process, finished goods, consumables, stores and spares, finished goods in stores, in transit and with shippers at port awaiting shipment for exports, receivables, cheques, bank drafts and all other current assets and 2nd paripassu charge on Plant & Machinery.)		
Total Secured Loans	97,08,75,382	1,20,89,57,982
(b) Unsecured		
Loans and Advances from Related Parties		
Short Term Loans	8,83,07,555	6,42,33,029
from Others	-	-
Total Unsecured Loans	8,83,07,555	6,42,33,029
Total Short Term Borrowings (a+b)	1,05,91,82,937	1,27,31,91,011
17. Trade Payables		
Trade Payables for goods & services (Includes sundry creditors)	1,02,04,14,542	93,73,47,321
Total Trade Payables	1,02,04,14,542	93,73,47,321
18. Other Current Liabilities		
(a) Current Maturities of Long Term Debts (refer Note 12)		
from Banks	4,36,71,774	6,12,85,755
from Others	19,55,049	35,59,756
Total Current Maturities of Long Term Debts	4,56,26,823	6,48,45,511
(b) Other Payables		
Advances from Customers	2,35,35,191	4,00,82,258
Expenses Payable	8,39,58,573	8,60,83,780
Other Liabilities	2,66,99,863	3,28,38,919
Total Other Payables	13,41,93,627	15,90,04,957
Total Other Current Liabilities (a+b)	17,98,20,450	22,38,50,468
19. Short Term Provisions		
Provision for taxation (Net of Taxes Paid and MAT Credit Setoff)	9,55,362	1,86,04,782
Provision for Gratuity	80,41,891	31,30,410
Provision for Excise Duty	-	1,56,33,078
Total Short Term Provisions	89,97,253	3,73,68,270

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

	As at 31st March, 2018	As at 31st March, 2017
20. Other Operating Income		
Freight	21,59,920	10,55,850
Miscellaneous Income	46,04,394	1,17,66,966
Gain on Exchange Rate Fluctuations	2,82,936	-
Bad Debts Recovered	-	19,91,086
Total Operating Income	70,47,250	1,48,13,902
21. Other Income		
Bank and Other Interest (Tax deducted at Source ₹2.42 Lakhs [Previous Year ₹1.77 Lakhs])	37,00,703	47,36,106
Total Other Income	37,00,703	47,36,106
22. Cost of Materials consumed and Finished Goods Purchased		
a) Raw Materials (Refer to Note 49)		
Stock at the beginning of the year	31,64,20,826	32,93,96,479
Add: Purchases	1,67,25,21,624	1,83,66,31,015
	1,98,89,42,450	2,16,60,27,494
Less: Stock at the end of the year	32,74,63,019	31,64,20,826
Raw Materials Consumed	1,66,14,79,431	1,84,96,06,668
b) Finished Goods Purchased	1,24,33,10,591	79,75,96,097
Total Cost of Materials consumed and Finished Goods Purchased (a+b)	2,90,47,90,022	2,64,72,02,765
23. Change in Inventories of Finished Goods, Goods in Process and Stock-in-Trade		
a) Inventories at the end of the year		
Finished Goods/Stock-in-Trade	1,13,06,05,088	1,10,57,46,468
Goods in Process	18,05,44,295	16,82,12,930
Total	1,31,11,49,383	1,27,39,59,398
b) Inventories at the beginning of the year		
Finished Goods/Stock-in-Trade	1,10,57,46,468	88,37,83,118
Goods in Process	16,82,12,930	15,12,18,906
Total	1,27,39,59,398	1,03,50,02,024
(Increase)/Decrease in Inventories (b - a)	(3,71,89,985)	(23,89,57,374)
24. Employee Benefits Expense		
Salaries, Wages and Bonus	69,36,20,997	68,53,90,983
Contribution to Provident and Other Funds (Refer to Note 45)	4,88,62,071	4,55,57,864
Staff Welfare Expenses	98,62,241	1,13,46,309
Total Employee Benefits Expense	75,23,45,309	74,22,95,156
25. Finance Cost		
Interest Expense		
to Banks	12,36,00,599	13,58,91,462
to others (Refer to Note 34)	1,24,79,670	47,67,928
Bank Charges	1,99,94,938	1,74,92,564
Total Finance Cost	15,60,75,207	15,81,51,954

