

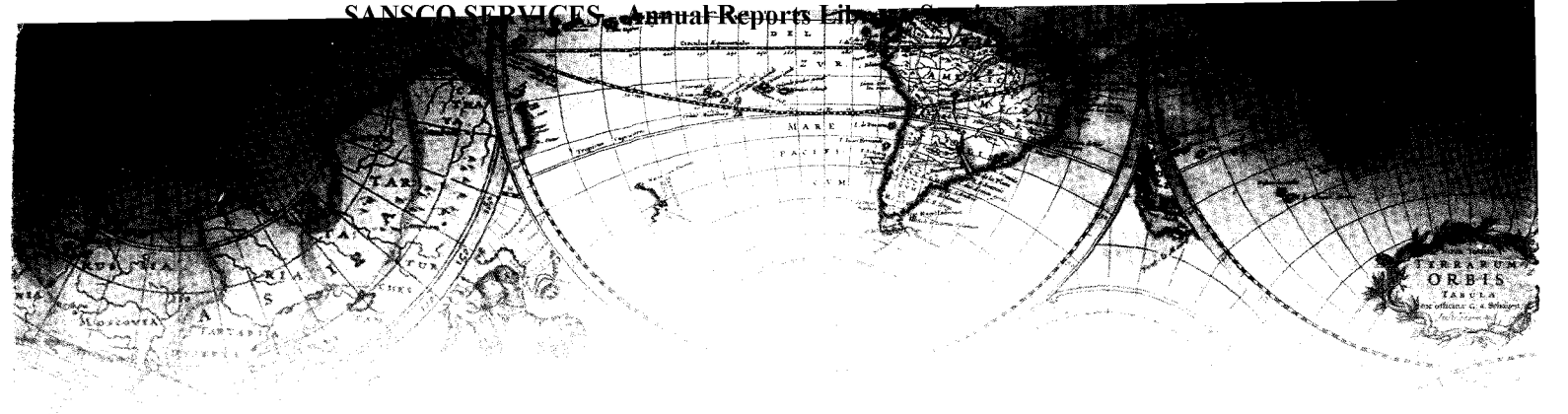


Taking India's foot prints across the fashion world

LIBERTY SHOES LTD.

22nd Annual Report 2007-2008

www.reportjunction.com



CREDO

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"

Forward looking statement Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be "forward looking statements" within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials costs or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the economy conducts business and other factors relating to the Company's operations such as litigation, labour negotiations and fiscal regimes.

LIBERTY SHOES LTD.

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COMPANY INFORMATION

Board of Directors

Adesh Gupta *CEO & Executive Director*

Adarsh Gupta *Executive Director*

Shammi Bansal *Executive Director*

Satish Kumar Goel *Director (Law & Taxation)*

Sunil Bansal *Director*

Amitabh Taneja *Independent Director*

Prem Chand Garg *Independent Director*

Raghu Dayal *Independent Director*

Siddharth Sanghi *Independent Director*

Surendra Kumar Arya *Independent Director*

Vivek Bansal *Independent Director*

Vice President & Company Secretary

Munish Kakra

Audit Committee

Sunil Bansal

Prem Chand Garg

Raghu Dayal

Vivek Bansal

Remuneration/Selection Committee

Raghu Dayal

Prem Chand Garg

Management Committee

Adarsh Gupta

Adesh Gupta

Prem Chand Garg

Raghu Dayal

Share Transfer/Investors' Grievance Committee

Adarsh Gupta

Sunil Bansal

Prem Chand Garg

Share Transfer Agent

Intime Spectrum Registry Limited,

A-40, 2nd Floor, Naraina Industrial Area, Phase-II,

Near Batra Banquet Hall, New Delhi -110 028

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

Fax: (91)-11-41410591

E-mail: delhi@intimespectrum.com

REGISTERED OFFICE

Liberty Puram, 13th Milestone,
G.T. Karnal Road, Kutail, P.O. Bastara,
Dist. Karnal - 132 114 (Haryana)
Tel.: (91)-1748-251101-03
Fax: (91)-1748-251100
E-mail: lpm@libertyshoes.com

CORPORATE OFFICE

2nd Floor, Tower -B, DLF Building No. 8,
DLF Cyber Citi, Phase-II, Gurgaon -122 002, NCR
Tel.: (91)-124-4616200. Fax: (91)-124-4616222
E-mail: mail@libertyshoes.com

BRANCHES

Ahmedabad, Agra, Bangalore, Chennai, Delhi,
Hyderabad, Jaipur, Jammu, Kolkata, Mumbai,
Rajpura, and Saharanpur

