

27th ANNUAL REPORT 2012-13



**FASHION
IS A FLOW OF
CONTINUOUS CHANGE.**

**AS ONE FASHION GAINS
POPULARITY,
CRESTS AND DISSIPATES,**

**ANOTHER STYLISTIC
WAVE IS ALREADY FORMING
BEHIND IT. FASHION TODAY**

**ALSO APPEARS TO DEFINE
THE IDENTITIES OF GROUPS
AND INDIVIDUALS.**



LIBERTY SHOES LTD.

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".

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Company Information

Board of Directors

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

Adarsh Gupta
Executive Director
(DIN - 00161193)

Shammi Bansal
Executive Director
(DIN- 00138792)

Sunil Bansal
Executive Director
(DIN - 00142121)

Adeesh Kumar Gupta
Executive Director
(DIN - 00137612)

Satish Kumar Goel
Non-Executive Director
(DIN - 00143415)

Raghubar Dayal
Independent Director
(DIN - 00481803)

Amitabh Taneja
Independent Director
(DIN - 00031257)

Prem Chand Garg
Independent Director
(DIN – 00335568)

Vivek Bansal
Independent Director
(DIN - 00939232)

Ramesh Chandra Palhan
Independent Director
(DIN - 05241019)

Pushpinder Singh Grewal
Independent Director
(DIN- 06364475)

Company Secretary & Compliance Officer

Munish Kakra
Vice President &
Company Secretary

Audit Committee

Raghubar Dayal
Prem Chand Garg
Vivek Bansal
Sunil Bansal

Remuneration / Selection Committee

Raghubar Dayal
Prem Chand Garg
Ramesh Chandra Palhan

Management Committee

Adesh Kumar Gupta
Adarsh Gupta
Shammi Bansal
Prem Chand Garg
Raghubar Dayal

Share Transfer / Investor's Grievances Committee

Sunil Bansal
Adarsh Gupta
Prem Chand Garg

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

Corporate Office

2nd Floor, Tower - B, Building No. 8,
DLF Cyber City, Phase - II, Gurgaon - 122002,
Haryana
Tel.: (91)- 124 – 4616200
Fax : (91)- 124 – 4616222
Email : mail@libertyshoes.com

Bankers

HDFC Bank Ltd.
Corporation Bank
Allahabad Bank
IndusInd Bank Ltd.
The Hong Kong & Shanghai Banking
Corporation Ltd.
The Royal Bank of Scotland N. V.

Auditors

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

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From The CEO's Desk

Dear Shareholders,

These are very happy times to be a part of the Indian footwear industry despite the ongoing challenges in the economy. We are witnessing some exciting changes happening in the footwear marketplace.

Triggering this change is the Increase in the buying power and the rise in the number of image-driven early adopters among today's youngsters. What's more, with our working class population getting younger by the day, the demand for fashionable footwear has also witnessed substantial growth. Among the elderly the shift is in favor of footwear that combines comfort and health benefits in addition to proven quality. Another significant trend one is observing nowadays is the fact that with most of our populace continuing to reside in outlying areas and the countryside, the purchase of footwear is on the rise in these areas. Boost in the income level of the people and increasing brand consciousness has also escalated the demand for premium footwear.

We have also been benefited tremendously from liberalized framework in our country and the increasing globalization of our industry. Additionally, the transformation of the Indian footwear industry from unorganized sector to the professionally organized sector is also working in our favor. The recent liberalized Government announcement covering FDI in retail is also very encouraging and supportive of industry.

Our designing and quality control facilities have also become world class. The initiatives we have taken include the adoption of the state-of-the-art technology in our Humantech production units like CAD systems with 3D shoe design facilities have helped to ensure that we are at par with demanding International standards.

With more and more people now opting for custom-made or designer footwear we've added a battery of young, contemporary and globally aware footwear designers to our bench strength.

We also foresee tremendous opportunities in the increasing trend in favor of online footwear retail market. As shoe manufacturers, we have definitely gained from the sudden upsurge in the retailing of footwear with the rise of e-commerce and the growing trend towards online shopping.

I would like to conclude by assuring you all that your Company is today prepared more than ever before to be the forefront of the industry and ensure that you fully enjoy the gains of the fast changing scenario.