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

	As at 31st March, 2018	As at 31st March, 2017
26. Other Expenses		
a) Manufacturing Expenses		
Freight Inwards	1,46,14,470	1,59,58,489
Upper Production Charges	11,07,14,563	11,94,16,482
Oil & Lubricants	1,14,02,569	1,04,48,691
Electricity Charges	8,41,14,105	9,28,88,049
Repairs to Machinery	3,53,20,722	3,28,12,484
Land Lease Rent	2,40,616	2,18,741
Franchise Fee	1,25,00,000	1,25,00,000
Total	26,89,07,045	28,42,42,936
b) Administration, Selling and Other Expenses		
Packing Materials Consumed	15,99,23,942	16,58,40,753
Printing & Stationery	51,40,640	73,37,266
Directors' Remuneration	1,56,19,200	2,04,19,200
Claims	2,69,04,636	2,48,49,189
Tour, Travelling and Conveyance	7,02,76,622	7,73,18,219
Insurance Charges	87,74,545	84,39,080
Fees and Taxes	3,03,91,241	5,04,00,052
Postage, Telegram, Telephone and Telex	1,28,41,655	1,64,72,880
Subscriptions	12,98,147	12,48,776
Advertisements	6,51,22,866	8,33,45,404
Rent	18,30,89,419	17,08,42,452
Donations	50,61,661	47,50,634
Export CIF Expenses	1,06,45,645	1,73,09,235
Freight Outward	10,73,04,070	9,09,21,687
Samples	3,09,313	3,58,543
Auditors' Remuneration:		
Statutory Audit Fee	6,00,000	8,95,000
Tax Audit Fee	380,000	80,000
Certification Fee	20,000	20,000
Cost Audit Fee	-	-
Miscellaneous Expenses	3,52,47,996	3,67,09,759
Royalty	16,74,00,000	16,65,00,000
Entertainment Expenses	64,24,048	76,97,200
Commission	7,56,53,801	4,88,87,086
Sales Promotion Expenses	6,07,83,821	5,62,52,441
Newspapers & Periodicals	3,15,396	1,98,437
Debts written off	4,44,95,836	1,37,74,345
Provision for doubtful debts (refer to Note 40)	-	(1,43,92,769)
Consultancy & Professional Charges	2,59,88,797	2,83,26,192
Repairs & Maintenance Expenses-Building	2,30,52,990	2,57,83,980
Repairs & Maintenance Expenses-Others	2,11,64,182	2,65,66,406
Exchange Rate Fluctuations	-	29,30,133
Total	1,16,42,30,469	1,14,00,81,580
Total Other Expenses (a + b)	1,43,31,37,514	1,42,43,24,516
27. Exceptional Items:		
Profit on Sale of Fixed Assets	(17,01,473)	(18,04,957)
Loss on sale of Fixed Assets	82,45,075	60,05,450
	65,43,602	42,00,493

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**28. Details of Managerial Remuneration:**

(Amount in ₹)

Particulars	31.03.2018	31.03.2017
Payment and provision for remuneration to:		
• Executive Director(s)	1,56,19,200	2,04,19,200

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

(Amount in ₹)

Particulars	31.03.2018	31.03.2017
Profit before tax as per Statement of Profit & Loss	10,89,67,264	10,15,68,902
Add:		
Directors' Remuneration	1,56,19,200	2,04,19,200
(Profit)/Loss on sale of Fixed Assets (Net)	65,43,602	42,00,493
Directors' Sitting Fees	2,40,000	2,40,000
(Profit)/Loss on sale of Investments	-	-
Net Profit as per Section 198 of the Companies Act, 2013	13,13,70,066	12,64,28,595
Commission paid/payable to Directors	-	-

During the year under consideration, no remuneration has been paid to Non-Executive Directors except sitting fees of ₹2,40,000/- (Previous year ₹2,40,000/-) to Independent Directors.

29. 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.
30. The Company has taken various retail stores and warehouses under operating lease arrangements. The lease agreements generally have an escalation clause
- and there are no subleases. These leases are generally not non cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreements.
- The aggregate lease rentals payables are charged as Rent in Note 26.
- The future minimum lease payments under non cancellable operating leases are as follows:

(Amount in ₹)

Lease rentals	31.03.2018	31.03.2017
Not later than one year	54,69,312	51,66,269
Later than one year and not later than 5 years	-	-
Later than five years	-	-
Lease Payment recognized in Statement of Profit and Loss are shown as Rent under Other Expenses in Note 26	18,30,89,419	17,08,42,452

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

Particulars of Forward Contracts	Currency	March 2018	March 2017	Purpose
Purchase	USD	-	-	To hedge the Trade Payable
Sales	USD	4,40,695.86	-	To hedge the Trade Receivables
	GBP	19,000.00	-	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars of Unhedged Foreign Currency Exposure as at the balance sheet date

Particulars of Unhedged Foreign Currency Exposure	Amount in Foreign Currency			Amount in Indian Currency (₹ in Lakh)	
	Currency	March 2018	March 2017	March 2018	March 2017
Trade Payables	USD	3,61,497.76	4,62,478.40	235.47	299.96
	EURO	15,314	24,871.00	12.29	17.26
Advance for Import Purchases	USD	45,094.40	71,802.00	29.37	46.57
	EURO	918.75	18,959.79	0.74	13.15
Advance from Customers	USD	20,184.10	69,793.00	13.15	45.27
	EURO	17,747.21	2310.00	14.25	1.60
Trade Receivables	GBP	---	---	---	---
	USD	21,34,651.13	29,98,532.74	1,390.44	1,944.82
	EURO	13,481.60	33,397.00	10.82	23.17
	GBP	40,500.87	20,897.44	36.96	16.99

