

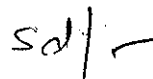
## NOTICE

Notice is hereby given that the 9<sup>th</sup> (Ninth ) Annual General Meeting of the Members of Liberty Retail Revolutions Limited (the Company) will be held on Monday, 24<sup>th</sup> September, 2012 at 10.00 a.m. at its Registered Office 4/42, Punjabi Bagh New Delhi-110026 to transact the following business: -

### ORDINARY BUSINESS

1. To consider & adopt the Audited Statement of Profit & Loss for the financial year ended 31<sup>st</sup> March, 2012 and Balance Sheet as at that date alongwith 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. Ashish Soni, who retires by rotation and being eligible offers himself for re-appointment.
4. 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 Retail Revolutions Ltd.**



**Anupam Bansal**  
**Chairman of the Meeting**

Place: New Delhi  
Dated: Tuesday, 28<sup>th</sup> August, 2012

**REVOLUTIONS**

**Liberty Retail Revolutions Ltd.**

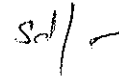
Corporate Office: Building No. 8, Tower-B, 2nd Floor, DLF Cyber City, Phase-II, Gurgaon-122 002, Haryana, India  
Tel.: 91-124-4616200, 3856200. Fax: +91-124-4616222. E-mail: mail@libertyrevolutions.com. www.liberty.in

Regd. Office : Liberty House, 4/42, Punjabi Bagh, New Delhi-110026 India.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING AND 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 COMMENCEMENT OF THE MEETING.
3. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company on all Working days between 10.00 A.M. and 1.00 P.M. up to date of the aforesaid Annual General Meeting or any adjournment thereof, except on Sundays and other holidays.

By order of the Board  
For **Liberty Retail Revolutions Ltd.**



**Anupam Bansal**  
**Chairman of the Meeting**

Place: New Delhi  
Dated: Tuesday, 28<sup>th</sup> August, 2012

## DIRECTORS' REPORT

Dear Members,

The Directors of your Company feel delighted to present the 9<sup>th</sup> (Eighth) Annual Report along with the Audited Financial Statement of Accounts of your company for the financial year ended 31<sup>st</sup> March, 2012.

### FINANCIAL PERFORMANCE & REVIEW OF OPERATIONS

The highlights of the Financial Statements and Company's performance during the year under consideration are as under:

| Particulars                                    | (R.in Lacs) |           |
|--|-------------|-----------|
|  | 2011-2012   | 2010-2011 |
| Sales and Other Income                         | 5929.76     | 4898.27   |
| Profit/ (Loss) before Depreciation             | (38.59)     | (10.29)   |
| Depreciation                                   | 228.95      | 178.14    |
| Profit / (Loss) before exceptional items & tax | (267.54)    | (188.43)  |
| Exceptional items                              | 58.09       | 8.72      |
| Profit / (Loss) before Taxation                | (325.63)    | (197.15)  |
| Provision for Tax                              | -           | -         |
| Profit / (Loss) after Tax                      | (325.63)    | (197.15)  |

Your Company, during the year under review, registered total income of ₹5,929.76 Lacs (Previous year ₹4,898.27 Lacs) by registering a growth of 21% as compared to the previous year. The cash loss, during the year under review, stood at ₹38.59 Lacs as against ₹10.29 Lacs during the previous year because of increase in interest cost and other administrative costs.

The financial year 2011-12 was a challenging year and despite the lower economic growth and challenging environment during the year under review, your Company has been able to keep pace of growth year to year. The important factor behind the growth of the Company's revenue is successful penetration of Tier II and Tier III cities in South India resulting in exploring the vast untapped potential of the South Indian market. However, increased finance cost due to rising interest rate and imposition of service tax on rent of immovable properties retrospectively has impacted the bottom line of the Company negatively.

Your Company, being a retail Company and falling in capital intensive industry, took a cautious approach and did not undertake the aggressive expansion as planned earlier due to general slowdown and uncertainty in Indian economy. Your Company would consider its expansion after analyzing the economic scenario and the retail industry in particular.