Adesh Kumar Gupta
Chief Executive Officer

Notice

Notice is hereby given that the 27th (Twenty Seventh) Annual General Meeting of the Members of **Liberty Shoes Ltd.** ("the Company") will be held on **Friday, 20th September, 2013 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, Dist. Karnal -132114, Haryana** to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2013 and Balance Sheet as at that date together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Sh. Amitabh Taneja, who retires by rotation and being eligible offers himself for re - appointment.
3. To appoint a Director in place of Sh. Shammi Bansal, who retires by rotation and being eligible offers himself for re - appointment.
4. To appoint a Director in place of Sh. Vivek Bansal, who retires by rotation and being eligible offers himself for re - appointment.
5. To appoint a Director in place of Sh. Adeesh Kumar Gupta, who retires by rotation and being eligible offers himself for re - appointment.
6. 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 authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS:

7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

"RESOLVED THAT in partial modification of the Resolution passed at the 24th Annual General Meeting held on 27th September, 2010 and in accordance with the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any of the Companies Act, 1956, ("the Act" including any statutory modification(s) or re- enactment(s) thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the Act and in accordance with the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the payment of enhanced remuneration of ₹4,00,000/- p.m. including perquisites as per applicable rules of the Company to Sh. Adesh Kumar Gupta, CEO & Executive Director of the Company, payable as minimum remuneration, with effect from 1st April, 2013 for the remainder of the tenure of his office on the terms and conditions as set out in the draft Supplementary Service

Agreement laid before the Members of the Company to be entered in to between the Company and Sh. Adesh Kumar Gupta.

RESOLVED FURTHER THAT in the event of any statutory amendments, modification(s) or relaxation(s) by the Central Government to Schedule XIII to the Act, the Board of Directors of the Company or Committee thereof be and is hereby authorized to vary or increase the remuneration and perquisites within such prescribed limit of ceiling in order to give such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting.

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

8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:**

"RESOLVED THAT in partial modification of the Resolution passed at the 24th Annual General Meeting held on 27th September, 2010 and in accordance with the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any of the Companies Act, 1956, ("the Act" including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the Act and in accordance with the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the payment of enhanced remuneration of ₹4,00,000/- p.m. including perquisites as per applicable rules of the Company to Sh. Adarsh Gupta, Executive Director of the Company, payable as minimum remuneration, with effect from 1st April, 2013 for the remainder of the tenure of his office on the terms and conditions as set out in the draft Supplementary Service Agreement laid before the Members of the Company to be entered in to between the Company and Sh. Adarsh Gupta.

RESOLVED FURTHER THAT in the event of any statutory amendments, modification(s) or relaxation(s) by the Central Government to Schedule XIII to the Act, the Board of Directors of the Company or Committee thereof be and is hereby authorized to vary or increase the remuneration and perquisites within such prescribed limit of ceiling in order to give such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary in respect of

aforesaid matter.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT in partial modification of the Resolution passed at the 24th Annual General Meeting held on 27th September, 2010 and in accordance with the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any of the Companies Act, 1956, (“the Act” including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the Act and in accordance with the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the payment of enhanced remuneration of ₹4,00,000/- p.m. including perquisites as per applicable rules of the Company to Sh. Shammi Bansal, Executive Director of the Company, payable as minimum remuneration, with effect from 1st April, 2013 for the remainder of the tenure of his office on the terms and conditions as set out in the draft Supplementary Service Agreement laid before the Members of the Company to be entered in to between the Company and Sh. Shammi Bansal.

RESOLVED FURTHER THAT in the event of any statutory amendments, modification(s) or relaxation(s) by the Central Government to Schedule XIII to the Act, the Board of Directors of the Company or Committee thereof be and is hereby authorized to vary or increase the remuneration and perquisites within such prescribed limit of ceiling in order to give such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary in respect of aforesaid matter.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT in partial modification of the Resolution passed at the 23rd Annual General Meeting held on 30th September, 2009 and in accordance with the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any of the Companies Act, 1956, (“the Act” including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the Act and in accordance with the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the payment of enhanced remuneration of ₹4,00,000/- p.m. including

perquisites as per applicable rules of the Company to Sh. Sunil Bansal, Executive Director of the Company, payable as minimum remuneration, with effect from 1st April, 2013 for the remainder of the tenure of his office on the terms and conditions as set out in the draft Supplementary Service Agreement laid before the Members of the Company to be entered in to between the Company and Sh. Sunil Bansal.