32. The assessment of the Company in respect of Income Tax & Wealth Tax is completed up to Assessment Year 2014-15.

33. In furtherance to the Company's earlier communication, considering the long term benefits of unlocking the shareholders' value through acquisition of the tangible and intangible assets including business rights of Liberty Enterprises (LE) & Liberty Group Marketing Division (LGMD), on March 31, 2015 the Company had entered into a Memorandum of Understanding (MOU) with these two Partnership firms for acquisition of their respective business of footwear. In terms of the said MOU the related transactions were to be completed, as per the mode/structure to be recommended by the consultants, on or before March 31, 2016 but with retrospective effect from April 1, 2015. In continuation to the said MOU, considering the fact of non formalization of terms and conditions for such takeover by 31st March, 2016 due to certain technical reasons, parties to the above said MOU entered into a fresh agreement for continuing the existing arrangements till further period(s) as may be mutually agreed and accordingly extended the said arrangements initially for further period of 12 months commencing from April 1, 2016 onwards, thereafter for further period of 12 months commencing from April 1, 2017.

Sh. Harish Kumar Gupta, one of the Partners of LE, on his own behalf and on behalf of LE has challenged the above said extension & further renewal of the said arrangements before the Court of ADJ, Karnal on 16/05/2017 and asked for the restraining order on the said arrangements entered by the Company with LE. The Hon'ble Court at Karnal, vide its order dated December 21, 2017 duly acknowledging the fact that the Company cannot be stopped from doing its lawful business, did not interfere in the said existing arrangements but restrained LE not to enter into fresh contract during the intermittent period from the first date of hearing to next date of hearing(s) and subsequently, vide its order dated March 1, 2018 on the submission of other partners, vacated the said restraining order also.

The Company, to protect the interest of its shareholders and to ensure long term continuance of the arrangements with these partnership firms namely LE & LGMD till materialization of the acquisition of their respective business of footwear in accordance to the above referred MOU, have entered into a fresh agreements with these two partnership firms for further period of 10 years commencing from April 1, 2018.

During the year in terms of the above referred agreements, the Company has paid/provided for franchise fees of ₹115 Lakh (Previous year ₹115 Lakh) to LE and ₹818 Lakhs (Previous year ₹855 Lakh) to LGMD and in terms of the renewed agreement dated April 3, 2013 of the Company with Liberty Footwear Co. (LFC), another partnership firm of the group and owner of trademark "LIBERTY", for granting exclusive rights of usage of the trademark "LIBERTY" for a period of fifteen years from April 1, 2013 onwards and in conformity with the requisite approvals of the Central Government obtained by the Company in this regard, the Company has paid/provided for trademark license fee of ₹866 Lakh (Previous year ₹820 Lakh) to LFC.

The execution of Arbitrator award, with regard to the erstwhile Franchise Agreement dated 31st March 2003, which has been upheld by Court at Karnal vide order 22/12/2017 has, subsequently on the application of other partners and the Company, been stayed by Hon'ble High Court of Haryana and Punjab at Chandigarh vide its order dated 30/04/2018.

34. Interest to others include ₹1,03,93,918/- (Previous year ₹41,08,594/-) against short term loan from M/s Geofin Investments Private Ltd @ 12% p.a.

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

36. The Company has paid the excise duty amounting to ₹7,02,26,830/- (Previous year ₹22,99,91,952/-) against the sales executed during the year.

Also, post implementation of GST w.e.f. 1st July, 2017 onwards the Company has made the provision of excise duty of ₹ Nil (Previous Year ₹1,56,33,078/-) against finished goods lying in stocks as on 31st March, 2018 and the difference between the provision of current year and of previous year has been recognized separately in the Statement of Profit & Loss.

37. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small & Medium Enterprise Development Act, 2006) claiming their status as on 31st March, 2018 as Micro, Small or Medium Enterprise. Consequently the amount paid/payable to these parties during the year is Nil.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**38. Contingent Liabilities**

(Amount in ₹)

Particulars	2017-18	2016-17
I) Bank Guarantees issued on behalf of the Company submitted with various institutional customers in terms to their orders.	15,38,40,940	5,06,68,327
II) Letter of Credits	3,83,18,396	16,17,51,584
III) On account of disallowance of legitimate credit of CENVAT against Excise Duty/Education Cess ¹ for the period from November 2004 to June 2005, May 2006 to June 2006, financial year 2002-03 and 2004-05. CESTAT while admitting Company's appeal directed to deposit ₹39 Lakhs under protest and has granted stay.	-	3,38,75,448
IV) Value Added Tax ² for the financial year 2005-06, 2006-07, 2007-08 & 2008-09 on account of classification of goods at different rate of tax	55,69,829	55,69,829
V) Service Tax on GTA Services for the period from January 2005 to March 2007	5,28,598	5,28,598
VI) On account of compliance relating to obligations under EPCG licenses	4,42,00,783	4,42,00,783
VII) On Account of few labour matters pertaining to earlier years in which Company has preferred an appeal before the Hon'ble High Court and has been granted stay	2,10,00,000	2,10,00,000