In order to fully exploit the opportunities in retailing and expand the retail network at a faster pace, the Board of Directors of your Company, subject to approval of the shareholders of the Company and compliance with the applicable provisions of the Companies Act and other applicable Acts and Rules made there under, have approved in principle proposal of the amalgamation of your Company with its parent Company Liberty Shoes Limited. The necessary compliances and other related activities are in process and shall be informed to you as and when required for your approval.

Your directors are hopeful that the Company in future will improve its performance and would further strengthen its retail presence.

#### **BOARD OF DIRECTORS**

As on date of this report, the Board consists of the following members:

| <b>Sr. No.</b> | <b>Name</b>           | <b>Designation</b> |
|----------------|-----------------------|--------------------|
| 1              | Sh. Adarsh Gupta      | Director           |
| 2              | Sh. Anupam Bansal     | Managing Director  |
| 3              | Sh. Sunil Bansal      | Director           |
| 4              | Sh. Adish Kumar Gupta | Director           |
| 5              | Sh. Amitabh Taneja    | Director           |
| 6              | Sh. Ashish Soni       | Director           |

#### **RETIREMENT BY ROTATION**

Sh. Sunil Bansal and Sh. Ashish Soni, Directors of the Company retire by rotation in terms of Articles of Association and provisions of Section 256 of the Companies Act, 1956 and being eligible offer(s) themselves for re-appointment.

#### **DIVIDEND**

Since, the Company is yet to generate surplus out of its business activities, your Directors do not recommend any dividend on the Equity Share Capital of the Company to the shareholders for the financial year ended 31st March 2012.

## AUDIT COMMITTEE

The Board of Directors of the Company constituted an Audit Committee in terms of Section 292A of the Act, 1956 in the year 2004 and reconstituted from time to time, which is presently comprised of one Executive Director and two Non-Executive Directors. The composition of the same is given as under:

| S. No. | Name of the Committee Member(s) | Position | Category                           |
|--------|---------------------------------|----------|------------------------------------|
| 1      | Sh. Anupam Bansal               | Chairman | Managing Director                  |
| 2      | Sh. Amitabh Taneja              | Member   | Non-Executive Independent Director |
| 3      | Sh. Sunil Bansal                | Member   | Non-Executive Director             |

During the financial year 2011-12, 4 (Four) Audit Committee meeting(s) were held on 10th May, 12th August, 24th October, 2011 and 31st January, 2012. The gap between two committee meetings was not more than four months. The Annual Financial Results of the Company for the year ended 31st March, 2012 were reviewed by the Audit Committee in its Meeting held on 28th August, 2012. Necessary quorum was present in the Audit Committee Meetings.

As required under the provisions of Section 292A of the Companies Act, 1956, the Statutory Auditors and Financial Consultants of the Company regularly attend the Audit Committee Meetings held from time to time during the year, inter-alia, for the purpose of reviewing the financial statements before submission to the Board and for discussing the observations of Statutory Auditors and its clarifications, if any, and its Internal Control System.

## RECOMMENDATION OF THE AUDIT COMMITTEE

All the recommendations of the Audit Committee, which were placed before the Board during the year ended 31st March, 2012 in respect of any matter pertaining to financial management or any other matter related thereto, were duly accepted by the Board of Directors of the Company.

## SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

Your Company is a closely held Company, even then, it has a Share Transfer and Investors' Grievance Committee for its shareholders and during the previous year under review, no request for transfer of shares or complaint by the shareholders received.

## REMUNERATION COMMITTEE

The Board of Directors constituted Remuneration Committee in the year 2005 and reconstituted from time to time and no meeting was held during the year under review.

## **AUDITORS**

M/s. Pardeep Tayal & Co., Chartered Accountants, Statutory Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be in accordance with section 224(1B) of the Companies Act, 1956.

The Board recommends their re-appointment. The enabling resolution in this regard is a part of notice of the Annual General Meeting.

## **AUDITORS' REPORT**

The observations of the Auditors in their report are self-explanatory and do not require any specific comments or clarifications. Apart from this, clarifications, if any, sought by the Statutory Auditors have been included in the Notes to the Accounts attached to the financial statements of the Company.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to section 217 (2AA) of the Companies Act, 1956 with respect to the Directors to the best of their knowledge and belief confirm that:

in preparation of the Annual Accounts as on 31st March, 2012 of the Company the applicable Accounting standards have been followed along with the proper explanation relating to material departures,

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,

they have taken proper and sufficient care for maintenance of adequate accounting records with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,

they have prepared the Annual Accounts for the financial year ended 31st March, 2012 on a going concern basis.