RESOLVED FURTHER THAT in the event of any statutory amendments, modification(s) or relaxation(s) by the Central Government to Schedule XIII to the Act, the Board of Directors of the Company or Committee thereof be and is hereby authorized to vary or increase the remuneration and perquisites within such prescribed limit of ceiling in order to give such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary in respect of aforesaid matter.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT in partial modification of the Resolution passed at the 25th Annual General Meeting held on 28th September, 2011 and in accordance with the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, (“the Act” including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the Act and in accordance with the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the payment of enhanced remuneration of ₹4,00,000/- p.m. including perquisites as per applicable rules of the Company to Sh. Adeesh Kumar Gupta, Executive Director of the Company, payable as minimum remuneration, with effect from 1st April, 2013 for the remainder of the tenure of his office on the terms and conditions as set out in the draft Supplementary Service Agreement laid before the Members of the Company to be entered in to between the Company and Sh. Adeesh Kumar Gupta.

RESOLVED FURTHER THAT in the event of any statutory amendments, modification(s) or relaxation(s) by the Central Government to Schedule XIII to the Act, the Board of Directors of the Company or Committee thereof be and is hereby authorized to vary or increase the remuneration and perquisites within such prescribed limit of ceiling in order to give such modification(s), relaxation(s) or variation(s) without

any further reference to the Company in General Meeting.

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

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT in supersession to the earlier Resolution passed at the 23rd Annual General Meeting held on 30th September, 2009 and in accordance with the provisions of Section 314 (1) (b) read with rule 10C of the Companies (Central Government's) General Rules and Forms (Amendment), Rules, 2011 ("the Act" including any modification(s) or re-enactment(s) thereof for the time being in force) and other applicable provisions of the Companies Act, 1956, if any, the consent of the Members of the Company be and is hereby accorded to Sh. Raman Bansal, relative of Directors of the Company, for holding and continuing to hold the office or place of profit under the Company as Head-Sales and Distribution at a monthly remuneration of ₹2,50,000/- commencing from 1st October, 2013 on the terms and conditions as set out in the draft Supplementary Service Agreement to be entered in to between the Company and Sh. Raman Bansal as laid before the Members of the Company and initialed by the Chairman of the Meeting for the purpose of identification.

RESOLVED FURTHER THAT the draft Supplementary Service Agreement be and is hereby approved and Sh. Adesh Kumar Gupta, CEO & Executive Director, Sh. Adarsh Gupta, Executive Director and Sh. Munish Kakra, Vice president & Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary to give effect to the Resolution".

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT in supersession to the earlier Resolution passed at the 23rd Annual General Meeting held on 30th September, 2009 and in accordance with the provisions of Section 314 (1) (b) read with rule 10C of the Companies (Central Government's) General Rules and Forms (Amendment), Rules, 2011 ("the Act" including any modification(s) or re-enactment(s) thereof for the time being in force) and other applicable provisions of the Companies Act, 1956, if any, the consent of the Members of the Company be and is hereby accorded to Sh. Vivek Bansal, relative of Directors of the Company, for holding and continuing to hold the office or place of profit under the Company as Head-Production PVC

Non- Leather Division at a monthly remuneration of ₹2,50,000/- commencing from 1st October, 2013 on the terms and conditions as set out in the draft Supplementary Service Agreement to be entered in to between the Company and Sh. Vivek Bansal as laid before the Members of the Company and initialed by the Chairman of the Meeting for the purpose of identification.

RESOLVED FURTHER THAT the draft Supplementary Service Agreement be and is hereby approved and Sh. Adesh Kumar Gupta, CEO & Executive Director, Sh. Adarsh Gupta, Executive Director and Sh. Munish Kakra, Vice president & Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary to give effect to the Resolution".

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 314 (1) (b) read with rule 10C of the Companies (Central Government's) General Rules and Forms (Amendment), Rules, 2011 ("the Act" including any modification(s) or re-enactment(s) thereof for the time being in force) and other applicable provisions of the Companies Act, 1956, if any, the consent of the Members of the Company be and is hereby accorded for the appointment of Sh. Anupam Bansal, relative of Directors of the Company, for holding the office or place of profit under the Company as Head-Retail at a monthly remuneration of ₹2,50,000/- commencing from 1st October, 2013 on the terms and conditions as set out in the draft Service Agreement to be entered in to between the Company and Sh. Anupam Bansal as laid before the Members of the Company and initialed by the Chairman of the Meeting for the purpose of identification.

RESOLVED FURTHER THAT the draft Service Agreement be and is hereby approved and Sh. Adesh Kumar Gupta, CEO & Executive Director, Sh. Adarsh Gupta, Executive Director and Sh. Munish Kakra, Vice president & Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary to give effect to the Resolution".

15. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 297 of the Companies Act, 1956, approval of the Central Government no. 4/48/T-1/2013/D/141, dated 3rd April, 2013 and other applicable provisions, if any, consent of the members of the Company be and is hereby given to approve the contract for availing services for use of registered