¹Including amount deposited under protest ₹39,00,000/- (Previous year ₹39,00,000/-). The related matter has been decided by the Hon'ble CESTAT in favour of the Company vide order dated 03/04/2018

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

39. Capital commitments not provided for are estimated at ₹50 Lakh (Previous year ₹50 Lakh).
40. Provision for doubtful debts: During the year, the Company has considered debts for ₹Nil/- (Previous year ₹Nil) as doubtful debts/securities and also has withdrawn ₹Nil (Previous year ₹1,43,92,769/-) out of the provisions made
- in the earlier years for the same and written off as bad debts ₹Nil (Previous year ₹1,30,47,705/-). Further the differential of the provision made and amount withdrawn during the year, detailed as under, has been charged to Statement of Profit & Loss for the year and the balance has been carried in the balance sheet:

Statement of Profit & Loss

(Amount in ₹)

Particulars	2017-2018	2016-2017
Provision for the year	-	-
Less: Amount withdrawn from the provision made for doubtful debts in the earlier years	-	1,43,92,769
Net debited/(credited) to Statement of Profit & Loss	-	(1,43,92,769)

Balance Sheet

(Amount in ₹)

Particulars	2017-2018	2016-2017
Opening Balance	24,52,525	1,68,45,294
Add: Provision for the year	-	-
Total	24,52,525	1,68,45,294
Less: Amount withdrawn during the year	-	1,43,92,769
Closing balance	24,52,525	24,52,525
Trade Receivables (Refer to Note No. 7)	-	-
Security Deposits to Others (Refer to Note No. 4)	24,52,525	24,52,525

41. During the year, considering the non-recoverability of some of the debts/advances, the Company has written off the debts amounting to ₹4,13,61,074/- (Previous year ₹7,26,240/-).

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

43. Basic and Diluted Earning per share: The Basic and diluted earning per share of the Company is as under: - (Amount in ₹)

Description	2017-18	2016-2017
Basic & Diluted		
Profit after Taxation (A)	6,60,10,842	6,53,90,952
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)	3.87	3.84

44. Related Party Transactions

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

A) Transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2018:

(Amount in ₹)

Description	Subsidiary	Entities where Key Management Personnel/Relative of Key Management Personnel has significant influence	Key Management Personnel	Relatives of Key Management Personnel	Total
Transactions					
Receiving of Services	-	14,38,924	51,472	37,39,144	52,29,540
	(-)	(37,51,587)	(46,793)	(36,46,948)	(74,45,328)
Sale of Goods	-	11,92,48,174	-	-	11,92,48,174
	(-)	(9,47,40,138)	(-)	(-)	(9,47,40,138)
Purchase of Goods	-	3,57,18,089	-	-	3,57,18,089
	(-)	(-)	(-)	(-)	(-)
License Agreements (Franchise Fee & Licensing Fee including Service Tax)	-	20,29,50,500	-	-	20,29,50,500
	(-)	(20,56,36,250)	(-)	(-)	(20,56,36,250)
Payment of Salary, Wages and other benefits to employees	-	-	1,95,11,700	96,30,000	2,91,41,700
	(-)	(-)	(2,37,19,200)	(96,30,000)	(3,33,49,000)
Loans taken	-	14,83,70,000	-	-	14,83,70,000
	(-)	(14,77,00,000)	(-)	(-)	(14,77,00,000)
Repayment of Loans	-	13,46,89,392	-	-	13,46,89,392
	(-)	(12,95,30,859)	(-)	(-)	(12,95,30,859)
Interest Paid/Payable	-	1,03,93,918	-	-	1,03,93,918
	(-)	(41,08,594)	(-)	(-)	(41,08,594)
Outstanding balances					
Trade Receivables	-	4,66,47,799	-	-	4,66,47,799
	(-)	(3,18,16,174)	(-)	(-)	(3,18,16,174)
Loans & Advances	-	60,00,000	-	-	60,00,000
	(-)	(60,00,000)	(-)	(-)	(60,00,000)
Trade Payables	-	2,81,83,726	3,47,900	72,93,961	1,52,27,254
	(-)	(44,21,791)	(2,96,428)	(38,27,190)	(85,45,409)
Short Term Loans	-	8,83,07,555	-	-	8,83,07,555
	(-)	(6,42,33,029)	(-)	(-)	(6,42,33,029)