## **PUBLIC DEPOSIT (S)**

The Company has not invited nor accepted any deposits during the year under section 58A and 58AA of the Companies Act, 1956.

## **PARTICULARS OF EMPLOYEE (S)**

During the year, no employee, whether employed for the whole or part of the year, was drawing any remuneration, which exceeds the limits mentioned under Section 217(2A) of the

Companies Act, 1956. Therefore, Section 217(2A) read with Companies (Particulars of Employees) Rules, 1975 does not apply to the Company.

#### **ENERGY CONSERVATION, TECHNOLOGY, ABSORPTION**

Your Company is primarily engaged in the trading business and therefore operations of your Company are not energy intensive. However, the Company makes all efforts to conserve energy across all its operations.

The particulars as prescribed under the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding technology absorption, research and developments are not applicable to the company due to the nature of the business activities undertaken by your company.

#### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The details of foreign exchange earnings and outgo during the financial year are as under:

Foreign Exchange Earnings : Rs NIL (Previous Year RsNIL)

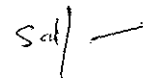
Foreign Exchange Outgo : Rs67,930/- (Previous year RsNIL)

#### **ACKNOWLEDGEMENTS**

Your directors wish to place on record its sincere appreciation to the Bankers, Parent Company, Retail Partners and Employees of the Company for their continued co-operation and support.

We also take this opportunity to thank all the valued customers who have chosen our products for their use and hopeful to get the same patronize in the times to come. Your Directors are thankful to the shareholders for their continued faith and support.

**For Liberty Retail Revolutions Limited.**



**Anupam Bansal**  
Chairman of the meeting

**Place: New Delhi**  
**Dated: Tuesday, 28<sup>th</sup> August, 2012**

## AUDITORS' REPORT

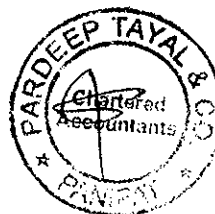
### TO THE MEMBERS,

We have audited the attached Balance Sheet of Liberty Retail Revolutions Limited as on 31<sup>st</sup> March, 2012, Profit & Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that day annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.


1. Further to our comments in the annexure referred to above, we report that:-
  - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by the Report are in agreement with the books of accounts as submitted to us;



- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representation received by us from the Directors of the Company as at 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, We report that no Director is disqualified as on 31<sup>st</sup> March 2012 from being appointed as Director of the Company under clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- i) in our opinion and to the best of our information and according to the explanation given to us, the said Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
  - In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date and
  - In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place: New Delhi  
Dated: 28.08.2012

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

  
Suresh Gupta  
Partner  
Membership Number 514675

**ANNEXURE TO THE AUDITORS' REPORT  
(REFERRED TO IN PARA 3 OF OUR REPORT OF EVEN DATE)**

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) During the year there exists a regular programme of verification of Fixed Assets and which, in our opinion, is reasonable having regard to the size of the Company & nature of its assets. No material discrepancies were noticed on such verification.
- c) During the year, the Company has written off fixed assets of few stores which have been closed during the year. As the same did not constitute the major part of the fixed assets of the Company, the going concern status of the Company is not affected.
2. a) The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- b) In our opinion, the procedure of physical verification of inventory followed by the management are reasonable & adequate in relation to the size of the Company & the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock & book records were not material in relation to the operation of the Company & the same have been properly dealt with in the books of accounts.
3. a) The Company has not granted any loan to any Company, firm or parties listed in the register maintained under section 301 of the Act.
- b) The provisions of clause 4 (iii) (b) of Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- c) The provisions of clause 4 (iii) (c) of Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- d) The provisions of clause 4 (iii) (d) of Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- e) The Company had taken long term loan from M/s Liberty Shoes Ltd. and short term loan from M/s. Geofin Investments Pvt. Ltd, companies which are listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 9,50,00,000/- (Rupees Nine