BANKERS

ABN AMRO Bank N.V.
Central Bank of India
Corporation Bank
HDFC Bank Ltd.
Hong Kong & Shanghai Banking Corporation Limited

AUDITORS

Pardeep Tayal & Co., Chartered Accountants,
Indian Bank Building, G.T. Road,
Panipat - 132 103 (Haryana)

COST AUDITORS

K.L. Jaisingh & Co., Cost Accountants,
Jaisingh House, J-7, Sector - XI, -
Noida - 201 301 (Uttar Pradesh)

CORPORATE ADVISORY

KPMG, Block No: 4B
DLF Corporate Park,
DLF City, Phase -3, Gurgaon 122003
Tel.: (91)-11-95124-2549191
E-mail: paruljain@in.kpmg.com

COMMUNICATION ADVISORY

Montage Advertising Pvt.Ltd.
2nd Floor, Chandra House,
8, Shaheed Bhagat Singh Marg,
Gole Market, New Delhi - 110 001.
Tel.: (91)-11-23746553, 23744109, 23343738
E-mail: karunendra.m@montageadvertising.com

FROM THE CEO'S DESK

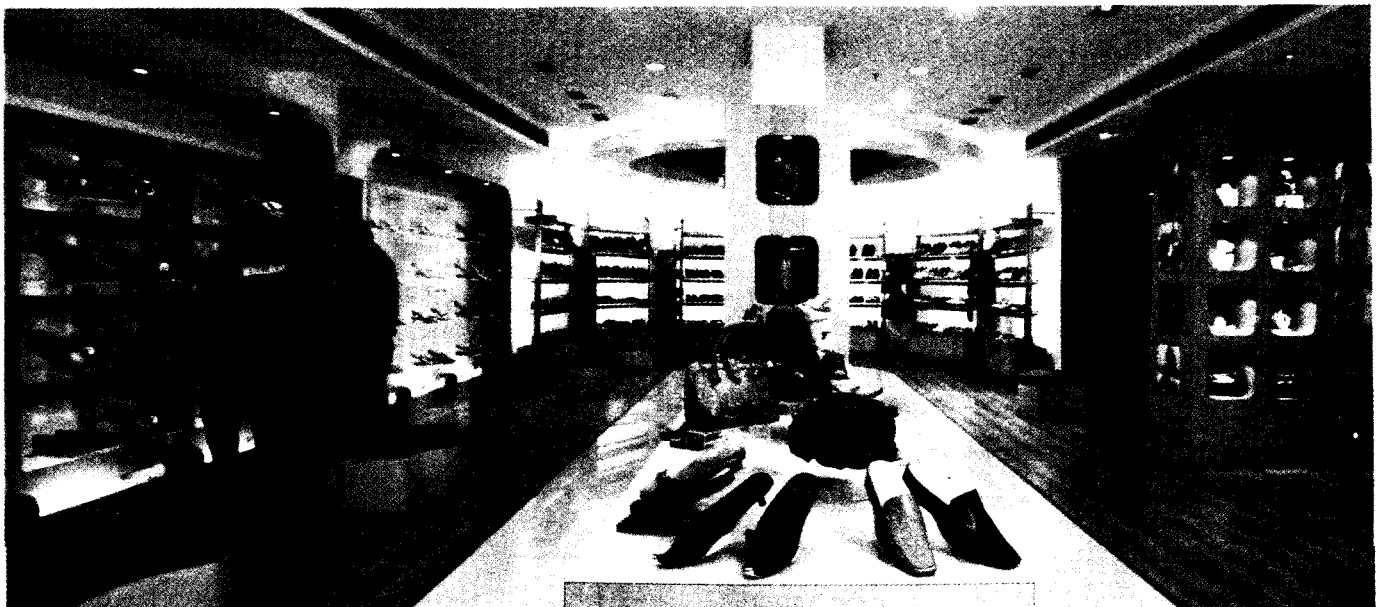


Dear Shareholders,

The year 07-08 can be classified as the year of learning and correction. We saw a sea change in the way business is being done and will be done in the future. Not just in the footwear industry but in almost all spheres. Not just in India but globally. The parameters have become similar in India as the economy merges itself more with world trade.