Previous year figures are in brackets

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

- B) Detail of Related Parties and description of relationship:
- i) Subsidiary Company:
Liberty Foot Fashion Middle East FZE
 - ii) Entities where Key Management Personnel/Relative of Key Management Personnel has significant influence:
Geofin Investments Private Ltd., Liberty Group Marketing Division, Liberty Enterprises, Liberty Footwear Co., Sanjeev Bansal Charitable Trust, Liberty Innovative Outfits Ltd., Hello Ten Brands Pvt. Ltd., Liberty Fashion Outfit, Little World Constructions Pvt. Ltd.,
 - iii) Key Management Personnel:
1) Sh. Adesh Kumar Gupta 2) Sh. Shammi Bansal
 - iv) Relatives of Key Management Personnel:
3) Sh. Sunil Bansal 4) Sh. Adeesh Kumar Gupta 5) Sh. Ashok Kumar 6) Sh. Munish Kakra
S/Sh. Harish Kumar Gupta, Raman Bansal, Vivek Bansal, Anupam Bansal (Brothers of Directors)
Sh. Ayush Bansal, Sh. Manan Bansal, Sh. Pranav Gupta, Sh. Akshat Gupta (Sons of Directors)
Smt. Garima Gupta (Wife of Director)
- Note:** Receiving the services from Key Management Personnel and their relatives includes rent and land lease charges.

C) Disclosure of significant transactions with related parties:

(Amount in ₹)

Type of Relationship	Type of Transaction	Name of the Entity/ Person	Nature	Financial Year (₹)	
				2017-18	2016-17
Entities where Key Management Personnel / Relative of Key Management Personnel has significant influence	Receiving of Services	Little World Constructions Private Limited	Rent	8,93,224	8,09,587
		Liberty Footwear Co.	Rent for Office Premises	70,350	69,000
		Sanjeev Bansal Charitable Trust	Rent for Office Premises	4,50,000	4,50,000
			Medical facilities for employees	25,350	8,73,000
			Donation towards Corporate Social Responsibility	-	15,50,000
	Purchase of Goods	Liberty Fashion Outfit	Purchase of Goods	3,57,18,089	-
	Sale of Goods	Liberty Innovative Outfits Limited	Sale of Goods manufactured and deal in by the Company	11,92,48,174	9,41,22,267
		Hello Ten Brands Private Limited		-	6,17,871
	License Agreements	Liberty Enterprises	Franchise Fee (including service tax)	1,32,25,000	1,31,67,500
		Liberty Group Marketing Division	Franchise Fee (including service tax)	9,23,58,500	9,82,31,250
		Liberty Footwear Co.	License Fee (including Service Tax)	9,73,67,000	9,42,37,500
Entities where Key Management Personnel / Relative of Key Management Personnel has significant influence	Loans Taken	Geofin Investments Private Limited	Unsecured Short Term Loans	14,83,70,000	14,77,00,000
	Repayment of Loans			13,46,89,392	12,95,30,859
	Interest paid/payable			1,03,93,918	41,08,594
Key Management Personnel	Payment of Salary, Wages and other benefits to employees	Sh. Adesh Kumar Gupta	Salary, Wages and other benefits	48,00,000	48,00,000
		Sh. Sunil Bansal	Salary, Wages and other benefits	-	48,00,000
		Sh. Shammi Bansal	Salary, Wages and other benefits	48,00,000	48,00,000
		Sh. Adeesh Gupta	Salary, Wages and other benefits	48,00,000	48,00,000

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Key Management Personnel	Payment of Salary, Wages and other benefits to employees/Receiving of Services	Sh. Ashok Kumar	Salary, Wages and other benefits	12,19,200	12,19,200
		Sh. Munish Kakra	Salary, Wages and other benefits	38,92,500	33,00,000
	Receiving of Services	Sh. Adesh Kumar Gupta	Rent	51,472	46,793
Relatives of Key Management Personnel	Payment of Salary, Wages and other benefits to employees	Sh. Raman Bansal	Salary, Wages and other benefits	30,00,000	30,00,000
		Sh. Vivek Bansal	Salary, Wages and other benefits	30,00,000	30,00,000
		Sh. Anupam Bansal	Salary, Wages and other benefits	30,00,000	30,00,000
		Sh. Ayush Bansal	Salary, Wages and other benefits	2,10,000	2,10,000
		Sh. Manan Bansal	Salary, Wages and other benefits	2,10,000	2,10,000
		Sh. Pranav Gupta	Salary, Wages and other benefits	2,10,000	2,10,000
	Receiving of Services	Sh. Harish Kumar Gupta	Rent	1,89,144	1,71,948
		Smt. Garima Gupta	Rent	6,00,000	6,00,000
		Sh. Akshat Gupta	Commission (including GST/Service Tax)	29,50,000	28,75,000
Outstanding balances					
Type of Relationship	Type of Transaction	Name of the Entity/Person	Nature	Financial Year (₹)	
				2017-18	2016-17
Entities where Key Management Personnel has significant influence	Trade Receivables	Liberty Innovative Outfits Limited	Against sale of goods manufactured and deal in by the Company	4,64,46,477	3,11,98,303
		Hello Ten Brands Private Limited		2,01,322	6,17,871
	Loans & Advances	Liberty Enterprises	Advance for transfer of Business vide MOU dated 31/03/2015	10,00,000	10,00,000
		Liberty Group Marketing Division		50,00,000	50,00,000
	Trade Payables	Liberty Footwear Co.	License Fee (including GST)	46,17,284	-
			Office Rent	-	9,950
		Liberty Group Marketing Division	Franchise Fee (including GST)	28,93,188	-
		Sanjeev Bansal Charitable Trust	Medical Facilities to employees	-	86,197
		Liberty Fashion Outfit	Purchase of Goods	2,05,98,333	-
		Little World Constructions Private Limited	Rent	74,921	65,644
	Short Term Loans	Geofin Investments Private Limited	Unsecured Short Term Loans	8,83,07,555	6,42,33,029
Key Management Personnel	Expenses Payable	Sh. Adesh Kumar Gupta	Rent	3,47,900	2,96,428
Relatives of Key Management Personnel	Expenses Payable	Smt. Garima Gupta	Rent	16,20,000	10,80,000
	Trade Payables	Sh. Akshat Gupta	Commission (including GST)	27,23,961	27,47,190
	Expenses Payable			29,50,000	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**45 Detail of Employee Benefits - Gratuity**

The Company has a defined gratuity plan (Defined Benefit). Every employee, on completion of continuous service of five years or more with the Company, is entitled to get the gratuity on 15 days salary, on the basis of last drawn salary, for each completed year of service. The

scheme is funded with Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy.

The following table summarizes the components of net benefit expense recognized in the Statement of Profit & Loss and the funded status and amounts recognized in the Balance Sheet for the respective plans:

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2018	31.03.2017
1.	Current Service Cost	87,50,951	67,43,956
2.	Interest Cost on benefit obligation	46,15,250	36,54,025
3.	Expected return on Plan Assets	(37,92,189)	(36,86,491)
4.	Actuarial Loss/(Gain)	19,40,670	47,26,660
5.	Net Benefit Expenses	1,15,14,683	1,14,38,150

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2018	31.03.2017
1.	Present Value of Defined Benefit Obligation	6,57,99,127	5,80,49,094
2.	Fair value of Plan Assets	5,17,89,973	5,03,27,355
3.	Surplus/(Deficit)	(1,40,09,154)	(77,21,739)
4.	Net Asset/(Liability)	(1,40,09,154)	(77,21,739)

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2018	31.03.2017
1.	Defined Benefit Obligation at the beginning of the year	5,80,49,094	4,58,84,402
2.	Current Service Cost	87,50,951	67,43,956
3.	Interest Cost	46,15,250	36,54,025
4.	Actuarial (Gain)/Loss on obligations	19,40,670	47,26,660
5.	Benefits paid	(75,56,838)	(29,59,949)
6.	Defined benefit obligation at the end of the period	6,57,99,127	5,80,49,094

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2018	31.03.2017
1.	Opening Fair Value of Plan Assets	5,03,27,355	4,30,53,381
2.	Expected Return	37,92,189	36,86,491
3.	Contributions by employer	46,28,035	59,01,302
4.	Benefits paid	(69,57,606)	(23,11,819)
5.	Actuarial Gains/(Losses)	-	-
6.	Closing Fair Value of Plan Assets	5,17,89,973	5,03,27,355

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2018	31.03.2017
1.	Discount rate	8.00%	8.00%
2.	Expected rate of return on Plan Assets	8.00%	8.00%
3.	Salary escalation rate	8.00%	8.00%
4.	Attrition rate	1% to 3% depending upon age	1% to 3% depending upon age

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

(Amount in ₹)

Sr. No.	Particulars	Gratuity (Funded)	
		31.03.2018	31.03.2017
1.	Defined Benefit Obligation	(6,57,99,127)	(5,80,49,094)
2.	Plan Assets	5,17,89,973	5,03,27,355
3.	Surplus/(Deficit)	(1,40,09,154)	(77,21,739)
4.	Experience adjustments on plan liabilities	(1,40,09,154)	(77,21,739)
5.	Experience adjustments on plan assets	-	-

46. For the current year, Deferred Tax liability has been calculated after considering the cumulative timing differences of ₹ Nil/- (Previous year ₹1,92,27,479/-) :
47. : mainly on account of depreciation.
: There are no dues payable to the Investor Education and
: Protection Fund as at 31st March, 2018.

48. Detail of Materials Consumed

(Amount in ₹)

Description	2017-18	2016-17
PVC Compound	12,12,74,032	12,05,82,264
Laminated Leather Fabric	18,54,71,352	21,38,99,311
PU Chemicals	19,18,16,463	21,41,28,181
Leather	12,84,71,969	14,77,45,964
PU Soles	9,96,61,419	8,74,93,571
EVA Resin	3,27,00,950	3,46,74,650
Shoe Uppers/Components	40,81,80,851	52,94,36,770
Others	50,99,46,222	52,47,41,430
Total	1,67,75,23,258	1,87,27,02,141
Less: Amount of Export Incentives	1,60,43,827	2,30,95,473
Net Consumption	1,66,14,79,431	1,84,96,06,668

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**49. Consumption/Purchase of Imported and Indigenous Materials and percentage thereof**

(Amount in ₹)