What are the changes that have been seen. The biggest change is the change of style and fashion as it moves across global boundaries and the speed with which it changes. Not very long ago we used to pride ourselves with introducing fresh designs in the marketplace every six months. In the year gone by we introduced new designs almost every quarter to ensure that we continued to keep pace with the global trends. We even outsourced some products to ensure that we continued to deliver "Aaj ka Style Wave"

This trend was visible not just in the domestic market but also in the vast export market that your Company caters to. Innovation was the key and we as a Company delivered more than satisfactorily on that front in the export market too. Many new clients came on board and we see the Company developing a strong and long term business relationship with these customers.



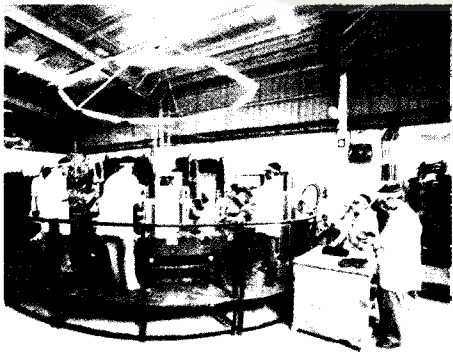
Another key focus area that your Company has developed and is now worth sharing with you is the efforts of developing a new market of industrial sales. There has been a large jump in this focused line and we are already emerging as a leading player in the segment with the finest brands and companies using our footwear for their work force. The development has been done for both the safety segment as well as the executive segment of the institutions.



Our retail forays have started showing dividends.

Our hold on the retailing world becoming better by the day and our understanding allowing us to innovate and experiment with the offer to accentuate the margins for your Company. The stores that Company owns are showing better footfalls and with organized retail development the brand visibility stands enhanced. We have implemented

a special drive wherein our successful franchise partners in retail are being encouraged to improve their business practices which are delivering a special experience to the customer.



Our Humantech Centres are developing world class products and continue to maintain the edge as globally envied hubs of quality product creation. All centres have

shown excellent outputs and the technological advancements and upgradations have been done regularly to keep their position of centres of excellence.



Each year some of our work gets recognized at National & International forums and as usual we did get our share of recognition this year too. Overall it has been a satisfactory year in terms of recognition, innovations and growth in brand presence. As you read this let me assure you that the management and the team would be deep into making the coming year a wonderful year on the same parameters.

Adesh Gupta
CEO



Report & Analysis on.com

LIBERTY SHOES LTD.

THE NEW LIBERTY CORPORATE LOGO

For an enterprise whose leitmotif is being about people it is imperative to keep pace with the changing times and changing milieu for it to be viewed as part of the new order. This is apparent in the new Liberty Group logo that, while retaining the essentials, encapsulates the spirit of change. More compact and more colourful, as compared to the earlier avatar, it comes across as a more focused and more vibrant entity. The spherical contour aptly connotes the Group's sphere of activities which is now global. Also the circle, a symbol of perfection, reflects the ideal state of affairs in which the Group seeks to find itself. In short, the new logo combines the elements of continuity and change to add freshness and vibrancy to the Group's image.

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of **Liberty Shoes Ltd.** will be held on Friday, 26th September, 2008 at 11.30 A M at the Registered Office of the Company at Libertypuram, 13th Milestone, G.T. Karnal Road, Kutail, P.O. Bastara, Dist. Karnal (Haryana) 132 114 to transact the following business: -

ORDINARY BUSINESS

1. To consider & adopt the Audited Profit & Loss Account for the financial year ended 31st March, 2008 and Balance Sheet as at that date along with the Reports of the Board of Directors & Auditors thereon.
2. To appoint a Director in place of Sh. Sunil Bansal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh. Surendra Kumar Arya, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sh. Satish Kumar Goel, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint M/s. Pardeep Tayal & Co., Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

By order of the Board
For Liberty Shoes Ltd.

Place: Libertypuram, Karnal
Dated: Friday, 29th August, 2008

Munish Kakra
Vice President & Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND TO VOTE. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing the proxy, duly stamped should be deposited at the Registered Office of the Company not less than 48 hours before the start of the Meeting.
3. A brief resume of the Directors proposed for re-appointment as mandated in Clause 49 of the Listing Agreement is annexed with the Notice.
4. The Register of Members and Share Transfer Books shall remain closed from Tuesday, 23rd September, 2008 to Friday, 26th September, 2008 (both days inclusive).
5. With effect from 2nd July, 2001, trading of Equity Shares of the Company are in compulsorily dematerialized form & the International Securities Identity Number (ISIN) allotted to the Company is INE 557B 01019.
6. Members who hold Equity Shares in dematerialized form are required to bring their client ID & DP ID numbers for easier identification of attendance at the meeting.