Description	2017-18		2016-17	
	Value	%age	Value	%age
Raw Materials Consumed				
Imported	4,61,53,265	2.78	6,87,10,907	3.71
Indigenous	1,61,53,26,166	97.22	1,78,08,95,761	96.29
Total	1,66,14,79,431	100.00	1,84,96,06,668	100.00
Finished Goods Purchased				
Imported	16,71,32,758	13.44	24,87,74,864	31.19
Indigenous	1,07,61,77,833	86.56	54,88,21,233	68.81
Total	1,24,33,10,591	100.00	79,75,96,097	100.00
Consumable Stores & Spares				
Imported	41,31,656	11.70	29,32,941	8.94
Indigenous	3,11,89,066	88.30	2,98,79,543	91.06
Total	3,53,20,722	100.00	3,28,12,484	100.00

50. Expenditure & Earnings in Foreign Currency

(Amount in ₹)

Description	2017-18	2016-17
a) CIF Value of Imports:		
Raw Materials & Others	18,25,06,789	24,51,70,376
Capital Goods	2,13,18,205	2,60,63,897
Stores & Spares	43,97,535	38,32,440
b) Expenditure in Foreign Currency		
Travelling Expenses	45,38,162	75,43,623
Commission	11,29,198	32,53,274
Business Promotion	17,73,855	30,73,188
Customer Claims	35,141	12,58,020
Rent	-	-
Technical Consultancy	-	11,260
c) FOB Value of Exports of		
Finished Goods	29,90,30,515	43,59,63,346

51. In light of Section 135 of the Companies Act, 2013, the Company has incurred expenses on Corporate Social Responsibility (CSR) aggregating to ₹32.42 Lakh for CSR activities.

(₹ in Lakh)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a) Gross amount required to be spent by the Company during the year	30.61	33.03
b) Amount spent during the year on the following in cash		
(i) Construction/ acquisition of any asset	NIL	NIL
(ii) On purpose other than (i) above	32.42	33.29

52. The Company has regrouped/reclassified the previous year figures in accordance with the requirements applicable in the current year. The current year and previous year figures have been rounded off to the nearest rupees.



Liberty Shoes Ltd.

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

CIN: L19201HR1986PLC033185

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

ATTENDANCE SLIP

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

Name and Registered Address of the Member(s)

Joint Holder 1

Joint Holder 2

Number of Shares held:

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

I hereby record my presence at the 32nd Annual General Meeting of the Company on Friday, the 24th August, 2018 at 11:00 A.M. at Libertypuram, 13 Milestone, G.T. Karnal Road, Kutail, P.O. Bastara, Distt. Karnal - 132114, Haryana.

Name of the Member/Proxy

Signature of Member/Proxy

Notes:

1. A Member or his duly appointed Proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the REGISTRATION COUNTER at the time of entry.
2. Name of the Proxy in Block letters..... (in case of the Proxy attends the Meeting).
3. Electronic copy of the Annual Report 2017-18 and Notice of the Annual general Meeting (AGM) along with Attendance Slip and Proxy Form has been sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same.
4. Physical copy of the Annual Report 2017-18 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form has been sent in the permitted mode(s) to all the members whose email are not registered or have requested for a hard copy.



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FORM NO. MGT -11

PROXY FORM

32nd Annual General Meeting Friday, 24th August, 2018 at 11.00 a.m.

[Pursuant to the provisions of section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

1. Name of Member(s) :
2. Registered Address :
3. E-Mail ID :
4. Folio No. #/ DP ID No. & Client ID No. :

I/We being the Member(s) holding..... equity shares of ₹10/- each of Liberty Shoes Ltd., hereby appoint:

1. Name :
- Address :
- E-mail ID : Signature

Or failing him/her

2. Name :
- Address :
- E-mail ID : Signature

Or failing him/her

3. Name :
- Address :
- E-mail ID : Signature

As my/our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 32nd (Thirty Second) Annual General Meeting of the Company, to be held on Friday, 24th August, 2018 at the registered office of the Company and at any adjournment (s) thereof in respect of the businesses as set out in the Notice dated 26th May, 2018 and indicated overleaf:

Sl. No.	Description of the businesses as set out in the Notice dated 26 th May, 2018
ORDINARY BUSINESS	
1	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended March 31, 2018 together with the Reports of the Board of Directors and the Auditors thereon.
2	(a) To appoint a Director in place of Sh. Adeesh Kumar Gupta (DIN-00137612), who retires by rotation and being eligible offers himself for re-appointment. (b) To appoint a Director in place of Sh. Ashok Kumar (DIN-06883514), who retires by rotation and being eligible offers himself for re-appointment.
SPECIAL BUSINESS	
3	Re-appointment of Sh. Adesh Kumar Gupta (DIN: 00143192) as CEO & Executive Director of the Company
4	Re-appointment of Sh. Shammi Bansal (DIN: 00138792) as Executive Director of the Company
5	Re-appointment of Sh. Ashok Kumar (DIN: 06883514) as Executive Director of the Company
6	Re-appointment of Sh. Adeesh Kumar Gupta (DIN: 00137612) as Executive Director of the Company
7	Re-appointment of Smt. Lovenela Mody (DIN: 01279148) as Independent Director of the Company
8	Alteration/Substitution of the Memorandum of Association of the Company
9	Alteration of the Liability Clause of the Memorandum of Association of the Company
10	Discontinuation of Wholly Owned Subsidiary of the Company Liberty Foot Fashion Middle East, FZE (LFF)

Signed this day of, 2018

Signature of the Member(s)

Signature of the Proxy Holder(s)

Place: _____

Date: _____

E-mail Address: _____

To be provided by the Member(s) holding equity shares in physical form.

Affix
Revenue
Stamp

Note:

- (a) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- (b) A Members / shareholder may vote either "for" or "against" each business as set out in the Notice dated 26th May, 2018.



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E-COMMUNICATION REGISTRATION FORM

32ND ANNUAL GENERAL MEETING - FRIDAY, 24TH AUGUST, 2018 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:

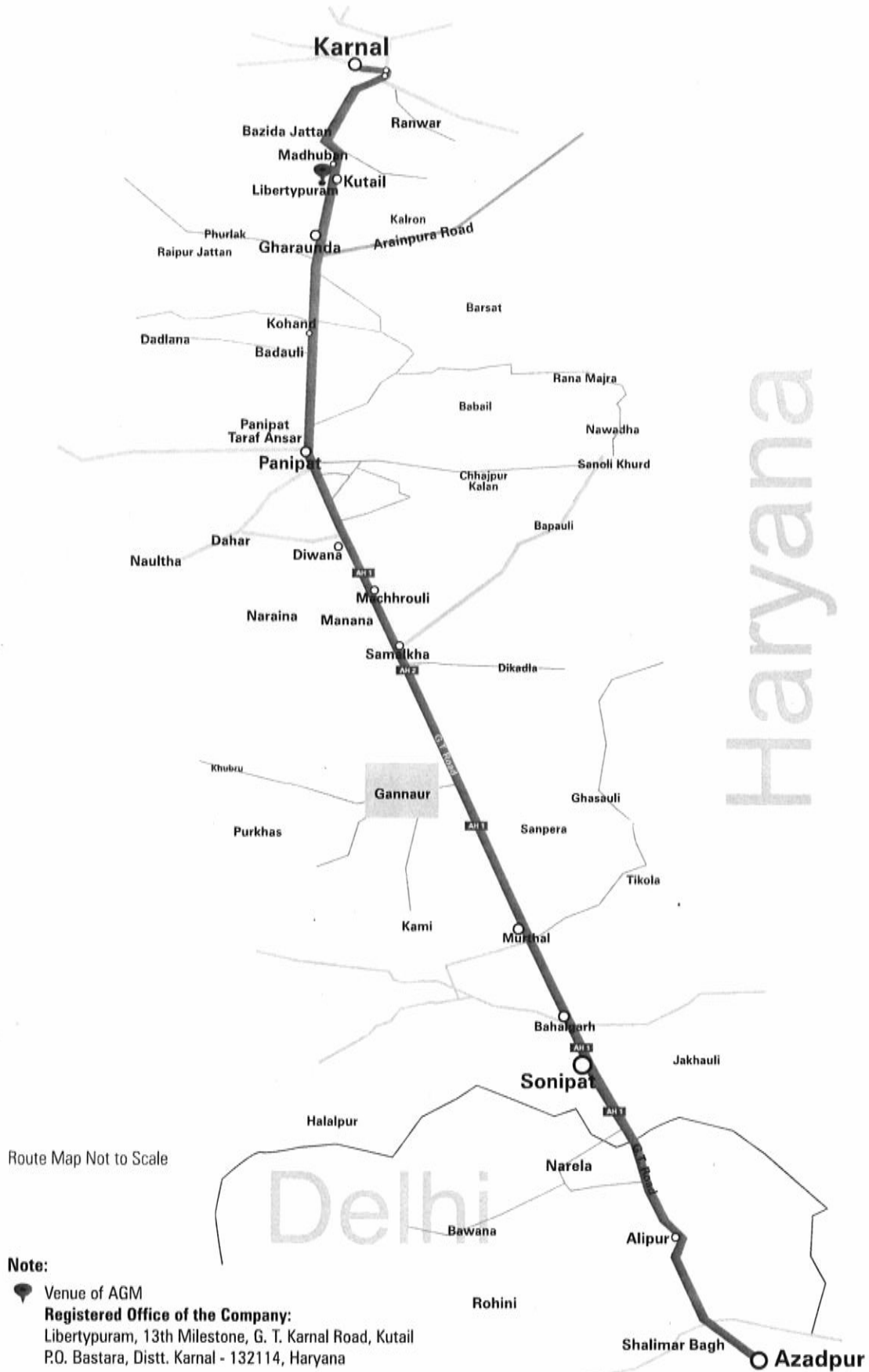
Signature:

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



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